

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

TV MANAGEMENT, INC., D/B/A GPS NORTH AMERICA,

Petitioner,

v.

PERDIEMCO LLC,

Patent Owner

Case IPR2016-01061
U.S. Patent No. 8,223,012 B1

**PATENT OWNER'S
NOTICE OF APPEAL**

Director of the United States Patent and Trademark Office
c/o Office of the General Counsel
Madison Building East, 10B20
600 Dulany Street
Alexandria, VA 22314-5793

Notice is hereby given, pursuant to 37 C.F.R. § 90.2(a), that Patent Owner PerDiemCo, LLC (“PerDiem”) appeals to the United States Court of Appeals for the Federal Circuit from the Final Written Decision entered by the Patent Trial and Appeal Board (the “Board”) on December 5, 2017 (Paper 50) (the “Final Written Decision,” a copy of which is attached hereto).

In accordance with 37 C.F.R. § 90.2(a)(3)(ii), PerDiem further indicates that the issues on appeal may include, without limitation:

- Whether *Inter Partes* Review – and therefore the Board’s decision – violates the Constitution, an issue currently under consideration by the United States Supreme Court in *Oil States Energy Services, LLC v. Greene’s Energy Group, LLC*, No. 16-712 (U.S. Nov. 27, 2017).

PerDiem has submitted this Notice simultaneously to the Director, the Board, and the United States Court of Appeals for the Federal Circuit. For the latter, PerDiem has also paid the required docketing fee.

Date: February 1, 2018

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that, in addition to being filed electronically through the Patent Trial and Appeal Board's End to End System (PTAB E2E), the foregoing Patent Owner PerdiemCo, LLC's Notice of Appeal was delivered by hand on this 1st day of February, 2018, to the Director of the United States Patent and Trademark Office, at the following address:

Director of the United States Patent and Trademark Office
c/o Office of the General Counsel
Madison Building East, 10B20
600 Dulany Street
Alexandria, VA 22314-5793

I further certify that, on this 1st day of February, 2018, an electronic and a paper copy of the foregoing Patent Owner PerdiemCo, LLC's Notice of Appeal, along with the required docketing fee, was submitted to the United States Court of Appeals for the Federal Circuit.

I further certify that on this 1st day of February, 2018, copies of the foregoing Patent Owner PerDiemCo, LLC's Notice of Appeal were served by electronic mail upon the following counsel of record for Petitioner TV Management, Inc. d/b/a GPS North America:

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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

TV MANAGEMENT, INC., d/b/a GPS NORTH AMERICA,
Petitioners,

v.

PERDIEMCO LLC,
Patent Owner.

Case IPR2016-01061
Patent 8,223,012 B1

Before WILLIAM V. SAINDON, CARL M. DEFRANCO, and
AMBER L. HAGY, *Administrative Patent Judges*.

DEFRANCO, *Administrative Patent Judge*.

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

I. INTRODUCTION

PerDiemCo LLC (“PerDiem”) is the owner of U.S. Patent No. 8,223,012 B1 (“the ’012 patent”). TV Management, Inc., d/b/a GPS North America (“GPSNA”) filed a Petition seeking *inter partes* review of claims 1–13, 18, 19, 22–24, and 27 of the ’012 patent.¹ Paper 5 (“Pet.”). We instituted *inter partes* review of all the challenged claims (Paper 21, “Inst. Dec.”) because GPSNA demonstrated a reasonable likelihood of prevailing on “at least 1 of the claims challenged in the petition.” 35 U.S.C. § 314(a).

After institution, PerDiem filed a Patent Owner Response (Paper 35, “PO Resp.”), and GPSNA followed with a Reply (Paper 39, “Pet. Reply”). Each party had an opportunity to present its case in a hearing conducted on September 12, 2017, a transcript of which is in the record. Paper 49 (“Tr.”).

We have jurisdiction over these proceedings under 35 U.S.C. § 6. After considering the evidence and arguments of the parties, we determine that GPSNA has proven by a preponderance of the evidence that claims 1–13, 18, 19, 22–24, and 27 of the ’012 patent are unpatentable. *See* 35 U.S.C. § 316(e). We issue this Final Written Decision pursuant to 35 U.S.C. § 318(a).

