

Fed. Circ. Upholds PTAB Ruling To Nix Prison Phone Patents

By **Kevin Penton**

Law360, New York (December 8, 2016, 6:23 PM EST) -- The Federal Circuit on Thursday affirmed two Patent Trial and Appeal Board decisions that invalidated because of obviousness the asserted claims of two Securus Technologies Inc. patents related to prison phone systems.

The three-judge appellate panel did not expand on its rationale, issuing a one-sentence order that upheld the PTAB's September 2015 toss of the asserted claims of Securus' U.S. Patent Numbers 7,899,167 and 8,577,003 because previous art would have made the claims obvious.

The patents describe a centralized system that processes calls for multiple prisons at a single, remote location. This system accounts for things like billing and can detect unauthorized calls.

The PTAB based its decisions to toss the claims in large part on an earlier patent for a telephone control system, which had been developed by a man named Thomas R. Spadaro and others.

Securus told the Federal Circuit in February that the Spadaro patent describes a system that distributes different components of the call processing to multiple locations, some of which are at the prison and others that are in remote places.

Securus contended that rival Global Tel-Link Corp.'s expert created a "modified version" of the Spadaro patent, picking and choosing various components when making an argument that it would have been obvious to centralize the call processing system.

"The board adopted [Global Tel-Link's] creation and held that the claims were obvious in view of [Global Tel-Link's] adaptation of Spadaro," Securus told the Federal Circuit. "But when the board relied on this new 'prior art,' it took components that were once distributed in disparate locations in Spadaro and organized them in a single, centralized system in order to read on the claims."

Global Tel*Link responded in May by telling the Federal Circuit that the PTAB did not improperly place on Securus the burden of proving the claims were inventive, according to its brief.

"The board considered Global Tel-Link's evidence and found that it established unpatentability by a preponderance of the evidence," the company argued. "The supposed burden-shifting that Securus points to was nothing of the sort; instead, the board merely explained why Securus' rebuttal case was not strong enough to overcome Global Tel-Link's proof."

Securus officials could not be reached for comment on Thursday.

"The Federal Circuit has confirmed that Securus' 'crown jewel' was just an obvious extension of existing inventions," said GTL CEO Brian Oliver in a statement. "That hardly qualifies as innovation."

U.S. Circuit Judges Timothy B. Dyk, William C. Bryson and Jimmie V. Reyna sat on the panel for the Federal Circuit.

The patents-at-issue are U.S. Patent Numbers 7,899,167 and 8,577,003.

Securus is represented by Erika Arner and Daniel C. Tucker of Finnegan Henderson Farabow Garrett & Dunner LLP.

Global Tel*Link is represented by Byron Leroy Pickard, Lori A. Gordon, Michael D. Specht and Michael B. Ray of Sterne Kessler Goldstein & Fox PLLC.

The case is Securus Technologies Inc. v. Global Tel*Link Corp., case numbers 16-1372 and 16-1373, in the U.S. Court of Appeals for the Federal Circuit.

--Additional reporting by Matthew Bultman.