

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

VOLKSWAGEN GROUP OF AMERICA, INC.,
Petitioner,

v.

JOAO CONTROL & MONITORING SYSTEMS, LLC,
Patent Owner.

Case IPR2015-01612
Patent 7,397,363 B2

Before HOWARD B. BLANKENSHIP, STACEY G. WHITE, and
BETH Z. SHAW, *Administrative Patent Judges*.

SHAW, *Administrative Patent Judge*.

DECISION
Institution of *Inter Partes* Review
37 C.F.R. § 42.108

I. INTRODUCTION

Petitioner, Volkswagen Group of America, Inc., filed a Petition to institute an *inter partes* review of claims 21, 24, 27, 29, 30, 31, 33, 68, 69, 72, 74, 77, and 80 (“the challenged claims”) of U.S. Patent No. 7,397,363 B2 (“the ’363 patent”). Paper 1 (“Pet.”). Patent Owner, Joao Control &

Monitoring Systems, LLC, filed a Preliminary Response pursuant to 35 U.S.C. § 313. Paper 6 (“Prelim. Resp.”).

We have authority to determine whether to institute an *inter partes* review. 35 U.S.C. § 314; 37 C.F.R. § 42.4(a). Upon consideration of the Petition and the Preliminary Response, and for the reasons explained below, we determine that the information presented shows a reasonable likelihood that Petitioner would prevail with respect to claims 68, 69, 72, 74, 77, and 80. *See* 35 U.S.C. § 314(a). Accordingly, we institute an *inter partes* review of claims 68, 69, 72, 74, 77, and 80.

Based on the record before us, and exercising our discretion under 35 U.S.C. § 325(d), we decline to institute review of independent claim 21, or of claims 24, 27, 29, 30, 31, and 33, which depend from claim 21. Petitioner’s challenge of claim 21 is based upon substantially the same prior art and arguments that were before the Office in the *ex parte* reexamination of the ’363 patent—Control No. 90/013,303— that resulted in a Notice of Intent to Issue Ex Parte Reexamination Certificate dated July 29, 2015 (Ex. 2001). Accordingly, we decline to institute review of claims 21, 24, 27, 29, 30, 31, and 33.

A. Related Matters

Petitioner and Patent Owner indicate that the ’363 patent or related patents have been asserted in a significant number of related cases. *See* Pet. 1–2; Paper 5, 2–7.

B. The Asserted Grounds of Unpatentability

Petitioner identifies the following as asserted grounds of unpatentability:

Reference(s)	Basis	Challenged Claim(s)
Kniffin (Ex. 1002) ¹ and Spaur (Ex. 1004) ²	§ 103(a)	21, 24, 27, 30, 31, and 33
Kniffin, Spaur, and Drori (Ex. 1005) ³	§ 103(a)	29
Spaur	§ 102(e)	68, 69, 74, 77, and 80
Spaur	§ 103(a)	72

C. The '363 Patent

The '363 patent is directed to controlling a vehicle or premises. Ex. 1001, Abs. The '363 patent describes a first control device which generates a first signal and is associated with a web site and located remote from a premises or vehicle. *Id.* The first control device generates the first signal in response to a second signal that is transmitted via the Internet from a second control device located remote from the first device and remote from the premises or vehicle. *Id.* The first device determines whether an action associated with the second signal is allowed, and if so, transmits the first signal to a third device located at the premises. *Id.* The third device

¹ U.S. Patent No. 6,072,402, filed Jan. 9, 1992.

² U.S. Patent No. 5,732,074, filed Jan. 16, 1996.

³ U.S. Patent No. 5,081,667, filed Mar. 20, 1990.

generates a third signal for activating, de-activating, disabling, re-enabling, or controlling an operation of a system, device, or component of the premises or vehicle. *See id.*

D. The Challenged Claims

Petitioner challenges claims 21, 24, 27, 29, 30, 31, 33, 68, 69, 72, 74, 77, and 80, of which claims 21 and 68 are the only independent claims. Claims 21 and 68 are illustrative and are reproduced below:

21. An apparatus, comprising:

a first processing device, wherein the first processing device at least one of generates a first signal and transmits a first signal for at least one of activating, de-activating, disabling, re-enabling, and controlling an operation of, at least one of a vehicle system, a vehicle equipment system, a vehicle component, a vehicle device, a vehicle equipment, and a vehicle appliance, of or located at a vehicle, wherein the first processing device is associated with a web site, and further wherein the first processing device is located at a location remote from the vehicle,

wherein the first processing device at least one of generates the first signal and transmits the first signal in response to a second signal, wherein the second signal is at least one of generated by a second processing device and transmitted from a second processing device, wherein the second processing device is located at a location which is remote from the first processing device and remote from the vehicle, wherein the first processing device determines whether an action or an operation associated with information contained in the second signal, to at least one of activate, de-activate, disable re-enable, and control an operation of, the at least one of a vehicle system, a vehicle equipment system, a vehicle component, a vehicle device, a vehicle equipment, and a vehicle appliance, is an authorized or an allowed action or an authorized or an allowed operation, and further wherein the first processing device at least one of generates the first signal and

transmits the first signal to a third processing device if the action or the operation is determined to be an authorized or an allowed action or an authorized or an allowed operation, wherein the third processing device is located at the vehicle, wherein the second signal is transmitted to the first processing device via, on, or over, at least one of the Internet and the World Wide Web, and further wherein the second signal is automatically received by the first processing device, wherein the first signal is transmitted to and automatically received by the third processing device, wherein the third processing device at least one of generates a third signal and transmits a third signal for at least one of activating, de-activating, disabling, re-enabling, and controlling an operation of, the at least one of a vehicle system, a vehicle equipment system, a vehicle component, a vehicle device, a vehicle equipment, and a vehicle appliance, in response to the first signal.

68. An apparatus, comprising:

a first processing device, wherein the first processing device at least one of monitors and detects an event regarding at least one of a vehicle system, a vehicle equipment system, a vehicle component, a vehicle device, a vehicle equipment, and a vehicle appliance, of a vehicle, wherein the first processing device is located at the vehicle, and further wherein the event is a detection of a state of disrepair of the at least one of a vehicle system, a vehicle equipment system, a vehicle component, a vehicle device, a vehicle equipment, and a vehicle appliance, wherein the first processing device at least one of generates a first signal and transmits a first signal to a second processing device, wherein the first signal contains information regarding the event, and further wherein the second processing device is located at a location which is remote from the vehicle, wherein the second processing device automatically receives the first signal, and further wherein the second processing device at least one of generates a second signal and transmits a second signal to a communication device, wherein the second signal is transmitted to the communication device via, on, or over, at

least one of the Internet and the World Wide Web, wherein the communication device is located remote from the second processing device, and wherein the communication device automatically receives the second signal, and further wherein the communication device provides information regarding the event.

E. The Ex Parte Reexamination

Ex Parte Reexamination Control No. 90/013,303 was requested by Petitioner on July 21, 2014, challenging claim 21 of the '363 patent. Prelim. Resp. 4; Pet. 13. Reexamination was ordered on September 17, 2014. Prelim. Resp. 4. In a first Office Action dated December 19, 2014, the Examiner rejected claim 21 under the doctrine of obviousness-type double patenting, in view of claim 13 of U.S. Patent No. 6,542,076, and as being obvious over Spaur. Prelim. Resp. 4; Pet. 13–14. Patent Owner submitted a response to the First Office action on January 20, 2015, and also conducted an interview with the Examiner on February 3, 2015. Prelim. Resp. 4. In response, the Examiner issued an Office Action dated March 31, 2015, in which he vacated the double patenting rejection and the obviousness rejection based on Spaur. Prelim. Resp. 4; Pet. 14. The Examiner rejected claim 21 again as being obvious over Spaur in view of Kniffin. Prelim. Resp. 4; Pet. 14. Patent Owner submitted a response on June 1, 2015. Prelim. Resp. 5. The Examiner issued a Notice of Intent to Issue *Ex Parte* Reexamination Certificate on July 29, 2015. Ex. 2001. In the Notice, the Examiner stated “[u]pon further analysis of Patent Owner’s arguments of June 1, 2015, and reconsideration of the facts and evidence, it has been

found that this rejection would result in a system unsatisfactory for its intended purpose, and thus would not have been obvious.” *Id.* at 4.

ANALYSIS

A. Claim Construction

Before proceeding with claim construction, we must determine the proper standard to apply. Petitioner and Patent Owner contend that the claims of the '363 patent should be given their broadest reasonable construction. Prelim. Resp. 10–12. However, that standard is applicable only to unexpired patents. *See* 37 C.F.R. § 42.100(b) (“A claim in an unexpired patent shall be given its broadest reasonable construction in light of the specification of the patent in which it appears.”). In this case, if a trial proceeds, the patent will expire during the trial. For expired patents, we apply the *Phillips* standard used in district court patent litigation. *Phillips v. AWH Corp.*, 415 F.3d 1303 (Fed. Cir. 2005) (en banc).

