UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Mercedes-Benz USA, LLC

Petitioner

v.

AMERICAN VEHICULAR SCIENCES LLC

Patent Owner

Patent No. 6,772,057

Issue Date: August 3, 2004

Title: VEHICLE MONITORING SYSTEMS USING IMAGE PROCESSING

PATENT OWNER'S PRELIMINARY RESPONSE TO PETITION FOR *INTER PARTES* REVIEW OF U.S. PATENT NO. 6,772,057 PURSUANT TO 37 C.F.R. § 42.107

Case No. IPR2014-00646

TABLE OF CONTENTS

I. INTRODUCTION

Patent Owner American Vehicular Sciences LLC ("Patent Owner or AVS") submits the following preliminary response to the Petition filed by Mercedes-Benz USA, LLC ("Mercedes" or "Petitioner") requesting *inter partes* review of claims 1, 2, 4, 7, 16, 30, 31, 40, 41, 43, 46, 56, 59-62, 77, 78, 81, and 83 of U.S. Pat. No. 6,772,057 ("the '057 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 24, 2014 mailing date of the Notice granting the Petition an April 16, 2014 filing date.

Mercedes is one of several defendants in district court litigation currently pending on this same patent. Toyota Motor Corporation, another defendant, already filed an IPR (IPR2013-00419) on this same patent on July 12, 2013. Mercedes 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. Mercedes' petition, however, 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. And Mercedes 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 many of Mercedes' 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 Mercedes' petition that raise the same or substantially the same prior art or arguments previously presented to the Board by Toyota. Beyond this, AVS waives its right, pursuant to 37 C.F.R § 42.107(b), to present a substantive preliminary response on the merits of whether Mercedes has shown a reasonable likelihood of success in invalidating one or more of the claims of the '057 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 PROPOSED BY MERCEDES 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, several of Mercedes' proposed grounds for rejection are the same or

substantially the same as grounds for rejection that were presented by Toyota in IPR2013-00419.[1] In particular, both Mercedes and Toyota raised the following identical grounds for invalidity for the same claims:

Anticipation by Lemelson of claims 1, 2, 4, 7, 30, 31, 40, 41, 43, 46, 56, 59-62;
Obviousness by Lemelson and Borcherts of claims 30, 31, and 62;
Obviousness by Lemelson and Asayama of claims 4 and 59;

Further, Mercedes has raised additional grounds that are at least substantially the same as grounds presented in the Toyota IPR. These include:

Obviousness by Lemelson and Komoda of claims 30, 31, and 62, which is substantially the same as Toyota's (and Mercedes') arguments regarding Lemelson and Borcherts, as both Komoda and Borcherts are alleged to supply the missing limitation of a receiver arranged on a rear-view mirror;
Obviousness by Lemelson and Kwai of claims 30, 31, and 62 for the same reason—that Kwai allegedly supplies the missing limitation of a receiver arranged

[1] AVS notes that the Statute does not just apply only to situations where the same or substantially the same prior art or arguments are presented by the same petitioner. 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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