

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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TOYOTA MOTOR CORPORATION  
Petitioner,

v.

AMERICAN VEHICULAR SCIENCES LLC  
Patent Owner.

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Case IPR2013-00412  
Patent 6,738,697

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Before JAMESON LEE, TREVOR M. JEFFERSON, and  
BARBARA A. PARVIS, *Administrative Patent Judges*.

LEE, *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 4, “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. 1001, “the ’697 patent”). American Vehicular Sciences LLC (“AVS” or “Patent Owner”) filed a preliminary response (Paper 16, “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 there is a reasonable likelihood that Toyota would prevail in showing the unpatentability of claims 1, 2, 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, 10, 17-21, 26, 27, 32, 40, and 61 of the ’697 patent.

We determine that there is not a reasonable likelihood that Toyota would prevail in showing the unpatentability of claim 5. Therefore, we decline to institute an *inter partes* review as to claim 5 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.*

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*Toyota Motor Corp., et al.*, No. 6:12-CV-405 (E.D. Tex., filed June 25, 2012); (2) *American Vehicular Sciences LLC v. BMW Grp. A/K/A BMW AG et al.*, No. 6:12-CV-412 (E.D. Tex., filed June 25, 2012); (3) *American Vehicular Sciences LLC v. Hyundai Motor Co. et al.*, No. 6:12-CV-776 (E.D. Tex., filed October 15, 2012); (4) *American Vehicular Sciences LLC v. Kia Motors Corp.*, No. 6:13-CV-148 (E.D. Tex., filed February 13, 2013); *American Vehicular Sciences LLC v. American Honda Motor Co., Inc. et al.*, No. 6:13-CV-226 (E.D. Tex., filed March 8, 2013); and *American Vehicular Sciences LLC v. Mercedes-Benz U.S. Intl., Inc.*, No. 6:13-CV-310 (E.D. Tex., filed April 3, 2013). Pet. 1-2.

Toyota indicates that this petition was filed “simultaneously” with the petition in IPR2013-00413, 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. 1001, Abstract: 1-3. A communications device transmits that output to a remote location, possibly via a satellite or the Internet. Ex. 1001, Abstract: 3-6. 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, 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*

Fry <sup>1</sup>	<i>Diesel Locomotive Reliability Improvements by System Monitoring</i> , 209 PROC. INST. OF MECHANICAL ENGINEERS, PART F: J. OF RAIL & RAPID TRANSIT 1 (1995) (“Fry”)	January, 1995	Exhibit 1002
Ishihara	Japanese Published Application H01-197145 (“Ishihara”)	Dec. 17, 1993	Exhibit 1003
	English Translation of Ishihara		Exhibit 1004
Asano	Patent 5,157,610 (“Asano”)	Oct. 20, 1992	Exhibit 1005

<sup>1</sup> The copy of Fry, as submitted by Toyota, includes an added notation from a third party source that it was published in January 1995. Ex. 1002, Abstract Page. AVS challenges the alleged publication date of January, 1995. However, there is sufficient evidence to institute a review on the basis of the January 1995 date. Objections to evidence supporting the Petition are governed by 37 C.F.R. § 42.64(b).

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