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Paper 16
Entered: January 13, 2014

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

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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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