## Sensus USA, Inc. v. Certified Measurement, LLC - Granting Institution Based on Four of At Least Thirteen Asserted Grounds IPR2015-01454

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Takeaway: A claim may be anticipated if a person of ordinary skill in the art could at once envisage the claimed arrangement, even if such arrangement is not expressly spelled out in the reference.

In its <u>Decision</u>, the Board instituted an *inter partes* review of claims 1, 6, and 7 of the '310 patent based on four of the at least thirteen grounds alleged in the Petition. The '310 patent "relates to acquiring and cryptographically certifying a measurement representative of a physical parameter, such that the measurement can be verified at a later time."

As a preliminary matter, the Board indicated that it was not treating differently the alleged grounds of unpatentability that relied upon "the knowledge of a person of ordinary skill in the art." For instance, although the Petition purported to raise separately the grounds of unpatentability over the Bishop reference alone and Bishop in view of the knowledge of one skilled in the art, the Board "treat[ed] such grounds as subsumed" by the asserted ground over Bishop alone.

Turning to claim construction under the broadest reasonable interpretation in light of the specification, the Board discussed four claim terms. First, with respect to the "certified measurement" and "certifiable measurement" limitations, the Board adopted Petitioner's unopposed proposed construction for "purposes of this Decision." Second, regarding the term "cryptographic operation," the Board did not adopt Petitioner's unopposed proposal, finding the construction not consistent with the intrinsic evidence of the '310 patent, despite the extrinsic evidence cited by Petitioner. Instead, the Board construed the term in accordance with its plain and ordinary meaning. Third, regarding the term "time," the Board adopted a previous construction set forth in the Institution Decision in IPR2015-00573. Finally, regarding the "resistant to tampering" term, the Board provided an explicit construction although neither party had proposed a construction for the term.

The Board then addressed the alleged grounds of unpatentability. Regarding the Bishop reference, the Board was not persuaded by Patent Owner's argument attacking the disclosure of a figure in the reference, noting that "a reference can anticipate a claim even if it 'd[oes] not expressly spell out' all the limitations arranged or combined as in the claim, if a person of skill in the art, reading the reference, would 'at once envisage' the claimed arrangement or combination." Nevertheless, the Board was not persuaded by Petitioner's arguments that Bishop anticipates claim 1. In particular, the

Board found that Petitioner did not establish that a claim limitation was inherently disclosed in Bishop because Petitioner's "inference that Bishop is directed 'primarily' to military craft does not exclude the possibility of other implementations." Thus, the Board concluded that Petitioner did not demonstrate a likelihood of prevailing on its anticipation challenge based on Bishop.

Petitioner argued that if the limitation in question were not inherently disclosed in Bishop, the claims would have alternatively been obvious over Bishop. The Board was persuaded by Petitioner's arguments concerning claims 1 and 6. However, the Board was not persuaded with respect to claim 7, finding Petitioner's arguments and evidence to be speculative and "provid[ing] insufficient underlying facts or data to support the conclusion" of obviousness. Thus, the Board instituted review of claims 1 and 6 based on alleged obviousness over Bishop.

Regarding alleged obviousness over Bishop and Comerford, the Board was persuaded that Petitioner established a likelihood of prevailing as to claims 1 and 6. As to claim 7, the Board noted that Petitioner's arguments instead relied upon the disclosure of the FIPS113 reference rather than Comerford. Thus, the Board instituted trial as to claims 1 and 6 based on obviousness over Bishop and Comerford.

Turning to FIPS113, Petitioner argued that FIPS113 in combination with either Bishop alone or Bishop and Comerford would render obvious claim 7. Patent Owner did not respond to this argument. The Board then found that Petitioner demonstrated a reasonable likelihood of prevailing as to its grounds of obviousness of claim 7 over Bishop and FIPS113 and over Bishop, Comerford, and FIPS113.

The Board next discussed the Cox reference, finding that Petitioner had not established that Cox discloses a certain limitation recited in claim 1. The Board also found that Petitioner's arguments with respect to claims 6 and 7 were similarly flawed. Thus, the ground of alleged anticipation of claims 1, 6, and 7 by Cox was denied. The Board disposed of Petitioner's obviousness grounds based on Cox, finding that "Petitioner provides no meaningful analysis of its obviousness challenge over Cox independent of its anticipation challenge." Thus, the Board denied institution of each ground based upon the Cox reference.

The Board then addressed arguments related to the Swanson reference. The Board found that "Petitioner does not identify adequately disclosure in Swanson of configuring a sensor as recited in [claim 1] to be resistant to tampering," and that the challenge to claims 6 and 7 suffered the same deficiency. Thus, the Board denied institution of the anticipation challenge based on Swanson, and further denied grounds of obviousness based on Swanson for the same reasons.

Finally, the Board addressed the parties' arguments related to the identification of real parties-ininterest. Patent Owner contended that the identification in the Petition was incomplete, and that evidence provided from a related litigation showed that "part of the costs of defending the action against Petitioner are covered by insurance." However, the Board noted that Patent Owner's argument "is generic and fails to identify any specific evidence that a party other than those identified by Petitioner actually is exercising control over or could exercise control over this proceeding." The Board declined to deny the Petition on this ground.

Patent Owner had also requested, in the alternative, that the Board provide authorization for additional discovery into the real party-in-interest requirement. However, the Board indicated that Patent Owner had not addressed "the *Garmin* factors used by the Board to evaluate whether to authorize additional discovery under 37 C.F.R. § 42.51(b)(2)." Thus, the Board denied Patent Owner

authorization to seek additional discovery.

Sensus USA, Inc. v. Certified Measurement, LLC, IPR2015-01454
Paper 15: Decision on Institution of Inter Partes Review
Dated: December 14, 2015
Patent: 8,549,310 B2
Before: Phillip J. Kauffman, Bart A. Gerstenblith, and Patrick M. Boucher
Written by: Boucher
Related Proceedings: Certified Measurement, LLC v. CenterPoint Energy Electric Houston, LLC and Itron, Inc., 2:14-cv-00627 (E.D. Tex.); Sensus USA, Inc. v. Certified Measurement, LLC, 3:14-cv-01069 (D. Conn.); ALSTOM Grid Inc. v. Certified Measurement, LLC, 1:15-cv-00072 (D.
Del.); and ABB Inc. v. Certified Measurement, LLC, 1:15-cv-00461 (D. Del.); IPR2015-00573; IPR2015-00570; IPR2015-01262; IPR2015-00571; IPR2015-01311; IPR2015-00572; IPR2015-01439

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