

Claim 6: “. . . extracting one or more data elements from at least one sensor wherein the one or more elements are of at least one *operating state of the vehicle and the at least one human’s actions during a data collection period*; . . . wherein the output data value is *used to compute an insurance rating for the vehicle for the data collection period*.” Ex. A at Col. 11:40-12:40.

2. The Specific Features the Applicants Emphasized During Prosecution to Obtain Allowance of the ‘970 Patent Existed Long Before Any Claimed Priority Date for the ‘970 Patent, As Shown By the New Technical Teachings of the Cited References, Which Thus Raise Substantial New Questions of Patentability

During the prosecution of ‘970 patent, as describe above, the Applicants wanted the Patent Office to believe there were no systems or methods available to “*determin[er] insurance costs for a certain period based upon how the vehicle is operated during that very same time period*.” Ex. B, Amend. D at 5-6 (emphasis added). In fact, this was the single supposedly inventive element of all of the independent claims.

In truth, however, long before the application for the ‘970 was filed, several systems and methods were known that taught insurance rating for the monitored time period. These references, which provide the teaching the Applicants argued was missing during original prosecution, thus raise substantial *new* questions of patentability that were not considered by the original Examiner.

In fact, roughly *70 years before* any claimed priority date for the ‘970 patent, **Dorweiler** taught a method for determining “premium bases” using data from “devices” to assess exposure retrospectively, *i.e.*, collecting data during one period that affects an insurance rate during the same period. Ex. F at 339. The article states that when hazard media such as “mileage, car-hour, or fuel-consumption exposure” are used in “*rate making*,” they would “*require a final adjustment which would be determined retrospectively*” for the period monitored. *Id.* at 339 (emphasis added).

Likewise, in the late 1980s, the Pettersen reference described that vehicle data related to the “driving pattern of a motor vehicle” may be used to provide a “*bonus*” to persons with measured safe driving characteristics, specifically, a “*more fair bonus arrangement*, i.e., that policy holders having a ‘careful’ driving pattern – low speeds and low accelerations – may be allotted a higher bonus.” Ex. H at 3 (emphasis added). One of ordinary skill at the time would naturally have understood Pettersen’s disclosure of this “bonus” in its ordinary sense to include at least a possible reward for performance in the monitored period, and would thus have recognized Pettersen to be disclosing an insurance scheme where the policyholder receives such a “bonus” or rebate for good driver behavior during the measured time period against the premium for that period. *Id.*

Finally, in the early 1990s, the Kosaka reference disclosed a risk evaluation device “for evaluating risk in moving bodies (vehicles) or insurance customers,” and an “insurance premium determination device that employs this *risk evaluation device*.” Ex. C at 2 (emphasis added). The information gathered and evaluated by these devices is then used to determine a “real time” insurance premium. *Id.* at 4, 7.

The Dorweiler, Kosaka and Pettersen references all demonstrate that it was well known to perform insurance rating for the monitored time period – long before the application for the ‘970 patent or the parent application was filed. Thus, each of these references discloses what the Applicants argued was missing from the prior art during the original examination leading to the ‘970 patent. Each of the seven substantial new questions of patentability raised by the Requester relies on these new teachings of one of these three references, which are at least for this reason more pertinent than the prior art previously considered and were not previously

before the Examiner (Kosaka, Dorweiler) or were not considered in this new light by the Examiner (Pettersson) during the original prosecution of the '970 patent.

C. Secondary Considerations and Obviousness Under 35 U.S.C. § 103

As demonstrated in this Request, many claims of the '970 patent are anticipated by Kosaka, and “secondary considerations” are irrelevant to the invalidity of these claims under 35 U.S.C. § 102.

This Request also demonstrates that *all* of the claims of the '970 patent are obvious under 35 U.S.C. § 103 based on the combinations of references presented here. As discussed below, these overwhelming and old teachings in the prior art of *the same insurance policy feature that the Applicants argued was their basis for patentability* – “determining insurance costs for a certain period based upon how the vehicle is operated *during that very same period*” – cannot be overcome by “secondary considerations.”