¹ The Petition originally included three additional parties: Teletrac Inc., Navman Wireless North America, Ltd., and Geotab Inc. Prior to institution, Teletrac and Navman filed a motion to terminate themselves from the proceeding (Paper 12), which we granted on August 24, 2016 (Paper 14). After institution, Geotab filed a motion to terminate itself from the proceeding (Paper 26), which we granted on December 29, 2016 (Paper 28). That left GPSNA as sole petitioner.

II. BACKGROUND

A. *Related Matters*

The '012 patent is part of a family of eleven related patents, which includes U.S. Patent Nos. 8,149,113 (“the '113 patent”), 8,493,207 (“the '207 patent”), 8,717,166 (“the '166 patent”), 9,003,499 (“the '499 patent”), 9,071,931 (“the '931 patent”), 9,119,033 (“the '033 patent”), 9,319,471 (“the '471 patent”), 9,485,314 (“the '314 patent”), 9,621,661 (“the '661 patent”), and 9,680,941 (“the '941 patent”). We have previously instituted *inter partes* review (“IPR”) of all the patents from this family. Specifically, in addition to the instant IPR, pending before us are IPR2016-01064 (the '499 patent), IPR2016-01278 (the '931 patent), IPR2017-00968 (the '314 patent), IPR2017-00969 (the '113 patent), IPR2017-00973 (the '471 patent), IPR2017-01007 (the '033 patent), and IPR2017-01269 (the '661 patent).² In the 1064 and 1278 IPRs, GPSNA is the petitioner, as it is here, while in the 968, 969, 973, 1007, and 1269 IPRs, Telular Corporation is the petitioner and GPSNA is named as a real party-in-interest.³

The '012 patent, along with the '113, '499, '931, '033, '471, and '314 patents, is currently the subject of an infringement action brought by PerDiem against GPSNA in the U.S. District Court for the Eastern District of Texas (“the Texas action”). Paper 37 (identifying *PerdiemCo LLC v. Telular Corp. et al.*, 2:16-cv-01408 (E.D. Tex.)). The Texas action is currently stayed pending resolution of this IPR and the related IPRs.

² We also instituted IPRs for the related '207 and '166 patents, but those IPRs were terminated after PerDiem filed a statutory disclaimer of all the challenged claims. IPR2016-01062 (Paper 29); IPR2016-01063 (Paper 30).

³ Telular is named as a real party-in-interest in the instant IPR. Pet. 3.

B. The '012 Patent

The '012 patent relates to a system for conveying information about the location of a person or object to a group of users based on “user identification codes” and “access control codes” associated with each user in the group. Ex. 1001, 1:13–22, 1:66–2:12. The group of users may, for example, be a family, a cadre of friends, or employees of a company. *Id.* at 5:29–35. Global positioning technology is used to track the location of the person or object. *Id.* at 6:10–29, Fig. 1. The person or object may be tracked relative to “user-defined zones,” such that when the tracked person or object enters or leaves a zone, location information is conveyed to certain authorized users. *Id.* at 5:8–24, 8:67–9:5.

An administrator, or other authorized user, may configure what location information is conveyed and to whom it is conveyed. *Id.* at 5:41–44. By associating an identification code and an access code with each user, the administrator can control who receives the location information. *Id.* at 2:7–3:6, 6:66–8:25. For instance, a mother might track the location of her daughter’s car by equipping it with a tracking beacon and assigning it a user identification code. *Id.* at 9:14–58. With the identification code, the mother may then set up “events” so that when her daughter’s car enters or leaves a pre-defined zone, the mother will receive an alert via email. *Id.* at 9:33–48. The mother may also have the location of her daughter’s tracked car conveyed to another specified user, such as another guardian, by assigning them a different identification code and associating an access code with that that specific user’s identification code to allow them a certain level of access to the daughter’s location information. *Id.* at 11:1–44.

