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Paper 9
Entered: April 11, 2023

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

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iAPARTMENTS, INC.,
Petitioner,

v.

EDST LLC,
Patent Owner.

PGR2022-00059
Patent 11,189,118 B2

Before ST. JOHN COURTENAY III, KEVIN W. CHERRY, and MICHELLE N. WORMMEESTER, *Administrative Patent Judges*.

CHERRY, *Administrative Patent Judge*.

DECISION
Granting Institution of Post-Grant Review
35 U.S.C. § 324, 37 C.F.R. § 42.4

I. INTRODUCTION

iApartments, Inc. ("Petitioner") filed a petition for post-grant review of claims 1–20 of U.S. Patent No. 11,189,118 B2 (Ex. 1001, "the '118 patent"). Paper 1 ("Pet."). EDST LLC ("Patent Owner") filed a Preliminary Response. Paper 8 ("Prelim. Resp.").

We have authority to determine whether to institute a post-grant review, under 35 U.S.C. § 324 and 37 C.F.R. § 42.4. A post-grant review may not be instituted unless it is determined that "the information presented in the petition filed under section 321, if such information is not rebutted, would demonstrate that it is more likely than not that at least 1 of the claims challenged in the petition is unpatentable." 35 U.S.C. § 324 (2018); *see also* 37 C.F.R. § 42.4(a) ("The Board institutes the trial on behalf of the Director.").

Applying those standards, and upon considering the Petition, the Preliminary Response, and the evidence of record, we determine the information presented shows that it is more likely than not that Petitioner would prevail in establishing the unpatentability of at least one of the challenged claims of the '118 patent. Accordingly, we determine that Petitioner has satisfied the burden under 35 U.S.C. § 324(a) to show that it is more likely than not that at least one of the challenged claims is unpatentable.

II. BACKGROUND

A. Related Matters

The parties identify the following matter related to the '118 patent: *EDST, LLC and Quext IoT, LLC v. iApartments, Inc.*, Civil Action No. 8:22-cv-00272 (M.D. Fla.) (the "parallel proceeding"). Pet. 1; Paper 4, 2. Patent

Owner also identifies the following matter related to the '118 patent: *EDST, LLC et al v. Huarifu Technology Co., Ltd. et al*, Civil Action No. 2:22-cv-00365 (E.D. Tex. 2022). Paper 4, 2.

The parties also identify the following Board proceedings involving the parties: IPR2022-01468 (U.S. Patent No. 10,825,273 B2); IPR2022-01469 (U.S. Patent No. 10,803,685 B2). Pet. vii; Paper 8, 1.

B. Real Parties in Interest

Petitioner identifies itself as the real party in interest. Pet. 1. Patent Owner identifies itself and Quext IoT, LLC as real parties in interest. Paper 4, 1.

C. Overview of the '118 patent

The '118 patent is entitled "Smart Thermostat Hub," and "is directed to an intelligent thermostat that can function as a hub having multi-band/multi-radio communication capabilities and can be implemented in a system for controlling and securing offline door locks and other smart devices within a multifamily property." Ex. 1001 ('118 patent), code (54), 1:13–19. The patent describes high costs to implement wireless network infrastructure to use online keyless locks, and security shortcomings for use of offline keyless locks. *Id.* at 1:23–2:20.

The '118 patent describes that:

> Online door locks may be controlled (e.g., locked and unlocked) remotely through an Internet-accessible network connection and locally by a device (e.g., a fob, smartphone, smartcard, etc.) that is placed in proximity to a sensor of the online door lock, while offline door locks can only be controlled (e.g., locked and unlocked) by a device (e.g., a fob, smartphone, smartcard, etc.) that is placed in proximity to a sensor of the offline door lock.

Id. at 1:44–52.

Figure 1, reproduced below, is a diagram of the system for managing and securing access credentials for accessing a multi-family residential property using smart devices, described in embodiments of the '118 patent.