The “ultimate determination of whether an invention is obvious is a legal question based on the totality of the evidence.” *See Brown & Williamson Tobacco Corp. v. Philip Morris, Inc.*, 229 F.3d 1120, 1131, 56 U.S.P.Q.2d 1456, 1464 (Fed. Cir. 2000) (*citing Richardson-Vicks Inc. v. Upjohn Co.*, 122 F.3d 1476, 1483, 44 U.S.P.Q.2d 1181, 1187 (Fed. Cir. 1997)). As set forth in *Graham v. John Deere Co.*, 383 U.S. 1, 17, 148 U.S.P.Q. 459, 467 (1966), those fact determinations involve (1) the scope and content of the prior art, (2) the differences between the prior art and the claimed invention, (3) the level of ordinary skill in the pertinent art, and (4) additional evidence, which may serve as indicia of non-obviousness. This “additional evidence” with respect to obviousness may include “secondary considerations [such] as commercial success, long felt but unsolved needs, [and] failure of others.” *Graham*, 383 U.S. at 17, 148 U.S.P.Q. at 467. ***However, a lack of invention cannot be outweighed by secondary factors.***

Dow Chem. Co. v. Halliburton Oil Well Cementing Co., 324 U.S. 320, 64 U.S.P.Q. 412 (1945).
See also Great Atl. & Pac. Tea Co. v. Supermarket Equip. Corp., 340 U.S. 147, 153, 87 U.S.P.Q. 303, 306 (1950) (“[C]ommercial success without invention will not make patentability.”); *Brown & Williamson*, 229 F.3d at 1131, 56 U.S.P.Q.2d at 1465 (“indicators of nonobviousness cannot overcome the strong evidence of obviousness”) (citing *Newell Cos. v. Kenney Mfg. Co.*, 864 F.2d 757, 769, 9 U.S.P.Q.2d 1417, 1427 (Fed. Cir. 1988) (“finding obviousness despite strong evidence of commercial success”)).

Here, despite the passage of *more than a decade*, there is *no commercial success* associated with the supposed invention of the ‘970 patent. The patent owner’s one known attempt to commercialize something resembling the claims of the ‘970 patent was a pilot program called “Autograph,” and Progressive pulled Autograph from the market by 2002. While Progressive has recently begun to offer what it terms “usage based insurance,” these insurance policies such as “MyRate” and “Snapshot” – which determine *future* insurance costs based on *past* driving behavior – *do not even practice the claimed invention* of the ‘970 patent. But even if they did, these policies certainly would not demonstrate commercial success: more than 12 years after the Applicants filed their application for the ‘970 patent, these insurance policies are *not even approved or offered* in most states, and they represent *at most a tiny fraction* of issued auto policies.

Any supposed evidence of commercial success is also unavailing without a concrete correlation between the merits of the invention and the alleged success. *Richardson-Vicks Inc.*, 122 F.3d at 1483, 44 U.S.P.Q.2d at 1186 (“evidence of commercial success proffered by plaintiff is limited to sales data, and does not include evidence of market share, of growth in market share, of replacing earlier units sold by others or of dollar amounts, and no evidence of a

nexus between the sales and the merits of the invention”) (internal quotation omitted). Here, Progressive can show neither a commercial success, nor any nexus to the supposed merits of its ‘970 patent’s claims. As noted above, Progressive’s available “usage based” insurance policies do not even practice the claimed invention: they use *past* driving behavior to determine *future* insurance costs, *not* to determine insurance costs for the *same* monitored period. And Progressive’s Applicants admitted, during prosecution of the ‘970 patent, that this was *already known* before their supposed invention: collecting vehicle driver data and using it to assess insurance rates for upcoming periods was taught by the prior art.

In order to show the required nexus to the claimed invention for an argument of commercial success, Progressive would need to show both (1) that customers are actually buying insurance policies that use vehicle monitoring data to adjust and apply insurance ratings, costs, and premiums to the *same monitored time period*, and (2) that customers are choosing those insurance policies *because of* this policy feature of using monitored data to adjust and apply insurance costs, premiums and ratings to the *same monitored time period*. Mere suggestions that there are “usage based” insurance policies in existence that use monitored data to adjust future insurance costs are irrelevant, as this was admittedly known before the ‘970 patent. And, even if there were policies making data-based adjustments and applications to insurance ratings, costs and premiums in the same monitored period, and even if these policies were shown to be a significant marketplace success, this would be pertinent to a “commercial success” argument for obviousness purposes *only* if Progressive could prove it was this feature, and not others, that was driving demand. Again, Progressive cannot do so.

Progressive is also unable to demonstrate commercial success by pointing to licensing activity. “Licenses taken under the patent in suit may constitute evidence of

Explore Litigation Insights

Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

Real-Time Litigation Alerts



Keep your litigation team up-to-date with **real-time alerts** and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

Advanced Docket Research



With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

Analytics At Your Fingertips



Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

LAW FIRMS

Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

FINANCIAL INSTITUTIONS

Litigation and bankruptcy checks for companies and debtors.

E-DISCOVERY AND LEGAL VENDORS

Sync your system to PACER to automate legal marketing.