C. The Challenged Claims

Of the challenged claims, three are independent—claims 1, 7, and 18. Claims 1 and 18 are directed to a “method” for conveying location information about a person or object to authorized users, while claim 7 is directed to an “apparatus” for doing the same. The remaining claims under challenge depend, directly or indirectly, from these three claims.

Each of the independent claims requires that the conveyance of location information to authorized users be based on a “user identification code” and an “information access code.” Claim 1 is illustrative:

1. A method for conveying user location information, comprising:

interfacing with an administrator that authorizes *a first user* associated with a first user identification code to access an object location information from a location information source associated with *a second user* identification code that is different from the first identification code; and

conveying the object location information to a third user based on an information access code specified by said first user, said information access code being associated with a third user identification code that is different from the first and second user identification codes.

Ex. 1001, 22:55–67 (emphases added).

D. The Instituted Grounds

In its Petition, GPSNA raises two grounds of unpatentability, the first based on anticipation under 35 U.S.C. § 102, and the second based on obviousness under 35 U.S.C. § 103. Pet. 5. We instituted review of all the challenged claims in each ground, after finding that GPSNA met the

threshold of 35 U.S.C. § 314(a) for at least one of the challenged claims.

Inst. Dec. 7–10. The grounds on which we instituted review are as follows:

Prior Art	Basis	Claims Challenged
Fast ⁴	§ 102	1–10, 18, 19, 22–24, and 27
Fast and Haney ⁵	§ 103	1–13, 18, 19, 22–24, and 27

Inst. Dec. 12. In further support of these grounds, GPSNA submits the declaration of Dr. Stephen Heppe, an expert witness retained by GPSNA for purposes of this review. Ex. 1009.

III. ANALYSIS

A. *Claim Construction*

In an *inter partes* review, we give claim terms in an unexpired patent their broadest reasonable construction in light of the specification of the patent in which they appear. *Cuozzo Speed Techs. LLC v. Lee*, 136 S. Ct. 2131, 2144–46 (2016). Under that standard, we ascribe claim terms their ordinary and customary meaning, as understood by a skilled artisan in the context of the entire disclosure in the specification. *In re Translogic Tech., Inc.*, 504 F.3d 1249, 1257 (Fed. Cir. 2007). Our construction of claim terms “cannot be divorced from the specification and the record evidence.” *Microsoft Corp. v. Proxyconn, Inc.*, 789 F.3d 1292, 1298 (Fed. Cir. 2015) (quoting *In re NTP, Inc.*, 654 F.3d 1279, 1288 (Fed. Cir. 2011)).

In its Petition, GPSNA proposes a construction for three claim terms. Pet. 9–10. In our Institution Decision, we construed only one of those terms—“code.” Inst. Dec. 5–7. We observed that the term “code” is used throughout the claims in the context of either a “user identification code” or

⁴ U.S. Patent No. 7,327,258 (Ex. 1003, “Fast”).

⁵ U.S. Patent No. 7,353,034 (Ex. 1005, “Haney”).

an “information access code.” *Id.* at 5. Then, accounting for statements in the specification and prosecution history, we construed the term “code” to mean an identifier in the form of a name, number, or other series of letters, numbers, symbols, or other identifiers used for user identification and information access. *Id.* at 7. After institution, neither party disputed our construction of the term “code,” nor provided further argument or evidence as to its proper construction.

We see no reason to change the construction provided in our Institution Decision. The specification of the ’012 patent explains that a “user identification code” includes “an identifier (e.g., a user account name or user number) and can be associated with one or more groups, and one or more information access privilege classifications, etc.” Ex. 1001, 7:6–9 (emphasis added). Also, the specification expressly equates an access code with a “password” or an “access list.” *Id.* at 8:6–16 (“there are two conditions that must be met to gain access, being included on the access list and having knowledge of the password”). Thus, the specification supports a construction of “code” that encompasses an identifier in the form of a name, number, or password. *Id.*

The specification also speaks to the overlapping nature of a user identification (“ID”) code and an information access code. For instance, the specification states that a user ID code may “comprise a first level of access control” (*id.* at 10:32–35), and *vice versa*, that an access code may “comprise[] a plurality of user identification codes” (*id.* at 23:1–2). The specification further explains that an access code may comprise user ID codes:

Such an access code would typically include specific user identification codes and/or group codes . . . The user identification code and group identification codes(s) are compared to those included in the access code whereby a match would indicate the user is authorized to receive the information.”

