UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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INSPECTIONLOGIC CORPORATION,
Petitioner,

v.

LDARTOOLS, INC.,
Patent Owner.

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Case IPR2014-01008
Patent 8,386,164 B1

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Before JAMES B. ARPIN, NEIL T. POWELL, and
ROBERT J. WEINSCHENK, *Administrative Patent Judges*.

WEINSCHENK, *Administrative Patent Judge*.

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

I. INTRODUCTION

InspectionLogic Corporation ("Petitioner") filed a Petition (Paper 1; "Pet.") requesting *inter partes* review of claims 1–6, 19–21, and 24–28 of U.S. Patent No. 8,386,164 B1 (Ex. 1001; "the '164 patent"). LDARtools, Inc. ("Patent Owner") waived its Preliminary Response to the Petition. Paper 8. We have jurisdiction under 35 U.S.C. § 314, which provides that an *inter partes* review may not be instituted "unless . . . there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition." 35 U.S.C. § 314(a).

For the reasons set forth below, we are persuaded, on this record, that Petitioner demonstrates a reasonable likelihood of prevailing in showing the unpatentability of claims 1–6, 19–21, and 24–28 of the '164 patent. Accordingly, we institute *inter partes* review as to claims 1–6, 19–21, and 24–28 of the '164 patent on the grounds specified below.

A. Related Proceedings

The parties indicate that the '164 patent is the subject of the following co-pending district court case: *LDARtools, Inc. v. InspectionLogic Corp.*, No. 3:14-cv-00012 (S.D. Tex.). Pet. 2; Paper 5, 2. The parties also indicate that a decision in this *inter partes* review could affect or be affected by the prosecution of U.S. Patent Application No. 13/776,386, which claims priority to the '164 patent. Pet. 2–3; Paper 5, 2.

B. The '164 Patent

The '164 patent relates to creating, encrypting, and updating a database of position coordinates for leak detection and repair ("LDAR") components. Ex. 1001, col. 1, ll. 35–44. According to the '164 patent, industrial plants that handle volatile organic compounds sometimes

experience unwanted fugitive emissions of those compounds from LDAR components, such as valves and pumps, due to leaks in joints or seals. *Id.* at col. 1, ll. 15–23. Many industrial plants have an LDAR program to detect fugitive emissions, but, given the obscure location of many of the potential sources, technicians often experience difficulty in locating all of the LDAR components. *Id.* at col. 1, ll. 24–28.

To make the LDAR components easier to locate, the '164 patent describes using a handheld computer device to create a database of position coordinates for each LDAR component. *Id.* at col. 1, ll. 38–44. According to the '164 patent, after a technician completes maintenance work on an LDAR component, the technician may input an account of that work into a handheld computer device, such as a personal digital assistant ("PDA"). *Id.* at col. 3, ll. 11–15. Upon receiving information about a specific LDAR component, the PDA may obtain its current position coordinates, associate those coordinates with the specified LDAR component, and store them in a database. *Id.* at col. 3, ll. 15–19. In order to protect this information, the position coordinates may be encrypted prior to storage in the database. *Id.* at col. 3, ll. 19–22.

C.   *Illustrative Claim*

Claims 1, 19, and 25 are independent. Claim 1 is illustrative and is reproduced below.

> 1. A method for creating a database of coordinates of leak detection and repair (LDAR) components, comprising:
>
> receiving an input pertaining to an LDAR component;
>
> obtaining position coordinates of a handheld computer device in response to receiving the input;

> associating the position coordinates of the handheld computer device with the LDAR component; and

> storing the position coordinates in association with the LDAR component into a database.

Ex. 1001, col. 9, ll. 35–43.

D. *References*

Petitioner relies on the following references and declarations (Pet. 5):

Reference or Declaration	Exhibit No.
Declaration of Donald D. Bradley III, P.E.	Ex. 1003
U.S. Patent No. 8,193,496 B2 ("Furry")	Ex. 1005
U.S. Patent App. Pub. No. 2007/0074035 A1 ("Scanlon")	Ex. 1006
U.S. Patent No. 7,588,726 B1 ("Mouradian")	Ex. 1007
U.S. Patent No. 7,482,973 B2 ("Tucker")	Ex. 1008

E. *Asserted Grounds of Unpatentability*

Petitioner asserts that the challenged claims are unpatentable on the following grounds (Pet. 5–6):

Claims Challenged	Basis	References
1–4, 19, 20, and 24–28	35 U.S.C. § 102(b)	Furry
1–6, 19–21, 24, 25, and 28	35 U.S.C. § 102(b)	Scanlon
1–4, 19, 20, and 24	35 U.S.C. § 102(e)	Mouradian
5, 6, and 21	35 U.S.C. § 103(a)	Furry and Scanlon
5, 6, and 21	35 U.S.C. § 103(a)	Mouradian and Scanlon
26 and 27	35 U.S.C. § 103(a)	Furry and Tucker
25 and 28	35 U.S.C. § 103(a)	Mouradian and Furry
19, 20, and 24	35 U.S.C. § 103(a)	Furry and Scanlon
19, 20, and 24	35 U.S.C. § 103(a)	Mouradian and Scanlon

II. ANALYSIS

A. *Claim Construction*

We interpret claims of an unexpired patent using the broadest reasonable construction in light of the specification of the patent in which they appear. *See* 37 C.F.R. § 42.100(b); Office Patent Trial Practice Guide, 77 Fed. Reg. 48,756, 48,766 (Aug. 14, 2012). On this record and for

purposes of this decision, we determine that no claim terms require express construction.

B.   *Asserted Grounds of Unpatentability*

1.   *Anticipation of Claims 1–4, 19, 20, and 24–28 by Furry*

Petitioner argues that claims 1–4, 19, 20, and 24–28 are anticipated by Furry. Pet. 5. Furry relates to an infrared camera system for detecting and identifying chemical, gas, and petroleum product leaks. Ex. 1005, col. 1, ll. 25–27. We have reviewed Petitioner's assertions and supporting evidence, and, for the reasons discussed below, we are persuaded on this record that Petitioner demonstrates a reasonable likelihood of prevailing in showing that Furry discloses each and every limitation of claims 1–4, 19, 20, and 24–28. *See* Pet. 19–30; Ex. 1003 ¶¶ 79–89.

a.   *Independent Claims 1, 19, and 25*

The first limitation of independent claim 1 recites "receiving an input pertaining to an LDAR component." Furry discloses that "[a]n inspector aims the infrared camera system 22 toward the component or components of interest," and "[i]nfrared images of the component and background enter the camera system 22 via the lens assembly 40." Ex. 1005, col. 13, ll. 6–9. Petitioner argues that these infrared images of an LDAR component are received as an input, and, thus, Furry discloses the first limitation of claim 1. Pet. 19–20. On this record, we are persuaded Petitioner has shown sufficiently that Furry discloses the first limitation of claim 1.

The second limitation of claim 1 recites "obtaining position coordinates of a handheld computer device in response to receiving the input." Furry discloses an infrared camera system with handles that "aid in holding the system" during an inspection. Ex. 1005, col. 4, ll. 58–60. Furry

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