UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

American Honda Motor Co., Inc.

Petitioner

v.

AMERICAN VEHICULAR SCIENCES

Patent Owner

Patent No. 8,036,788

Issue Date: October 11, 2011

Title: VEHICLE DIAGNOSTIC OR PROGNOSTIC MESSAGE TRANSMISSION SYSTEMS AND METHODS

PATENT OWNER'S PRELIMINARY RESPONSE TO PETITION FOR *INTER PARTES* REVIEW OF U.S. PATENT NO. 8,036,788 PURSUANT TO 37 C.F.R. § 42.107

Case No. IPR2014-00629

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I. INTRODUCTION

Patent Owner American Vehicular Sciences ("Patent Owner or AVS") submits the following preliminary response to the Petition filed by American Honda Motor Co., Inc. ("Honda" or "Petitioner") requesting *inter partes* review of claims 1-7, 13, and 20 of U.S. Pat. No. 8,036,788 ("the '788 patent"). This filing is timely under 35 U.S.C. § 313 and 37 C.F.R. § 42.107 because it is filed within three months of the April 22, 2014 mailing date of the Notice granting the Petition an April 15, 2014 filing date.

Honda is one of several defendants in district court litigation currently pending on this same patent. Toyota Motor Corporation, another defendant, already filed an IPR (IPR2013-00417) on this same patent on July 8, 2013. Honda waited over nine months—after the Toyota petition was granted and after AVS responded and set forth its arguments as to the prior art raised by Toyota—to file its own petition. Honda's petition raises many of the same or substantially the same arguments as Toyota's petition—seeking to have AVS defend the same claims against the same prior art arguments twice. In fact, at least one of the grounds raised by Honda in the present petition (anticipation by Fry of claims 1, 3, 4, 6, 7) is identical to a ground raised by Toyota and denied by the Board. Honda wants a second bite at the apple on grounds that the Board rejected with respect to Toyota. And, Honda timed its petition so that AVS would have to pay to defend

multiple IPRs staggered in time, even if Toyota's first-filed IPR ends up mooting some or all of Honda's arguments.

Pursuant to 35 U.S.C. § 315 and § 325, AVS submits that the Board should exercise its discretion by rejecting (at least) those grounds in Honda's petition that raise the same or substantially the same prior art or arguments previously presented to the Board by Toyota. Moreover, AVS submits that the Board should not stay these proceedings. A stay of the proceedings pending the outcome of Toyota's petition would frustrate the goal of securing a speedy resolution of every IPR proceeding, and promote the strategic filing of serial IPRs for the purpose of prolonging the staying of co-pending litigation.

Beyond these requests, AVS waives its right, pursuant to 37 C.F.R § 42.107(b), to present a substantive preliminary response on the merits of whether Honda has shown a reasonable likelihood of success in invalidating one or more of the claims of the '788 patent. As indicated in the Trial Practice Guide, no adverse inference should be taken by this election. *See* Office Patent Trial Practice Guide, Fed. Reg. Vol. 77, No. 157 (2012) at Section II.C. AVS reserves all rights to submit a Patent Owner Response and/or Amendment of the Patent pursuant to 37 C.F.R. §§ 42.120 and 42.121, respectively, should the Board institute an *inter partes* review. This election should not be deemed a waiver or admission on the part of the Patent Owner of any material presented in the Petition.

II. THE BOARD SHOULD REJECT AT LEAST THOSE GROUNDS THAT ARE THE SAME OR SUBSTANTIALLY THE SAME AS GROUNDS PREVIOUSLY PRESENTED TO THE BOARD

The Patent Statute provides that "[i]n determining whether to institute or order [an IPR] proceeding . . . the Director may take into account whether, and reject the petition or request because, the same or substantially the same prior art or arguments previously were presented to the [Board]." 35 U.S.C. § 325(d).

Here, three of Honda' proposed grounds for rejection are the same or substantially the same as grounds for rejection that were presented by Toyota in IPR2013-00417, including one ground that was already denied by the Board.[1] In particular, both Honda and Toyota raised the following identical grounds for invalidity of at least the following same claims:

Anticipation by Scholl of claims 1-7;
Anticipation by Ishihara of claims 1, 3, 4, 6, 7; and
Anticipation by Fry of claims 1, 3, 4, 6, 7 (denied by the Board in IPR2013-00417 as redundant; review based on Fry only instituted on other claims)

[1] AVS notes that the Statute does not apply only to situations where the same or substantially the same prior art or arguments are presented by the same petitioner; accordingly, presentation of the same or substantially the same arguments by different Petitioners also falls within the Statute. *See* 35 U.S.C. § 325(d).

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