Id. at 7:50–59 (emphasis added). Indeed, during prosecution of a related application, the patentee asserted that “the specification clearly supports an identification code as one type of access code.” Ex. 1007, 12–13. In that regard, an access code may comprise a user ID.

In view of the claim language, the specification, and prosecution history, we construe the term “code” to mean an identifier, such as a name, number, password, or other series of letters, numbers, or symbols, that serves to distinguish users of the system and/or levels of information access.

B. Anticipation by Fast

1. Independent Claims 1, 7, and 18

GPSNA challenges independent claims 1, 7, and 18, along with dependent claims 2–6, 8–10, 22–24, and 27, as anticipated by Fast. Pet. 12. For reasons discussed below, we conclude that GPSNA has shown by a preponderance of the evidence, including a detailed claim analysis and expert testimony, that Fast anticipates these challenged claims. *Id.* at 12–24, 26–44; Reply 4–12; Ex. 1009.

The challenged claims contemplate conveying location information among a plurality of users. For instance, claim 1 recites a method involving three users, each of whom is provided with a unique “user identification code.” The process begins with “a first user” interfacing with “an administrator” to gain access to location information about “a second user.” The location information is then conveyed to a “third user,” but only after

the first user specifies “an information access code” for the third user. Once this is done, the third user may access location information about the second user.

In its Patent Owner Response, PerDiem summarizes the claimed invention as follows:

A key aspect of the system is that a given user (“first user”) can define an “information access code” that specifies which users will be given access to the location information of a tracked object. The group of users who are given access to this location information is under the sole discretion of the “first user” who defines the information access code.

PO Resp. 3. After describing the critical feature of the claimed invention, PerDiem then proceeds to argue independent claims 1, 7, and 18 collectively, making no attempt to differentiate their scope. *See* PO Resp. 10–16. Indeed, PerDiem concedes that independent claims 1, 7, and 18 are of similar scope because, in all three claims, the first user specifies which other users will be given access to location information. *See* PO Resp. 8 (“Claim 18 is substantially identical to claim 1 in this regard.”); *id.* (“The final challenged independent claim (claim 7) is a bit different in terms of verbiage, but recites a similar concept.”); *id.* at 10 (“[A]ll these limitations require a flexible, user-defined system . . .”). That being the case, our analysis focuses on independent claim 1.

Central to our analysis is PerDiem’s characterization of the claimed invention as “*a flexible, user-defined system* for conveying location information to groups of users.” PO Resp. 1 (emphasis added). As explained by PerDiem, “[t]he users themselves (as opposed to the administrator) are given the power to specify . . . what other users will be allowed access to location information.” *Id.* “This flexibility and user

control,” according to PerDiem, “is a hallmark of the invention, which the specification discusses again and again and which is claimed in every claim at issue in this IPR.” *Id.* PerDiem repeats this theme throughout its Patent Owner Response, arguing that “[t]his *user-defined flexibility* — *i.e.*, the flexibility for users themselves to determine which other specific users will be granted access to location information — is a critical aspect of the invention” distinguishing it from Fast, which PerDiem contends is a “predefined hierarchical structure.” *Id.* at 6, 11 (emphasis added).

In challenging claim 1 as anticipated by Fast, GPSNA points to Fast’s disclosure of a Guardian Mobile Monitoring System (“GMMS”) that uses “beacons” carried by family members or company personnel for purposes of tracking and monitoring their whereabouts. Pet. 12; *see also* Ex. 1003, 3:12–22, 23:5–11, 33:1–17. As described, Fast’s GMMS is a “multi-user system,” meaning that “multiple users can interact with a single beacon simultaneously.” *Id.* at 24:43–65. Fast defines users to include “subscribers,” such as a parent wishing to monitor a child’s location, and “guardians,” such as a babysitter whom the parent wishes to receive information from the child’s beacon. *Id.* at 24:57–62, 34:16–27, 39:6–12, 43:1–11. Fast also teaches that subscribers and other users interface with a “system administrator” in order to “access a dedicated portal [in GMMS] that offers many self-serve functions and preference settings.” *Id.* at 6:12–23.

