

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

JOAO CONTROL & MONITORING
SYSTEMS, LLC,

Plaintiff,

Case No. 13-cv-13957

v.

HON. MARK A. GOLDSMITH

CHRYSLER GROUP LLC,

Defendant.

OPINION AND ORDER

**(1) GRANTING IN PART AND DENYING IN PART DEFENDANT FCA US
LLC'S MOTION FOR SUMMARY JUDGMENT ON INVALIDITY AND NON-
INFRINGEMENT (Dkt. 59) AND (2) DENYING AS MOOT PLAINTIFF JOAO
CONTROL & MONITORING SYSTEMS, LLC'S MOTION FOR SUMMARY
JUDGMENT OF INFRINGEMENT OF U.S. PATENT NO. 7,397,363 BY
UCONNECT ACCESS (Dkt. 57)**

This is a patent infringement case in which Plaintiff Joao Control & Monitoring Systems, LLC ("JCMS") alleges that Defendant FCA US LLC (formerly Chrysler Group LLC) ("FCA") has infringed several of its patents by manufacturing, selling, and using its UConnect Access product. Before the Court are FCA's Motion for Summary Judgment on Invalidity and Non-Infringement (Dkt. 59) and JCMS's Motion for Summary Judgment of Infringement of U.S. Patent No. 7,397,363 by UConnect Access (Dkt. 57).

For the reasons stated below, the Court grants in part and denies in part FCA's Motion for Summary Judgment on Invalidity and Non-Infringement (Dkt. 59) and denies as moot JCMS's Motion for Summary Judgment of Infringement of U.S. Patent No. 7,397,363 by UConnect Access (Dkt. 57). Specifically, the Court holds that all of the claims being asserted in JCMS's patents to be invalid, as either obvious or anticipated based on prior art. Because the

Court finds that all asserted claims are invalid as being obvious and/or anticipated based on prior art, FCA's other invalidity and non-infringement arguments, as well as JCMS's infringement arguments, are moot. Summary judgment will be entered in favor of FCA, dismissing JCMS's complaint with prejudice.

I. BACKGROUND

A. Procedural Background

This patent infringement case was transferred to this Court from the United States District Court for the Southern District of New York on September 16, 2013. After substantial discovery, the Court held a claim construction hearing on March 24, 2015 and issued a formal claim construction opinion on August 26, 2015. 8/26/2015 Op. & Order (Dkt. 53). After the filing of the pending cross motions for summary judgment, the Court heard oral argument on April 15, 2016 and allowed supplemental briefs, which were reviewed along with the earlier briefing.

B. Overview of the Asserted Patents

JCMS has alleged that FCA has infringed four patents by making, selling, using a system named UConnect Access: U.S. Patent No. 5,917,405 ('405 Patent), entitled "Control Apparatus and Methods for Vehicles"; U.S. Patent 6,549,130 ('130 Patent), entitled "Control Apparatus and Method for Vehicles and/or Premises"; U.S. Patent No. 6,542,076 ('076 Patent), entitled "Control, Monitoring and/or Security Apparatus and Method"; and U.S. Patent No. 7,397,363 ('363 Patent), entitled "Control and/or Monitoring Apparatus and Method."

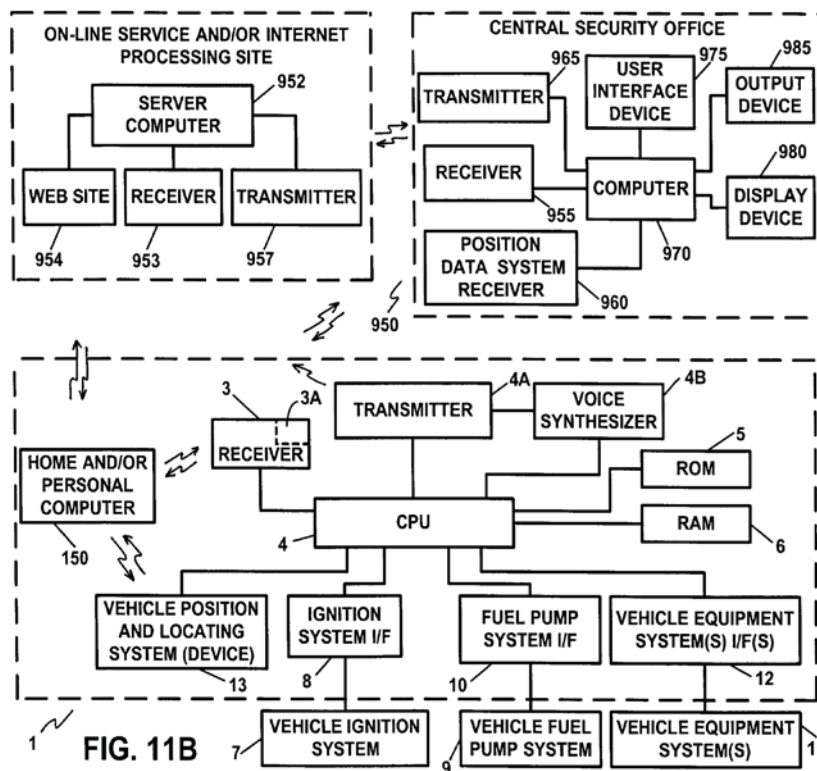
The four patents are all part of the same family of patents and are thus related. The parties agree that that the written description sections of the asserted patents are largely the same.

