

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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FORD MOTOR COMPANY  
Petitioner,

v.

SAFE DRIVING TECHNOLOGIES LLC  
Patent Owner.

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IPR2021-01353  
Patent 10,532,709 B2

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Before SCOTT C. MOORE, RYAN H. FLAX, and BRENT M. DOUGAL,  
*Administrative Patent Judges.*

FLAX, *Administrative Patent Judge.*

DECISION  
Granting Institution of *Inter Partes* Review  
35 U.S.C. § 314

Ford Motor Company (“Petitioner”) filed a Petition for *inter partes* review challenging claims 1–7 and 14–16 of U.S. Patent 10,532,709 (Ex. 1001, “the ’709 patent”). Paper 1 (“Pet.”). Safe Driving Technologies LLC (“Patent Owner”) filed a Preliminary Response. Paper 6 (“Prelim. Resp.”). Petitioner filed an authorized Preliminary Reply (Paper 7, “Prelim. Reply”) and Patent Owner filed an authorized Preliminary Sur-Reply (Paper 8, “Prelim. Sur-Reply”), each addressing Section 314(a) issues.

Under 37 C.F.R. § 42.4(a), we have authority to determine whether to institute trial in an *inter partes* review. We may institute an *inter partes* review if the information presented in the petition filed under 35 U.S.C. § 311, and any preliminary response filed under § 313, shows that there is a reasonable likelihood that Petitioner would prevail with respect to at least one of the claims challenged in the petition. 35 U.S.C. § 314.

After reviewing the parties’ submissions, we conclude Petitioner demonstrates a reasonable likelihood it would prevail in showing that claims of the ’709 patent are unpatentable under the presented grounds. Therefore, we institute *inter partes* review of all challenged claims (1–7, 14–16) under the grounds raised in the Petition, pursuant to 35 U.S.C. § 314. *See SAS Inst., Inc. v. Iancu*, 138 S. Ct. 1348, 1359–60 (2018); *see also* Guidance on the Impact of *SAS* on AIA Trial Proceedings (April 26, 2018) (available at <https://www.uspto.gov/patents-application-process/patent-trial-and-appeal-board/trials/guidance-impact-sas-aia-trial>) (“Guidance”). We decline to exercise discretion under 35 U.S.C. § 314(a) to deny institution under the circumstances.

## I. INTRODUCTION

### A. REAL PARTIES-IN-INTEREST

Petitioner identifies itself as a real party-in-interest. Pet. x. Patent Owner identifies itself and also “General Patent Corporation” as real parties-in-interest. Paper 4, 1.

### B. RELATED MATTERS

Petitioner identifies *Safe Driving Technologies LLC v. Ford Motor Company*, 1-21-cv-00064 (D. Del.) (the “related district court litigation”) as a related matter. Pet. x. Patent Owner identifies this same litigation as a related matter and also identifies the following other related matters: IPR2021-01341 concerning U.S. Patent 9,713,994; IPR2021-01446 concerning U.S. Patent 9,047,170; and IPR2022-00086 concerning U.S. Patent 8,301,108. Paper 4, 1. The parties indicate that these patents are also at issue in the related district court litigation. Pet. x; Paper 4, 1.

### C. THE ’709 PATENT

The ’709 patent issued on January 14, 2020, from U.S. Application 16/140,786, which was filed on September 25, 2018. Ex. 1001, codes (45), (21), (22). On its face, the ’709 patent identifies its priority to U.S. Application 10/838,708, which was filed on May 4, 2004. *Id.* at code (60). However, in its written description, the ’709 patent further references priority, ultimately, to U.S. Provisional 60/336,293, which was filed October 24, 2001. *Id.* at 1:6–22. At this stage of the proceeding, we understand that the ’709 patent is entitled to priority to this provisional application. *See*,

*e.g.*, Pet. 3 (Petitioner asserts that the ordinarily skilled artisan would be someone as of October 24, 2001).<sup>1</sup>