In sum, Fast discloses a subscriber (first user) interfacing with an administrator to gain access to the GMMS system. The subscriber may assign a beacon to a family member (second user) for monitoring their whereabouts. A guardian (third user) may also access the system so they too

may monitor the family member's location. As such, we find that Fast teaches a method for conveying location information that entails first, second, and third users, as well as an administrator, as called for by claim 1.

As for associating “user identification codes” with each user, PerDiem does not dispute that Fast discloses this aspect of claim 1. In particular, Fast teaches that the portal through which users access the system is password-protected, restricting access to only those subscribers and guardians assigned a “user identification” and “password,” as well as a separate “passcode.” *Id.* at 16:9–11, 37:44–66, 39:13–15, 42:14–20, Fig. 16-1. Once authorized, the subscriber or guardian can monitor the location of the tracked individual, whose “Beacon ID” is associated with the subscriber's account. *Id.* at 12:40–43, 25:56–60, 27:1–5, 32:51–56. GPSNA's expert testifies that a skilled artisan would understand Fast as requiring a unique ID and/or passcode for each user and beacon of the system. Ex. 1009 ¶¶ 61, 77, 90. We find that testimony credible and award it substantial weight. Thus, we find Fast discloses the “user identification code” limitations of claim 1.

Turning to the limitation in dispute—that the *first user* specify the “information access code” by which the third user may also receive location information about the second user—we find that Fast discloses this limitation as well. To begin, we note that Fast describes the GMMS system as putting “users and subscribers in a *flexible relationship* to enhance the ease in the system operation.” *Id.* at 2:7–9 (emphasis added). A benefit of that flexibility, Fast explains, is that “[s]cenarios for the beacons *can be created* and monitored” by the subscribers and users. *Id.* at 2:11–12 (emphasis added). While Fast does disclose that users may select from “predefined scenarios,” it also discloses an option where users can create a

“new scenario” or “new notification scheme” for sharing location information among users. *Id.* at 35:7–67. In our view, those express disclosures support that Fast’s system is a flexible, user-defined system, not a rigid, predefined system, as PerDiem repeatedly asserts. *See* PO Resp. 11; *see also id.* at 1, 10, 15.

More specifically, the ability to create new scenarios is done through a feature that Fast calls the “Scenario Manager,” which is “unique to the GMMS System.” *Id.* at 32:15–20. 32:15–35:6; 42:26–43:11. The Scenario Manager is a “user interface” in the subscriber’s portal that allows users “to create functional scenarios.” *Id.* at 32:29–33. The scenarios “can be edited, or new ones created, at any time through the subscriber’s portal.” *Id.* at 32:33–37. The ability to create new scenarios includes “adding, deleting, and updating system Users.” *Id.* at 42:46–47. Importantly, for each user, Fast explains that “*the subscriber can assign an access level [] indicating what functionality they will be restricted from using.*” *Id.* at 42:47–49 (emphasis added). In that regard, Fast explains that subscribers have the “highest level of access” to the portal such they may “restrict access to some functions of the portal by any other Users.” *Id.* at 42:31–34. Fast then gives specific examples of the subscriber assigning “guardians” a level of access to information about a tracked person. *Id.* at 34:21–27, 43:1–11. Those disclosures support a finding that the first user, i.e., the subscriber, in Fast determines the level of access of the third user, i.e., the guardian, as required by claim 1.