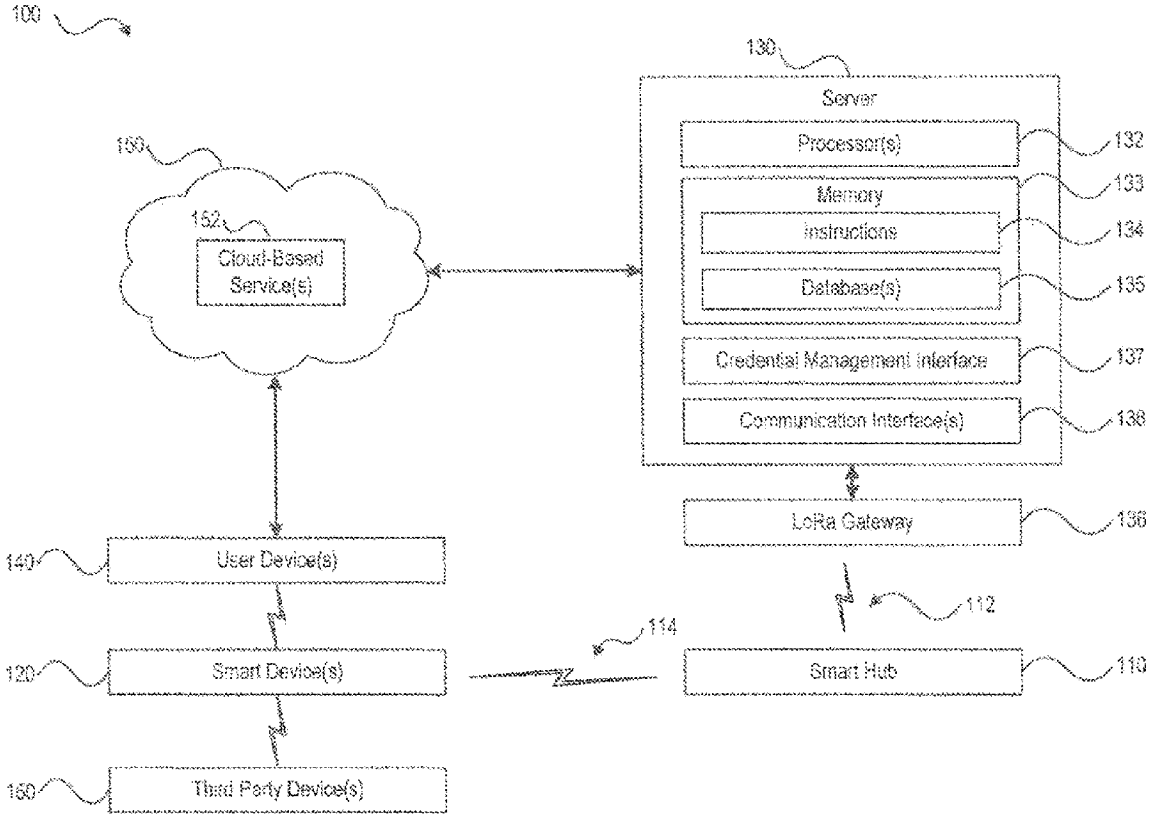

Figure 1, showing user devices 140, smart devices 120, server 130, communication interface 138, LoRa Gateway 136, communication link 112, smart hub 110, and non-LoRa WAN communication links 114. *Id.* at 4:21–7:6.

The '118 patent describes coupling server 130 to a LoRa gateway 136, which may communicate information to and from smart hub 110, using LoRa WAN communication link 112, which could use another low-power technology. *Id.* at 6:12–19. Smart hub 110 may be a smart thermostat hub. *Id.* at 6:45–46. In addition, another communication interface "may communicatively couple smart hub 110 to one or more smart devices 120 via non-LoRa WAN communication links 114, such as a Wi-Fi

communication link, a ZigBee communication link, a Bluetooth communication link (e.g., a Bluetooth low energy (BLE) communication link), and the like." 6:32–40. The smart hub may provide "improvements with respect to security and property management through utilization of smart devices, such as an offline door lock, a thermostat, lights fixtures, and the like." *Id.* at 9:5–11. The patent also describes that "server 130 may provide a property management platform that may be utilized to manage various aspects of a multi-family residential property." *Id.* at 14:1–4.

The '118 patent provides an example, where,

> upon receiving the control information from server 130, smart hub(s) may identify one or more smart devices (e.g., one or more offline door locks) and may derive one or more commands for controlling the one or more identified smart devices in accordance with the control information, such as commands to disable access credentials specified in the control information at the identified offline door lock. Having determined the one or more smart devices to which the received control information pertains and deriving appropriate commands for controlling the one or more smart devices in accordance with the control information, smart hub(s) may initiate transmission of the derived commands to the smart devices via communication links provided by second communication interface (e.g., the non-LoRaWAN communication interface), and the smart devices may execute the commands. For example, upon receiving the commands, an offline door lock may disable the identified access credentials.

Id. at 14:30–48.

The patent also describes that "property management platform, on server 130, may provide user interfaces and databases, and perform functions "to control and automate various property management tasks. For example, the property management platform may periodically (e.g., daily,

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