The term of a patent grant begins on the date on which the patent issues and ends 20 years from the date on which the application for the patent was filed in the United States “or, if the application contains a specific reference to an earlier filed application or applications under section 120, 121, or 365(c) of this title, from the date on which the earliest such application was filed.” 35 U.S.C. § 154(a)(2) (2002). The '363 patent is subject to a terminal disclaimer with respect to U.S. Patent No. 6,542,077 B2 (“’077 patent”). Ex. 1001 (76). The earliest patent application referenced for the benefit of priority under 35 U.S.C. § 120, for the '077 patent, was filed on March 27, 1996, and the patent has a term extension of 40 days. The term of the '363 patent, thus, will expire no later than May 6, 2016.

Because, on this record, we conclude that the term of the '363 patent will expire prior to the end of the one-year period allotted for an *inter partes* review, for purposes of this Decision we treat the patent as expired. For claims of an expired patent, the Board's claim interpretation is similar to that of a district court. *See In re Rambus Inc.*, 694 F.3d 42, 46 (Fed. Cir. 2012). "In determining the meaning of the disputed claim limitation, we look principally to the intrinsic evidence of record, examining the claim language itself, the written description, and the prosecution history, if in evidence. . . ." *DePuy Spine, Inc. v. Medtronic Sofamor Danek, Inc.*, 469 F.3d 1005, 1014 (Fed. Cir. 2006) (citing *Phillips*, 415 F.3d at 1312–17). There is, however, a "heavy presumption" that a claim term carries its ordinary and customary meaning. *CCS Fitness, Inc. v. Brunswick Corp.*, 288 F.3d 1359, 1366 (Fed. Cir. 2002).

B. Claim Terms

Patent Owner argues that Petitioner has failed to propose claim constructions for certain terms, which "renders an evaluation of the merits of Petitioner's invalidity arguments impossible." Prelim. Resp. 13. Patent Owner proposes constructions for the terms "processing device," "remote," and "located at." *Id.* We are not persuaded that express constructions of "processing device," "remote," and "located at" are necessary in order to resolve the disputes currently before us. Thus, we discern no need to provide express constructions for these terms at this time. *Vivid Techs., Inc. v. Am. Sci. & Eng'g, Inc.*, 200 F.3d 795, 803 (Fed. Cir. 1999) ("[O]nly those terms need be construed that are in controversy, and only to the extent necessary to resolve the controversy."). We turn now to Petitioner's asserted

grounds of unpatentability to determine whether Petitioner has met the threshold standard of 35 U.S.C. § 314(a).

C. Claim 21

Patent Owner argues that we should decline to institute *inter partes* review under 35 U.S.C. § 325(d) because this Petition raises substantially the same issues, based on the same prior art that the Office already considered and rejected in the *ex parte* reexamination of the '363 patent. Prelim. Resp. 34–35. Patent Owner also argues that Petitioner has not shown a reasonable likelihood of prevailing on the merits with respect to claim 21. *See id.* at 22–35.

Petitioner acknowledges the *ex parte* reexamination, but asserts that “there is no indication the Examiner considered the disclosure of Spaur relating to the control of, e.g., the in-vehicle CD-ROM unit, by the remote terminal 60 via the Internet.” Pet. 27.

Under 35 U.S.C. § 325(d),

In determining whether to institute or order a proceeding under . . . chapter 31, 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 Office.

The only challenge to claim 21 presented by Petitioner is that claim 21 would have been obvious over the combination of the Spaur and Kniffin. Pet. 18–43. As noted above, during the *ex parte* reexamination of the '363 patent, the Examiner explicitly considered the same argument that claim 21 would have been obvious over that same combination of prior art. Petitioner disagrees with the Examiner's conclusion regarding that argument

and that prior art,⁴ but does not present any persuasive evidence to supplement the record that was in front of the Office during the reexamination.

In sum, we agree with Patent Owner that the Petition does not present any persuasive evidence to supplement the record that was before the Office during the reexamination. Based on these facts, we conclude that the same prior art and substantially the same arguments were presented to the Office previously. We exercise our discretion and decline to institute an *inter partes* review of claim 21 under 35 U.S.C. § 325(d). Because we decline to institute an *inter partes* review of claim 21, we also decline to review claims 24, 27, 29,⁵ 30, 31, and 33, each of which depend from independent claim 21.

D. Anticipation of Claims 68, 69, 74, 77, and 80 by Spaur

Petitioner asserts that claims 68, 69, 74, 77, and 80 are anticipated by Spaur. Pet. 47–58. As support, Petitioner provides detailed explanations as to how the combination of prior art meets each claim limitation. *Id.* Petitioner also relies upon the Declaration of Mr. Scott Andrews (Ex. 1006).