As for making that determination based on an “information access code,” as also required by claim 1, Fast teaches that the subscriber assigns the level of access for each user “based on User type.” Ex. 1003, 42:26–28,

Fig. 16-1. According to Fast, for each user, “the subscriber can assign an access level 534 indicating what functionality they will be restricted from using,” and “[a] record of the access level of each User is kept in the list of User types 514.” *Id.* at 42:46–51, Figs. 16-1, 16-2 (steps 512, 514, 530, 532, 534). That disclosure comports with the ’012 patent’s description of an access code as an “access list” which “specif[ies] one or more users and/or one or more groups that can enter the appropriate password in order to access the information.” Ex. 1001, 8:9–16. Thus, Fast’s “User type” represents an “information access code” because it is encoded in a way that allows the system to identify and distinguish a user’s level of access.⁶ We also credit the testimony of GPSNA’s expert, who explains that, in the context of Fast, an information access code is “an access level for the third user, specified by the subscriber, giving the third user access to this information (but perhaps withholding access to other information within the same account). Ex. 1009 ¶ 69 (citing Ex. 1003, 42:47–52). That evidence supports a finding that Fast discloses the “information access code” limitation of claim 1.

We are not persuaded by PerDiem’s attempt to distinguish Fast’s disclosure of an information access code, i.e., user type, from the claimed invention by arguing that, in Fast, “the administrator specifies the user type, not the user.” PO Resp. 10. Although Fast discloses an embodiment where user types may be specified by an administrator (Ex. 1003, 37:59–38:54, Figs. 13, 14), it does not preclude other users, such as the subscriber, from

⁶ This is consistent with our construction of “code,” discussed above, as “an identifier, such as a name, number, password . . . that serves to distinguish users of the system and/or levels of information access.”

further managing user types (*id.* at 42:14–52, Figs. 16-1, 16-2). Indeed, PerDiem ignores the fact that Fast describes specifically an embodiment where the “subscriber’s portal” is given the ability to “manage user types” and “assign access level to systems users.” *Id.* at 42:14–43:11, Figs. 16-1, 16-2. According to Fast, the subscriber may perform “a number of different operations” including “the operation of managing the different User types.” Ex. 1003, 42:31–43. “The managing of User types,” Fast explains, “includes adding, deleting, and updating system Users.” *Id.* at 42:46–47. Those disclosures provide ample support for finding that Fast’s level of access, i.e., user type, is controlled by the subscriber, not the administrator. As such, we do not find persuasive PerDiem’s arguments that Fast is limited to the administrator controlling user type, as opposed to also contemplating the subscriber being in control. Nor do we lend much weight to PerDiem’s expert testimony on that issue, as it fails to address Fast’s express disclosure of subscriber control. *See* Ex. 2011 ¶ 19.

In the end, we find that Fast’s system allows a “first user” (subscriber) to convey location information about a “second user” (family member) to a “third user” (guardian) based on an “information access code” (user type/level of access). In so finding, we conclude that GPSNA has demonstrated by preponderant evidence that Fast discloses all the limitations of claim 1, and, thus, anticipates claim 1 of the ’012 patent.

PerDiem does not argue independent claims 7 and 18 separately from independent claim 1. *See* PO Resp. 8–9. For the same reasons discussed above with respect to claim 1, we also do not find PerDiem’s arguments persuasive for claims 7 and 18. Rather, after considering fully the evidence and arguments presented by GPSNA explaining how claims 7 and 18 are

also anticipated by Fast, we find GPSNA's reasoning persuasive and adopt it as our own. Pet. 29–38, 40–42; Reply 4–12. Accordingly, we determine that the preponderance of the evidence weighs in favor of GPSNA's case that, like claim 1, independent claims 7 and 18 are also unpatentable as anticipated by Fast.

2. *Dependent Claims 2–6, 8–10, 19, 22–24, and 27*

In addition, we have considered fully the evidence and arguments presented by GPSNA explaining how the challenged dependent claims are also anticipated by Fast. Pet. 26–29, 39–40, 42–44. PerDiem does not address the dependent claims anywhere in its Patent Owner Response, arguing exclusively the independent claims. *See, e.g.*, PO Resp. 7–10, 13 n.5, 16. We are persuaded by GPSNA's evidence and arguments that Fast anticipates the challenged dependent claims, and we adopt GPSNA's reasoning as our own. As such, we conclude that GPSNA has demonstrated, by a preponderance of the evidence, that dependent claims 2–6, 8–10, 19, 22–24, and 27 are unpatentable as anticipated by Fast.