The '709 patent concludes with 16 claims, of which claims 1, 5, 14, and 15 are independent claims. Ex. 1001, 23:2–24:66. Claim 1 is illustrative and reproduced below with added sub-numbering, as used by the parties (*see, e.g.*, Pet. 15–25; Prelim. Resp. 39, 42–43 (applying such sub-numbering to independent claim 15)):

**[1.0]** 1. A telematics system for a motor vehicle, wherein the motor vehicle has a bus and the telematics system is operable by a driver of the vehicle, the telematics system comprising:

**[1.1]** a first mode of operation and a reduced distractions mode of operation;

**[1.2]** the telematics system configured to be operatively coupled with a cellular phone having at least one feature and an output;

**[also 1.2]** the telematics system operable by a driver of the motor vehicle;

**[1.3]** the telematics system configured to be operatively coupled with a web server;

**[1.4]** the telematics system being operatively coupled to the vehicle's bus and being configured to receive at least one of a vehicle transmission information and a vehicle movement information from the bus;

**[1.5]** the telematics system configured to automatically switch between the first mode of operation and the reduced distractions mode of operation, as a result of at least one predetermined condition being met

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<sup>1</sup> There is some dispute as to the priority to be accorded claims 15 and 16; however, this does not impact our decision to institute. *See* Pet. 65.

by the at least one of the transmission information and the vehicle movement information; and,

[1.6] wherein the telematics system, while operating in the reduced distractions mode of operation, is configured to disable the at least one feature, suppress at least a portion of the output and [1.7] provide at least one indicium to the driver that the reduced distractions mode of operation is active; wherein the at least one indicium is presented by the motor vehicle.

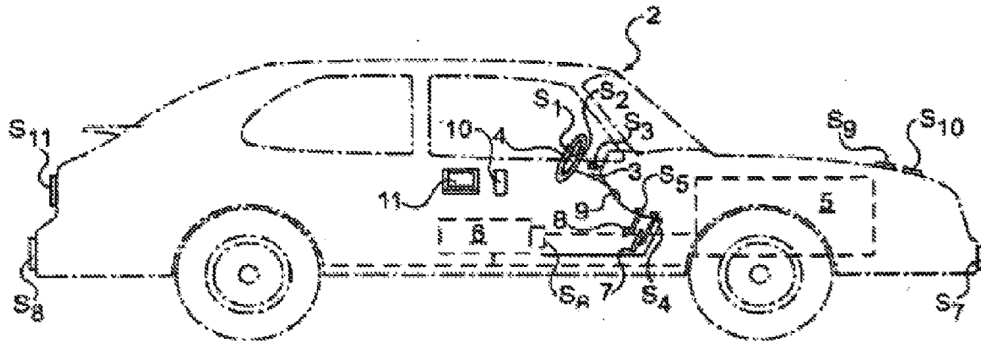
Ex. 1001, 23:2–31. The '709 patent's claims 2–4 depend from independent claim 1, claims 6–13 (claims 8–13 are not challenged here) depend from independent claim 5, and claim 16 depends from independent claim 15. *Id.* at 23:32–24:66.

The '709 patent's Abstract summarizes its invention as follows:

According to one aspect of one embodiment of the present invention, a safety control system for using applications in vehicles, includes, a communication device having at least one of an input accessible from within the vehicle and an output communicated within the vehicle, at least one sensor operable to sense at least one condition related to vehicle operation, and data about distraction features of a running application, to and a controller communicated with the sensor and the communication device to selectively suppress at least one of said input and said output in response to a sensed parameter of said at least one condition being outside of a threshold. When an input is suppressed, the driver is prevented from accessing or inputting information into the communication device. When an output is suppressed, communication between the device and the driver of a vehicle is suppressed to, among other things, avoid distracting the driver during certain driving situations or conditions relating to the driver, vehicle and/or environment.

*Id.* at Abstract.