⁴ Petitioner argues, in part, that the Examiner never considered Kniffin as modified by Spaur, but rather that the Examiner only considered Spaur as modified by Kniffin. *See* Pet. 18–19. Generally, it is “of no significance, but merely a matter of exposition, that the [unpatentability assertion] is stated to be on A in view of B instead of on B in view of A.” *In re Bush*, 296 F.2d 491, 496 (CCPA 1961).

⁵ Petitioner alleges that claim 29 is obvious over the combination of Kniffin, Spaur, and Drori.

Upon consideration of Petitioner's explanations and supporting evidence, we are persuaded by Petitioner's contentions. For example, with respect to claim 68, Petitioner directs our attention to Spaur, which describes that data is transmitted from controller 30 via cellular phone 80 to the cellular digitized packet data (CDPD) network modem, and then transmitted over Internet 68 to computer terminal 60. Pet. 49 (citing Ex. 1004, 4:14–16, 4:26–29, 7:13–47, Figs. 1, 2; Ex. 1006 ¶¶ 34–35). As another example, with respect to claim 69, which requires that the apparatus uses at least one of “an intelligent agent, a software agent, and a mobile agent, or the apparatus is programmed for at least one of automatic activation and automatic operation,” Petitioner directs our attention to Spaur's disclosure of the web server 102 being programmed to provide a notification when a particular event occurs, such as when a vehicle reaches a location, or when a sensor measures a particular value. *Id.* at 50 (citing Ex. 1004, 12:18–30).

Patent Owner argues that the “second processing device” of claim 68 is not taught by the CDPD network modem of Spaur. Prelim. Resp. 36–37. In particular, Patent Owner argues that “the Specification and the intrinsic evidence of the '363 Patent is clear and unequivocal that a component of a communication system or communication network, such as, for example, the CDPD network modem of Spaur, cannot serve as and cannot function as the ‘second processing device’ of claim 68.” *Id.* at 37, 17–20. On this record, we are not persuaded by this argument. Although Patent Owner argues that each processing device is not merely a relay device or modem (*id.* at 17–18), Patent Owner does not direct us to any persuasive evidence that the “second processing device” of claim 68 is not encompassed by Spaur's teaching of a CDPD network modem.

Given the evidence in this record, we determine that Petitioner has demonstrated a reasonable likelihood of prevailing on its assertions that claims 68, 69, 74, 77, and 80 are anticipated by Spaur.

E. Obviousness of Claim 72 over Spaur

Claim 72 requires that “the communication device is at least one of a wireless device, a cellular telephone, and a personal digital assistant.” Ex. 1001, 120:18–20. Petitioner argues that while Spaur does not explicitly describe the computer terminal 60 as a wireless device, Spaur describes a “wireless device” contained in the vehicle for transmitting and receiving information over an air link (Ex. 1004, 6:3–5), and further describes that such devices may be among vehicle devices 50 (*id.* at 10:1–9). Pet. 59. Therefore, according to Petitioner, using a wireless device, a cellular telephone, or a personal digital assistant as the communication device in the system described by Spaur would have been well within the understanding of a person of ordinary skill in the art at the time the alleged invention of claim 72 was made, and it would have been obvious to do so. *Id.* at 59–60 (citing Ex. 1006 ¶ 40).

Upon consideration of Petitioner’s explanations and supporting evidence, we are persuaded by Petitioner’s contentions. On this record, we are persuaded that Petitioner has established a reasonable likelihood of prevailing on its assertion that claim 72 is unpatentable over Spaur.

III. CONCLUSION

Upon consideration of the Petition and Preliminary Response, we determine that the information presented in the Petition establishes that there

is a reasonable likelihood that Petitioner would prevail in challenging claims 68, 69, 72, 74, 77, and 80 of the '363 patent as unpatentable.

We exercise our discretion and decline to institute *inter partes* review on any of the asserted grounds as to claims 21, 24, 27, 29, 30, 31, and 33. 37 C.F.R. § 42.108.

At this juncture, we have not made a final determination with respect to the patentability of the challenged claims, nor with respect to claim construction.

IV. ORDER

Accordingly, it is

ORDERED that pursuant to 35 U.S.C. § 314(a), an *inter partes* review is hereby instituted for the following grounds of unpatentability:

Claims 68, 69, 74, 77, and 80 under 35 U.S.C. § 102(e) as anticipated by Spaur;

Claim 72 under 35 U.S.C. § 103(a) as obvious over Spaur;

FURTHER ORDERED that no other ground of unpatentability asserted in the Petition is authorized for this *inter partes* review; and

FURTHER ORDERED that pursuant to 35 U.S.C. § 314(c) and 37 C.F.R. § 42.4, notice is hereby given of the institution of a trial; the trial will commence on the entry date of this decision.

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