C. *Obviousness Over Fast and Haney*

GPSNA combines Fast with Haney to challenge not only claims 1–10, 18, 19, 22–24, and 27, which are the same claims challenged on the basis of Fast alone, but also dependent claims 11–13. Pet. 44–59; Reply 12–16. According to GPSNA, this obviousness ground “builds on Ground 1's explanation of Fast” by analyzing “how the addition of Haney's teachings improve the functionality of Fast's [tracking system].” Pet. 46.

Given we have already determined that claims 1–10, 18, 19, 22–24, and 27 are unpatentable as anticipated by Fast, we need only address dependent claims 11–13. In combining Haney with Fast, GPSNA refers

back to its previous explanation of how Fast teaches pertinent limitations of the claims. Pet. 46. We have already found, as discussed above, that Fast discloses the limitations of base claim 7, from which claims 11–13 stem.⁷ As such, our analysis focuses on whether the combination of Fast and Haney teaches the additional limitations of claims 11–13, and whether a skilled artisan would have combined Haney’s teachings with Fast to arrive at the claimed invention.

Claims 11–13 require that location information conveyed to users includes “time” of an event and be associated with a “schedule.” GPSNA provides a detailed explanation of how Haney and Fast teach those “time” and “schedule” limitations. Pet. 56–58 (discussing Haney’s disclosure of “Bread Crumbs” that incorporate “timestamps” with position data, and Fast’s teaching of “Scenario Builder” that associates a schedule with tracking company employees). GPSNA further explains why a skilled artisan would have combined the teachings of Fast and Haney. *Id.* at 45–46. In particular, GPSNA points to Fast’s capability of tracking family members by means of mobile phones equipped with beacons. *Id.* at 45 (citing Ex. 1003, 9:59–61). Likewise, according to GPSNA, Haney teaches mobile phones equipped with a Buddy Watch capability for a parent to monitor the location of a child. *Id.* at 46 (citing Ex. 1005, 1:14–15, 2:22–28). As such, GPSNA argues that the movement towards more intelligent cell phones would have provided reason for a skilled artisan to improve the notification function of Fast’s child tracking system with the timestamp feature of

⁷ Indeed, independent claim 7 appears to be broader in scope than independent claims 1 and 18 by contemplating only a “first user” and a “second user,” not three users.

Haney's child tracking system. *Id.* We agree, particularly in view of the credible testimony of GPSNA's expert that a skilled artisan would have had reason to combine the teachings of Fast and Haney "to improve the manner in which all cell phone users can be monitored by others, including for emergency purposes." Ex. 1009 ¶ 52. That testimony demonstrates sufficient reason to combine the teachings of Fast and Haney.

We have reviewed PerDiem's arguments with respect to the combination of Fast and Haney, but do not find them persuasive. First, PerDiem does not dispute that the combination teaches the limitations of claims 11–13. Instead, PerDiem focuses on base claim 7 and argues that Haney fails to teach conveying location information based on an information access code specified by the first user. PO Resp. 16–17. However, as discussed above, we find that Fast teaches that limitation, thus, PerDiem's argument is inapposite.

Second, PerDiem argues that Fast and Haney cannot be combined because they "teach fundamentally different and incompatible ways of arranging and conveying information." PO Resp. 20. In support, PerDiem proffers the testimony of its expert that a skilled artisan "would not have been motivated to combine a predefined hierarchical system like Fast with a user-defined, non-hierarchical system like Haney." *Id.* (citing Ex. 2011 ¶¶ 22–24). We give that testimony little weight, as it fails to address Fast's express disclosure that a subscriber has the flexibility to add, delete, and update users, such as guardians, and assign them different levels of access to the various functions and information in the subscriber's portal. *See, e.g.*, Ex. 1003, 42:14-52, Fig. 16; Ex. 1014 ¶ 30. Those disclosures support a

user-defined capability for Fast's location-monitoring system, even though some other aspects of the system may be pre-defined.

