

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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MERCEDES-BENZ USA, LLC,  
Petitioner,

v.

AMERICAN VEHICULAR SCIENCES LLC,  
Patent Owner.

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Case IPR2014-00645  
Patent 6,738,697 B2

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

LEE, *Administrative Patent Judge*.

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

## INTRODUCTION

On April 16, 2014, Mercedes-Benz USA, LLC (“Mercedes-Benz”) filed a Petition (Paper 1, “Pet.”) requesting an *inter partes* review of claims 1, 2, 5, 6, 10, 18–22, 26, 27, 32, 40, and 61 of U.S. Patent No. 6,738,697 B2 (Ex. 1001, “the ’697 patent”). American Vehicular Sciences LLC (“AVS”) waived the filing of a Preliminary Response on July 24, 2014. Paper 11. 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 Mercedes-Benz’s Petition, we determine that Mercedes-Benz has established a reasonable likelihood that it would prevail in showing the unpatentability of each of claims 1, 2, 5, 6, 10, 18–22, 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, 6, 10, 18–22, 26, 27, 32, 40, and 61 of the ’697 patent.

### A. *Related Proceedings*

Mercedes-Benz indicates that the ’697 patent has been asserted by AVS in multiple district court cases including: (1) *American Vehicular Sciences LLC v. Mercedes-Benz U.S. Intl., Inc.*, No. 6:13-cv-00310 (E.D. Tex.); (2) *American Vehicular Sciences LLC v. American Honda Motor Co., Inc. et al.*, No. 6:13-cv-226 (E.D. Tex.); (3) *American Vehicular Sciences*

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*LLC v. Toyota Motor Corp., et al.*, No. 6:12-cv-00405 (E.D. Tex.); (4) *American Vehicular Sciences LLC v. Kia Motors Corp.*, No. 6:13-cv-148 (E.D. Tex.); (5) *American Vehicular Sciences LLC v. Hyundai Motor Co. et al.*, No. 6:12-cv-776 (E.D. Tex.); and (6) *American Vehicular Sciences LLC v. BMW Group. A/K/A BMW AG et al.*, No. 6:12-cv-412 (E.D. Tex.). The '697 patent also is the involved patent in these *inter partes* review proceedings before the Board: Case IPR2013-00412; Case IPR2013-00413; and Case IPR2014-00634.

### *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. 1001, Abstract. A communications device transmits that output to a remote location, possibly via a satellite or the Internet. Ex. 1001, 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. 1001, 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. 1001, 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. 1001, 11:26–31.

*C. Exemplary Claims*

Of the challenged claims 1, 2, 5, 6, 10, 18–22, 26, 27, 32, 40, and 61, only claims 1 and 21 are independent claims. Claims 2, 5, 6, 10, and 18–20 each depend, directly or indirectly, from claim 1, and claims 22, 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.

Ex. 1001, 85:16–26, 86:52–63.

*D. Prior Art Relied Upon*

Name	Reference	Date	Ex. No.
Asano	U.S. Patent No. 5,157,610	Oct. 20, 1992	Exhibit 1002
Fry <sup>1</sup>	<i>Diesel Locomotive Reliability Improvement by System Monitoring</i> , 209 PROC. INST. OF MECHANICAL ENGINEERS, PART F: J. OF RAIL & RAPID TRANSIT 1 (1995)	Jan. 1995	Exhibit 1003
DiLullo	U.S. Patent No. 4,897,642	Jan. 30, 1990	Exhibit 1004
Sorden	U.S. Patent No. 5,311,197	May 10, 1994	Exhibit 1005

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<sup>1</sup> The copy of Fry, as submitted by Mercedes-Benz, includes an added cover sheet from the publisher, noting that the version of record was dated Jan. 1, 1995.

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