

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

Patent No. 6,772,057

Issue Date: August 3, 2004

Title: VEHICLE MONITORING SYSTEMS USING IMAGE PROCESSING

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**PATENT OWNER'S PRELIMINARY RESPONSE**

Case No. IPR2015-00261

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Toyota Motor Corporation's ("Toyota's") Petition IPR2015-00261 should be denied on its face, and not instituted for the following statutory estoppel reasons:

(1) The IPR cannot not be instituted because, prior to any institution decision, maintaining the IPR will become statutorily barred under 35 U.S.C. §315(e)(1). More than sixteen months ago, Toyota filed an earlier IPR petition on the same patent. (*See* IPR2013-00419.) In that IPR, depositions were taken, all substantive papers have been filed, and an oral argument was held. All that remains in connection with Toyota's earlier-filed petition (IPR2013-00419) is a Final Written Decision. That final decision will issue by January 13, 2015. Because a final decision will issue, Toyota cannot "maintain a proceeding before the Office with respect to that claim or any ground that the petitioner raised or reasonably could have raised during that *inter partes* review." 35 U.S.C. §315(e)(1) (emphasis added). Here, it is indisputable that each of the grounds that Toyota raises in its new petition were grounds that it reasonably could have raised in its earlier one. Toyota is merely raising an obviousness argument with respect to the same prior art reference (Lemelson) that it raised in IPR2013-00419. The only reason that Toyota did not raise the argument in that prior IPR is because Toyota did not think of it until after AVS responded with its rebuttal arguments. The statutory provision of §315(e) is intended to bar precisely what Toyota is trying to do by virtue of its second IPR petition—get a second bite at the apple

where it fears that it will lose its first IPR. It would also circumvent the requirement of a “just, speedy, and inexpensive” resolution of Toyota’s first IPR.

(2) The IPR cannot not be instituted because, absent joinder with IPR2014-00646, it is also statutorily barred by 35 U.S.C. §315(b). The present IPR was filed more than one year after Toyota was served with a complaint in district court litigation. However, Toyota cannot join IPR2014-00646, because there will be no proceeding to join. The only parties to IPR2014-00646 (patent owner American Vehicular Sciences and petitioner Mercedes-Benz USA, LLC) have already settled and moved to terminate the IPR proceeding, rendering Toyota’s motion to join moot. *See, e.g., Google, Inc. et al v. Personalweb Tech. et al*, Case IPR2014-00977 at Paper 10 (P.T.A.B. 2014) (where the parties to the IPR that Google sought to join settled after Google filed its motion to join, but before the Board decided the motion, the Board found that “[g]iven that [the IPR] is no longer pending, it cannot serve as a proceeding to which another proceeding may be joined. As such, the termination of [the IPR] renders Google’s Motion for Joinder moot.”) (emphasis added). This situation is identical to that in *Google*.

(3) Toyota’s attempt to get a second bite at the apple would circumvent the statutory requirement for completing an IPR proceeding within one year of institution. Toyota’s petition in IPR2013-00419 was filed on July 12, 2013 (within one year of the July 26, 2012 service date of a co-pending lawsuit between Toyota

and AVS). Here, in view of the settlement between Mercedes and AVS, if Toyota is allowed to join IPR2014-00646, it would be the only petitioner, achieving the same result as if Toyota simply filed a new IPR more than sixteen months after the statutory bar date. Such a loop-hole would be contrary to Congressional intent.

(4) Further and notwithstanding the foregoing, the Board has the discretion to deny institution of an IPR petition to avoid gamesmanship and to prevent a party from improperly seeking a “do-over” of a failed IPR. Toyota should not be allowed to endlessly re-litigate the same patent, raising new arguments only after seeing its initial arguments fail. *See, e.g., Medtronic, Inc. et al v. EndoTach, LLC*, Case IPR2014-00695, Paper 18 (P.T.A.B. Sept. 25, 2014) (denying institution; “This case represents a ‘second bite at the apple’ for Petitioner, who has received the benefit of seeing our Decision to Institute in the prior case involving the same parties and patent claims.”)

For these reasons, which are discussed in more detail below, the Board should deny instituting review on Toyota’s second IPR on the same patent. Toyota already had its chance to attack the ‘057 patent, and nothing in the statute or Rules allows endless “do-overs.”

**1. *The Estoppel Provision of 35 U.S.C. §315(e) Bars Institution Here***

Toyota's petition in IPR2015-00261 must first and foremost be denied because granting it would violate the estoppel provisions of 35 U.S.C. §315(e). Importantly, Toyota already filed its own IPR petition (IPR2013-00419) on the exact same patent over sixteen months ago. Over the next thirteen months, Toyota and AVS filed responses, took depositions of experts, and conducted an oral hearing before the Board. A Final Written Decision in that IPR will issue by January 13, 2015.

The patent statute expressly provides that because a final decision in IPR2013-00419 will issue, “[t]he petitioner in an *inter partes* review . . . that results in a final written decision” (Toyota) cannot “maintain a proceeding before the Office with respect to that claim or any ground that the petitioner raised or reasonably could have raised during that *inter partes* review.” 35 U.S.C. §315(e)(1) (emphasis added). Nothing in the statute or rules provides an exception to this estoppel in cases of joinder. *See, e.g.*, 35 U.S.C. § 316(a)(11) (permitting only an “adjust[ment of] time periods,” not a relaxation of estoppel, “in the case of joinder”). For relevant purposes here, the estoppel provision of §315(e) is absolute.

Here, Toyota is trying to assert obviousness arguments that it easily could have—but did not—raise in IPR2013-00419. Contrary to Toyota's misguided plea

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