Because PerDiem's expert focuses solely on the pre-defined aspects of Fast's system to the exclusion of the user-defined aspects, in particular, the capability of the subscriber to define levels of access of other users, we afford little weight to the testimony of PerDiem's expert, as it ignores critical portions of the record evidence. Accordingly, PerDiem does not persuade us that Fast and Haney cannot be combined in the manner asserted. Rather, as discussed above, we credit the testimony of GPSNA's expert that a skilled artisan would have had sufficient reason to incorporate Haney's timestamp feature for location-tracking data into Fast's similar location-tracking system. *See* Ex. 1009 ¶ 52.

Lastly, PerDiem argues that secondary considerations—specifically, evidence of licensing of the '012 patent—“amply rebuts the obviousness case.” PO Resp. 20. In particular, PerDiem submits a roster of companies “in the fleet-tracking industry” who have taken licenses to the '012 patent. *Id.* at 21. According to PerDiem, this roster includes “*all* of the companies who brought this IPR proceeding.” *Id.* That evidence, PerDiem argues, shows that the '012 patent is “a valuable invention worth licensing.” *Id.*

To establish secondary considerations, a patent owner must show a nexus “between the evidence and the merits of the claimed invention.” *Novartis AG v. Torrent Pharmaceuticals*, 853 F.3d 1316, 1330 (Fed. Cir. 2017) (quoting *Wyers v. Master Lock Co.*, 616 F.3d 1231, 1246 (Fed. Cir. 2010)). Here, the only evidence submitted by PerDiem in support of secondary considerations is a declaration from PerDiem's counsel that the '012 patent, along with patents in the same family, have been licensed to the

companies that originally filed the Petition. Ex. 2012 ¶ 2; *see also* IPR2016-0164 (Ex. 2012). That evidence alone is not enough.

As GPSNA notes, PerDiem fails to provide copies of any of the pertinent license agreements, despite GPSNA's objection and repeated requests for copies of the agreements. Reply 19. Without more, we find that merely identifying the existence of license agreements to a family of patents—the terms of which are not in the record—provides little, if any, proof of non-obviousness. Moreover, as GPSNA further notes, all of the licenses identified by PerDiem involved the settlement of lawsuits for infringement of multiple patents, including the '012 patent. Reply 18; Ex. 1015. Licenses intended to resolve litigation disputes are not strong evidence of non-obviousness because “it is often cheaper to take licenses than to defend infringement suits.” *In re Cree, Inc.*, 818 F.3d 694, 703 (Fed. Cir. 2016) (internal quotes omitted). And where, as here, “the licenses themselves are not even part of the record,” it is difficult to determine if “the licensing program was successful either because of the merits of the claimed invention or because they were entered into as business decisions to avoid litigation, because of prior business relationships, or for other economic reasons.” *In re Antor Media Corp.*, 689 F.3d 1282, 1293–94 (Fed. Cir. 2012).

Because PerDiem has neither made the licenses part of the record nor connected sufficiently the licenses to *the merits of the claimed invention* as opposed merely to a business decision to avoid litigation, we find PerDiem's licensing evidence falls far short of the objective criteria necessary for weighing evidence of non-obviousness. *See Merck Sharp & Dohme Corp. v. Hospira, Inc.*, 874 F.3d 724, 730-32 (Fed. Cir. 2017) (holding that

commercial success is a “fact-specific inquiry” in which “all the evidence” must be considered and weighed in an obviousness analysis). Thus, after considering all the evidence of record, including PerDiem’s evidence of secondary considerations, we ultimately determine that GPSNA has shown, by a preponderance of the evidence, that claims 11–13, as well as their base claim 7, would have been obvious to a skilled artisan in view of the combined teachings of Fast and Haney.

IV. CONCLUSION

We conclude that GPSNA has demonstrated by a preponderance of the evidence that claims 1–10, 18, 19, 22–24, and 27 of the ’012 patent are unpatentable as anticipated by Fast and that claims 7 and 11–13 are unpatentable as obvious over Fast and Haney.

V. ORDER

Accordingly, it is hereby:

ORDERED that GPSNA has carried its burden to show that claims 1–13, 18, 19, 22–24, and 27 of the ’012 patent are unpatentable; and

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

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