The asserted patents relate inter alia to a security system to prevent a thief from stealing a vehicle or, alternatively, to allow the owner of a vehicle to recover a stolen vehicle. In one example embodiment of the invention, the asserted patents teach a system that allows a vehicle owner, after a thief steals his car, to safely turn off the vehicle or lock out the thief from the vehicle after his getaway. When his car is stolen, the vehicle's owner would use his cellular telephone or personal computer to access an online website (or a central security office) where he could control various vehicle systems. The website or central security office would then communicate with the vehicle's onboard computer, thereby allowing the vehicle's owner to control systems of the vehicle.

More specifically, the patented system allows the vehicle's owner to turn off or activate various vehicle systems to thwart a user from stealing the vehicle in various ways, such as turning off the fuel supply system, the exhaust system, or the ignition system, locking the vehicle hood, turning on an interior or exterior siren, alarm, or horn, activating an intercom system for providing communications between vehicle owner and the vehicle occupants, and/or activating a video and/or audio recording device within the vehicle. The patented system would only allow the vehicle owner to turn off these vehicle systems when it is safe to do so, such as when the thief turns the engine or the vehicle is stopped. The asserted patents also teach that the patented system can have a vehicle position and locating device which can be utilized to allow the vehicle's owner to determine the position and/or location of the vehicle after it is stolen.

Figure 11B of the '363 Patent illustrates the patented system, which has been reproduced below. Reference number 150 shows a home and/or personal computer that communicates with an intermediate computer server (952), a central security office (950), or directly with a receiver (3) on the vehicle. By using the personal computer (150), the user can send instructions to the

server computer (952), which will process the user directions, and then communicate the instructions to the CPU (4) (computer processing unit) at the vehicle. The CPU (4) in the vehicle will then send commands to the relevant system interface to control a system in the vehicle such as the ignition system or the vehicle fuel pump. Thus, the user can remotely control a system in the vehicle from a home computer by communicating with an intermediate server, which then sends instructions to the vehicle.



C. REEXAMINATION AND INTER PARTES REVIEW PROCEEDINGS

In June 2014, Volkswagen Group of America, Inc. filed ex parte reexamination proceedings at the United States Patent and Trademark Office (“USPTO”) challenging the validity of one claim from each of the asserted patents in this case. 12/2/2015 Koperda Report at D-5 ¶ 0178. The USPTO only upheld the validity of Claim 21 of the ‘363 Patent. Ex Parte Reexamination Certificate U.S. Patent No. 7,397,363 (Dkt. 75-4). The USPTO Patent Examiner

found the other claims challenged in the reexamination proceedings (Claim 1 of the '405, Claim 48 of the '130 Patent, and Claim 3 of the '076 Patent) to be invalid. JCMS has appealed the decisions of the USPTO Patent Examiner. Volkswagen did not rely upon the primary prior art reference at issue in the present motion for summary judgment in the ex parte reexamination proceedings, specifically the published European patent application 92400712.3 to inventor Didier Frossard, entitled “System for controlled shutdown and for location of a movable or mobile equipment” (Dkt. 59-33).

In response to JCMS asserting its patents, accused infringers filed numerous inter partes review proceedings at the USPTO challenging the validity of various claims in the '405, '130, '076, and '363 Patents. Of particular note to this case, in the automotive field, Nissan North America, Inc. filed petitions to institute inter partes review proceedings against each of the asserted '405,¹ '130,² '076,³ and '363⁴ Patents. In January 2016, the USPTO decided to institute formal inter partes review proceedings against each of the '405, '130, 076, and '363 Patents because Nissan had demonstrated that there was “a reasonable likelihood it would prevail in establishing the unpatentability” of the challenged claims in the patents. 35 U.S.C. § 314(a). (Dkts. 85-4, 5, 6, and 7). In making its preliminary decision, the USPTO relied heavily on Frossard. A trial has not yet taken place in the Nissan inter partes review proceedings.

D. The Accused Product: UConnect Access

¹ IPR2015-01585

² IPR2015-01509

³ IPR2015-01508

⁴ IPR2015-01645

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