

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

TOYOTA MOTOR CORPORATION
Petitioner,

v.

AMERICAN VEHICULAR SCIENCES LLC
Patent Owner.

Case IPR2013-00413
Patent 6,738,697

Before JAMESON LEE, BARBARA A. PARVIS, and
GREGG I. ANDERSON, *Administrative Patent Judges*.

PARVIS, *Administrative Patent Judge*.

DECISION
Institution of *Inter Partes* Review
37 C.F.R. § 42.108

INTRODUCTION

On July 8, 2013, Toyota Motor Corporation (“Toyota” or “Petitioner”) filed a petition (Paper 3, “Pet.”) requesting an *inter partes* review of claims 1, 2, 5, 10, 17-21, 26, 27, 32, 40, and 61 of U.S. Patent No. 6,738,697 (Ex. 1101, “the ’697 patent”). American Vehicular Sciences LLC (“AVS” or “Patent Owner”) filed a preliminary response (Paper 15, “Prelim. Resp.”) on October 17, 2013. We have jurisdiction under 35 U.S.C. § 314.

The standard for instituting an *inter partes* review is set forth in 35 U.S.C. § 314(a) which provides as follows:

THRESHOLD -- The Director may not authorize an *inter partes* review to be instituted unless the Director determines that the information presented in the petition filed under section 311 and any response filed under section 313 shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.

Upon consideration of Toyota’s petition and AVS’s preliminary response, we determine that Toyota has established a reasonable likelihood that Toyota would prevail in showing the unpatentability of each of claims 1, 2, 5, 10, 17-21, 26, 27, 32, 40, and 61 of the ’697 patent. Accordingly, pursuant to 35 U.S.C. § 314, we institute an *inter partes* review as to claims 1, 2, 5, 10, 17-21, 26, 27, 32, 40, and 61 of the ’697 patent.

A. *Related Proceedings*

Toyota indicates that the ’697 patent has been asserted by AVS in the following district court cases: (1) *American Vehicular Sciences LLC v. Toyota Motor Corp., et al.*, No. 6:12-CV-405 (E.D. Tex. filed June 25, 2012) (hereinafter, “the ’405 Litigation”); (2) *American Vehicular Sciences LLC v. BMW Grp. A/K/A BMW AG et al.*, No. 6:12-CV-412 (E.D. Tex. filed

Case IPR2013-00413
Patent 6,738,697

June 25, 2012); (3) *American Vehicular Sciences LLC v. Hyundai Motor Co. et al.*, No. 6:12-CV-776 (E.D. Tex. filed Oct. 15, 2012); (4) *American Vehicular Sciences LLC v. Kia Motors Corp.*, No. 6:13-CV-148 (E.D. Tex. filed Feb. 13, 2013); (5) *American Vehicular Sciences LLC v. American Honda Motor Co., Inc. et al.*, No. 6:13-CV-226 (E.D. Tex. filed Mar. 8, 2013); and (6) *American Vehicular Sciences LLC v. Mercedes-Benz U.S. Intl., Inc.*, No. 6:13-CV-310 (E.D. Tex. filed Apr. 3, 2013). Pet. 1-2. Toyota further indicates that its petition was filed “simultaneously” with a petition in IPR2013-00412, which also involves the ’697 patent. Pet. 2.

B. The ’697 Patent Disclosure

The disclosed invention of the ’697 patent is directed to a vehicle diagnostic system that diagnoses the state of a vehicle or the state of a component of the vehicle, and generates an output indicative or representative of that diagnosed state. Ex. 1101, Abstract. A communications device transmits that output to a remote location, possibly via a satellite or the Internet. Ex. 1101, Abstract. In that regard, the specification further states:

Transmission of the output to a remote location may entail arranging a communications device comprising a cellular telephone system including an antenna on the vehicle. The output may be to a satellite for transmission from the satellite to the remote location. The output could also be transmitted via the Internet to a web site or host computer associated with the remote location.

Ex. 1101, 14:20-26.

The Field of the Invention portion of the disclosure states that the invention relates to methods and apparatus for diagnosing components in a vehicle and transmitting data relating to the diagnosis, and other information

relating to the operating conditions of the vehicle, to one or more remote locations via a telematics link. Ex. 1101, 1:37-42.

The Objects of the Invention portion of the disclosure states that it is an object of the invention to provide a new and improved method and system for diagnosing components in a vehicle and the operating status of the vehicle, and for alerting the vehicle's dealer, or another repair facility, via a telematics link, that a component of the vehicle is functioning abnormally and may be in danger of failing. Ex. 1101, 11:26-31.

C. Exemplary Claims

Of the challenged claims 1, 2, 5, 10, 17-21, 26, 27, 32, 40, and 61, only claims 1 and 21 are independent claims. Claims 2, 5, 10, and 17-20 each depend, directly or indirectly, from claim 1, and claims 26, 27, 32, 40, and 61 each depend, directly or indirectly, from claim 21. Claims 1 and 21 are reproduced below:

1. A vehicle, *comprising*:

a diagnostic system *arranged on the vehicle* to diagnose the state of the vehicle or the state of a component of the vehicle and generate an output indicative or representative thereof; and

a communication device coupled to said diagnostic system and arranged to automatically establish a communications channel between the vehicle and a remote facility without manual intervention and wirelessly transmit the output of said diagnostic system to the remote facility.

21. A method for monitoring a vehicle, *comprising* the steps of:

diagnosing the state of the vehicle or the state of a

component of the vehicle by means of a diagnostic system
arranged on the vehicle;

generating an output indicative or representative of the
diagnosed state of the vehicle or the diagnosed state of the
component of the vehicle; and

transmitting the output indicative or representative of the
diagnosed state of the vehicle or the diagnosed state of the
component of the vehicle from the vehicle to a remote location.

(emphasis added).

D. *Prior Art Relied Upon*

Simms	Patent 5,334,974	Aug. 2, 1994	Ex. 1102
DiLullo	Patent 4,897,642	Jan. 30, 1990	Ex. 1103

E. *Alleged Grounds of Unpatentability*

Claims	Ground	Reference(s)
Claims 1, 2, 5, 10, 17-21, 26, 27, 32, 40, and 61	§§ 102(a) and 102(e)	Simms
Claims 1, 2, 5, 10, 17, 18, 19, 21, 26, 27, 32, 40, and 61	§ 102(b)	DiLullo
Claims 5, 18, 20, 26, and 27	§ 103(a)	Simms and DiLullo

In support of the grounds above, Toyota also presents a Declaration by Mr. Scott Andrews (Ex. 1106).

ANALYSIS

A. *Claim Construction*

Principles of Law

In an *inter partes* review, claim terms in an unexpired patent are interpreted according to their broadest reasonable construction in light of the

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