

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

TOYOTA MOTOR CORPORATION

Petitioner

Patent No. 5,845,000

Issue Date: December 1, 1998

Title: OPTICAL IDENTIFICATION AND MONITORING SYSTEM USING
PATTERN RECOGNITION FOR USE WITH VEHICLES

**PETITIONER'S REPLY TO PATENT OWNER'S OPPOSITION TO
MOTION FOR JOINDER WITH IPR2014-00647**

Case No. IPR2015-00262

By moving to join the newly-filed IPR2015-00262 (“-262 IPR”) with IPR2014-00647 (“Mercedes IPR”), Toyota is not seeking an unfair “do-over,” as AVS asserts. The prohibition against a “second bite at the apple” is defined by the statutory provisions, and is not, as AVS submits, a blanket ban on a petitioner ever offering more than one validity challenge against the same claim. Toyota is using permitted procedures to ensure that the patentability of the challenged claims over Lemelson is fully considered. Otherwise, there is a risk that the claims could be confirmed because of a procedural technicality whereby Toyota was prohibited from addressing whether the “generated from” phrase was obvious over Lemelson in view of AVS’s claim construction position.

In response to the instituted grounds in IPR2013-00424 (“-424 IPR”), AVS offered a distinction between the challenged claims and Lemelson that, while perhaps facially answering the ground of anticipation, did not even pretend to render the claims nonobvious over Lemelson. Specifically, while AVS argued that Lemelson’s neural network was not necessarily trained with “real data,” it made no effort to argue that using “real data” was non-obvious. Then, faced with the prospect of defending this very distinction against obviousness grounds in the Mercedes IPR, AVS promptly settled with Mercedes, moved to terminate the IPR, and flatly refused to participate any further if the Board proceeded without Mercedes.

Now, AVS opposes this motion by treating its motion to terminate as already granted; by misreading the statute; and by hoping that the Board, in its discretion, will

help AVS procedurally sidestep what should be the central issue in a “just” resolution: the patentability of the challenged claims.

I. THIS MOTION IS NOT MOOT BECAUSE THE MERCEDES IPR HAS NOT BEEN TERMINATED

AVS’s argument that this motion is moot depends on an unstated and incorrect assumption: that the Board will necessarily grant AVS’s motion to terminate the Mercedes IPR as to both parties. But, the Board has discretion to continue the IPR without the participation of the petitioner. *See* 35 U.S.C. § 317(a).

The decision relied upon by AVS in its briefing, *Google, Inc. v. PersonalWeb Techs., LLC*, IPR2014-00977, Paper 10 (Oct. 30, 2014) is not to the contrary. In that matter, the Board did not deny Google’s joinder motion because the parties to the earlier IPR “settled and moved to terminate,” as AVS asserts. (Emphasis added.) Rather, in *Google*, the Board had actually granted the motion to terminate. *See* IPR2014-00977, Paper 10, at 6. And, it did so after taking Google’s joinder motion into account, and after emphasizing that Google had both failed timely to file its joinder motion and presented insufficient reasons to waive the time limit. *See* IPR2014-00059, Paper 30, at 3 (“More significantly, Google’s Motions for Joinder were not filed timely in accordance with 37 C.F.R. § 42.122(b).”). Unlike in the Google case, Toyota timely filed its joinder motion within the 30-day limit, which is a fact that the Board can and should consider in ruling on the pending motion to terminate.

In sum, AVS’s assertion that its pending motion to terminate moots Toyota’s

motion for joinder is wrong. The Board can and should decide the two motions together.

II. GRANTING THIS MOTION WOULD NOT VIOLATE SECTION 315(B), 315(E), OR 316(A)(11)

According to AVS, granting this motion would allow Toyota an impermissible “second bite at the apple”; and further, would violate the estoppel provision of 35 U.S.C. § 315(e), the filing deadline of § 315(b), and the deadline for the Board’s decision in § 316(a)(11). AVS is wrong for three reasons.

First, there is no blanket ban on a petitioner having multiple “bites at the apple” with respect to arguing for the invalidity of a patent claim. A petitioner may file for multiple IPRs; a petitioner may join another’s later IPR out of time; and, a petitioner may, subject to the limitations of 35 U.S.C. § 315(b), file for an IPR after having previously filed for an ex parte reexamination. The statutes and rules merely place certain limits on a petitioner’s conduct after “a final written decision under section 318 (a).” 35 U.S.C. § 315(e)(1). No such decision has issued in the -424 IPR, so Toyota is not estopped. And, the plain language of section 315(b) provides that the one-year bar “shall not apply to a request for joinder.” 35 U.S.C. § 315(b) (emphasis added). The Board should reject AVS’s speculation that Congress meant something other than its unambiguous words.

Second, AVS has emphatically refused to “participate in any way” in the Mercedes IPR, if the Board chooses to continue it for any reason. Therefore, if its

IPR were joined to the Mercedes IPR, Toyota would need to do nothing further to “request or maintain a proceeding before [this] Office.” *See* 35 U.S.C. § 315(e)(1); *see also* 77 Fed. Reg. 46621. Even if AVS were to submit a response by its December 31, 2014 due date, Toyota could still potentially file a reply brief before estoppel even arguably kicks-in (since a final written decision is not due until January 14, 2015).

Last, estoppel is limited to grounds “that the petitioner raised or reasonably could have raised during that *inter partes* review” in the IPR. 35 U.S.C. § 315(e)(1). For the reasons described in Toyota’s motion for joinder, Toyota was precluded from raising the obviousness of the “generated from” limitation in the -424 IPR. As AVS notes in its briefing, the Board “expressly rejected” Toyota’s attempt to raise the obviousness points addressed by the current IPR petition.

III. THE BOARD SHOULD EXERCISE ITS DISCRETION TO SECURE THE “JUST” RESOLUTION OF THESE PROCEEDINGS

The Board’s directive to “secure the just, speedy, and inexpensive resolution of every proceeding,” 37 C.F.R. § 42.1 (emphasis added), strongly suggests that the Board grant joinder.

In the -424 IPR, AVS argued that the “generated from” language was not disclosed by Lemelson because, essentially: (1) there were several known ways to train neural networks, (2) the inventor chose one of them (albeit without explanation), and (3) Lemelson does not specify any such choice. AVS has never claimed, nor does the patent itself, that the choice of “real data” is a non-obvious one. AVS even halted the

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