

RECORD OF ORAL HEARING

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SCHRADER-BRIDGEPORT INTERNATIONAL, INC., et al.
Petitioner,

v.

CONTINENTAL AUTOMOTIVE SYSTEMS US, INC.
Patent Owner.

Case No. IPR2013-00014
Patent U.S. 6,998,973

Held: December 11, 2013

Before SALLY C. MEDLEY, JOSIAH C. COCKS, and MITCHELL G.
WEATHERLY *Administrative Patent Judges.*

APPEARANCES:

ON BEHALF OF THE PETITIONER:

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1 ON BEHALF OF THE PATENT OWNER:
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7
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9 The above-entitled matter came on for hearing on Wednesday,
10 December 11, 2013, commencing at 10:00 a.m., at the U.S. Patent and
11 Trademark Office, 600 Dulany Street, Alexandria, Virginia.
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15 P R O C E E D I N G S

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17 JUDGE MEDLEY: Please be seated. Good
18 morning. This is the hearing for IPR2013-00014 between
19 Petitioner Schrader-Bridgeport International and Patent Owner
20 Continental Automotive Systems U.S. At this time, we would
21 like the parties to please introduce counsel, starting with the
22 Petitioner.

23 MR. COLLINS: Bryan Collins for the shared
24 entities, and with me is Robert Fuhrer and Jack Lin and
25 Jeremy Espley, they are head of legal for the Schrader
26 companies.

27 JUDGE MEDLEY: Thank you. And for Patent
28 Owner?

1 MR. BAUMANN: I'm Tim Baumann, Your Honor,
2 and this is Themis Anagnos, he's inside counsel for
3 Continental, Boyd Cloern and Ken Hairston.

4 JUDGE MEDLEY: Thank you. Okay, per the
5 hearing order, as you know, each party will have 30 minutes
6 to -- total time to present their arguments. Petitioner will
7 begin with the presentation, since it's their case and only their
8 case, then Patent Owner, you may respond to petitioner's case,
9 and lastly the Petitioner, you can reserve rebuttal time, if you
10 wish, to present final arguments.

11 So, Petitioner, you may begin, and would you like
12 to reserve rebuttal time?

13 MR. COLLINS: Ten minutes.

14 JUDGE MEDLEY: Okay, that's fine. So, you have
15 until about 10:20.

16 MR. COLLINS: Great, thank you, Your Honor.

17 May it please the Board, this case really boils down
18 to the question of whether Schrader has presented a prima
19 facie case of obviousness on the grounds that are at issue.
20 There's no secondary considerations or anything of that nature
21 that we're dealing with or rebuttal evidence, so to speak, and
22 really this record is the three references we have before us.

23 So, I'm just going to walk through those real
24 quickly. The combination we have is a patent called
25 Derbyshire, which has the basic elements of a tire-pressure

1 monitoring system. Your car has four tires, I don't suspect
2 anyone drove an 18-wheeler here to work, but you might have
3 driven a motorcycle, who knows, it's just not the right
4 weather.

5 But four tires means you have four transmitters, and
6 when four transmitters start transmitting at the same time,
7 that's when you have collisions. That's actually been a
8 problem with tire-pressure monitors. Mr. Bailie recognized
9 that issue and his patent discloses the same tire-pressure
10 monitoring system as Derbyshire, but in recognizing the
11 problem, proposes solutions to solving what we call clashing,
12 and that's when the four transmitters transmit at the same time
13 to the same receiver.

14 The reason this happens is because when you start
15 driving a car, these devices have what we call parking modes
16 in driving or roll modes, because it's got a battery inside the
17 sensor. When you're not driving, they often, some of them
18 don't transmit at all when you're not driving, but when you're
19 not driving, some of them transmit, say, one every hour, once
20 every three or four hours. So when you start up the car in the
21 morning, the light will flash, that little flat tire light on your
22 dashboard, if you lost air overnight from a slow leak or
23 something like that.

24 But these devices also have roll switches or
25 accelerometers, so when you hit the typical standard is 15

1 miles an hour of centrifugal acceleration, you know,
2 measuring centrifugal acceleration, these go into a much
3 faster mode that we call running mode or driving mode and
4 the transmission period is typically every one or two minutes,
5 and that's what is in the patent at issue.

6 In the '973 patent, Bailie also does this at
7 one-minute intervals as well. And Bailie includes the roll
8 switch for this purpose. And Derbyshire has the same basic
9 set-up, too.

10 And what Bailie tells you --

11 JUDGE COCKS: Counsel, can I ask a quick
12 question?

13 MR. COLLINS: Absolutely.

14 JUDGE COCKS: Is there any recognition in
15 Derbyshire of the clashing problem, the collision problem that
16 is?

17 MR. COLLINS: I don't believe there is, I believe
18 Bailie recognizes the issue.

19 JUDGE COCKS: Okay.

20 MR. COLLINS: And there are people before Bailie
21 who had recognized it -- well, were there people before?
22 There are certainly people before the patent at issue that
23 recognized it as well. So, Bailie recognized the issue and he
24 comes up with a couple of solutions in his patent application.

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