UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

RF CONTROLS, LLC,

Petitioner,

v.

A-1 PACKAGING SOLUTIONS, INC.,

Patent Owner.

Patent No. 8,690,057
Issue Date: April 8, 2014

Title: RADIO FREQUENCY IDENTIFICATION SYSTEM FOR TRACKING AND MANAGING MATERIALS IN A MANUFACTURING PROCESS

Cases No.: IPR2014-01536, IPR2015-00119

PETITIONER'S REPLY TO PATENT OWNER'S RESPONSE TO PETITION

Pursuant to the Scheduling Order entered in this case on March 30, 2015, Petitioner, **RF Controls, LLC** ("Petitioner"), provides the following Petitioner's Reply to **A-1 Packaging Solutions, Inc.'s** ("Patent Owner") Owner's Response to Petition (the "Reply"). The Reply is timely filed on or before September 28, 2015, per the Due Date Appendix of the Scheduling Order.

I. Introduction

Patent Owner has effectively conceded that all elements of independent claims 1, 17, and 27 of U.S. Patent No. 8,690,057 ("the '057 patent") are disclosed by *Hofer*, U.S. Patent No. 8,493,182, which properly incorporates by reference *Bloy*, WO 2009/035723 (together, "*Hofer*"). Patent Owner's sole defense is essentially that the Board was wrong to institute this proceeding because the "inventory" tracking aspects of the '057 patent are supposedly entitled to patentable weight. However, that question is not properly before the Board and, in the case, the Board was plainly correct to institute the trial.

A. Statement of Relief Requested (37 C.F.R. §§ 42.22-23)

Petitioner respectfully requests that the Board enter an order finding that Petitioner has established by a preponderance of the evidence that independent claims 1, 17, and 27 of the '057 patent are unpatentable under 35 U.S.C. §102 as anticipated by *Hofer*, and ordering that independent claims 1, 17, and 27 of the '057 patent are cancelled.

B. Grounds for Review

This *inter partes* review is a consolidation of two separate petitions for *inter partes* review: IPR2014-01536 (claims 1-16) and IPR2015-00119 (claims 17-30). The Board instituted the IPR2014-01536 trial as to independent claim 1, and joined with it review of independent claims 17 and 27 from IPR2015-00119. IPR2015-00119 was not separately instituted. The scope of the instant review is thus:

(1) whether independent claim 1 is anticipated by *Hofer* under 35 U.S.C. § 102;

(2) whether independent claims 17 and 27 are anticipated by *Hofer* under 35 U.S.C. § 102.

II. Argument

A. The Issue Of Whether The Inventory Tracking Aspects of the '057 Patent Are Entitled To Patentable Weight Has Already Been Decided, And Is Excluded From Any Further Consideration In These Proceedings.

Patent Owner's Response can be reduced to one simple but erroneous thesis: the Board was wrong.

By way of background, in its Preliminary Response to the Petition, Patent Owner offered little substantive argument distinguishing the elements of the '057 patent from the disclosure of *Hofer*, other than the *specific types of objects* to which the RFID tags were attached differed. Prelim. Resp. 21 ("Neither Hofer nor Bloy is directed towards ***inventory management*** using RFID tags … but instead

deal with general methods of locating RFID tags."). The Board found this unpersuasive, concluding that the "inventory tracking aspects" of the '057 patent are an intended use, and not entitled to patentable weight. See, e.g., Paper No. 10, Institution Decision at 12-13 (March 30, 2015).

Now, in its Response, the Patent Owner merely repeats its prior argument, which has already been rejected by the Board, on grounds that the Board was wrong. As a threshold matter, Patent Owner's argument is procedurally improper, raising an appellate position in a trial proceeding. "In instituting a trial, the Board will ***streamline the issues*** for final decision by authorizing the trial to proceed only on the challenged claims for which the threshold standards for the proceeding have been met." Office Patent Trial Practice Guide, 77 Fed. Reg. 48756, 48765 (Aug. 14, 2012) (emphasis added). "Further, the Board will identify, on a claim-by-claim basis, ***the grounds on which the trial will proceed. Any claim or issue not included in the authorization for review is not part of the trial.***" Id. (emphasis added)

The Board has decided the grounds on which this trial will proceed, and they do not include the question of whether the inventory tracking aspects of the '057 patent are entitled to patentable weight. Not only is this matter not included in the Board's authorization for review, *it is excluded*. Inst. Dec. 13-14. To the extent Patent Owner's Response retreads this same ground, the Response and arguments

presented therein should be disregarded. Given that the Board has instituted this trial and that Patent Owner has not presented any evidence or argument that any element (other than the irrelevant "inventory" tracking aspect) of the '057 patent is not disclosed by *Hofer*, it is clear that *Hofer* anticipates claims 1, 17 and 27 of the '057 patent and the Board should issue an order cancelling those claims.

B. The Inventory Tracking Aspects of the '057 Patent Have No Patentable Weight.

Even assuming, *arguendo*, that the issue was properly before the Board (and it clearly is not), the inventory tracking aspects of the '057 patent are not entitled to patentable weight. Functional language in a system or apparatus claim is entitled to patentable weight only if it limits the *structure* of the claims so as to differentiate the claimed subject matter from the prior art. See, e.g., In re Schreiber, 128 F.3d 1473 (Fed. Cir. 1997) (claim reciting a conical shape useful for dispensing popcorn was anticipated by prior art oil funnel); Bettcher Industries, Inc. v. Bunzl USA, Inc., 661 F.3d 629 (Fed. Cir. 2011) (functional language in claims are not entitled to patentable weight if the structure is already known).

Further, where claims recite database objects that have no functional relationship to the computer system, but merely convey a message or meaning to a human user independent of the computer system, or merely serves as a support for information or data, no functional relationship exists. For example, in Ex Parte O'Sullivan, Appeal No. 2012-011855 (July 30, 2015), the Applicant's sole basis

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