For context, regarding the claimed safety control system, the '709 patent's Figure 1, reproduced below, illustrates a vehicle having such a system:

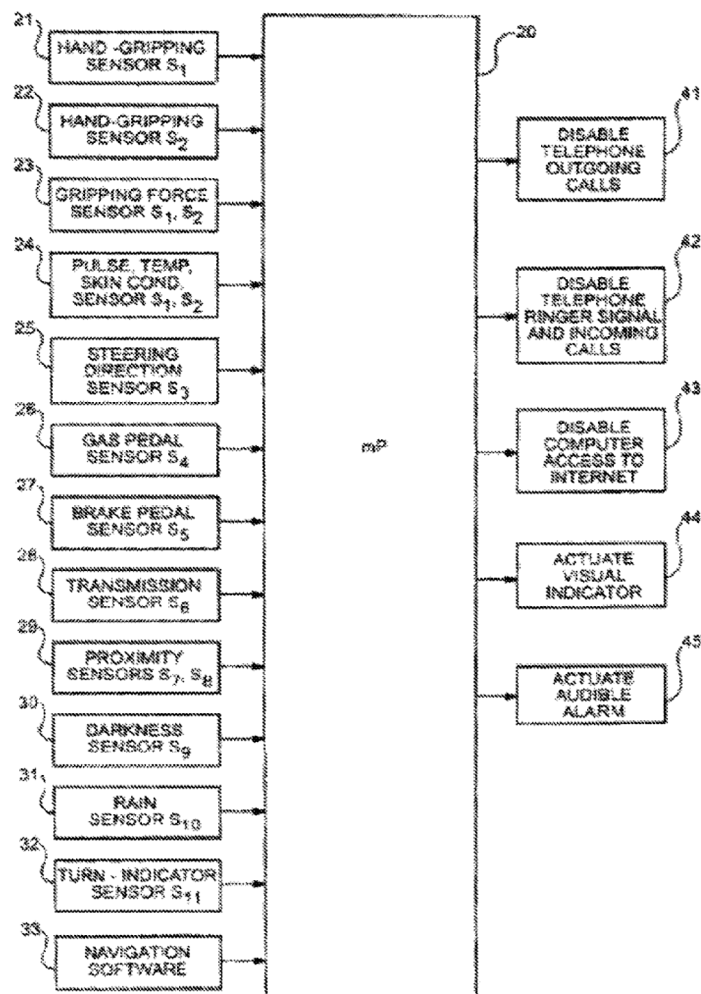


**Figure 1**

The '709 patent states that “FIG. 1 schematically illustrates one form of a safety control system for vehicles constructed in accordance with the present invention.” *Id.* at 5:32–34. Figure 1 shows vehicle 2 (a “conventional vehicle”), including steering mechanism 3 (column), steering wheel 4, engine 5, torque converting means 6 (e.g., transmission and driveshaft), acceleration pedal 7, brake pedal 8, visual indicator and audio alarms 9 (collectively), cellular telephone 10 and computer 11 (identified as telematic devices), and sensors  $S_1$ – $S_{11}$ . *Id.* at 5:48–7:20. Sensors  $S_1$  and  $S_2$  are on steering wheel 4 and sense a driver, sensor  $S_3$  is on steering mechanism 3 and senses changes in steering direction or actuation of turning indicator, sensor  $S_4$  senses gas pedal 7 condition and/or vehicle speed or acceleration, sensor  $S_5$  senses brake pedal 8 condition, sensor  $S_6$  senses transmission condition at torque converter 6, sensors  $S_7$  and  $S_8$  sense vehicle proximity to other vehicles, sensor  $S_9$  senses darkness or headlight activation, sensor  $S_{10}$

senses weather conditions, and sensor  $S_{11}$  senses turn signal activation. *Id.* at 6:47–7:20, 9:42–44.

In addition to the cell phone and computer discussed above, the '709 patent identifies other telematic devices that provide email, radio, CD or DVD play, navigation system, paging, and the like, as well as blackberry and PDA devices, etc. *Id.* at 6:2–7, 6:36–40, 15:43–47, 16:8–15, 15:62–66, 18:10–17. Figure 3, reproduced below, illustrates how the aforementioned sensors and telematics devices are interconnected in a system via a microprocessor, which controls their functions:



**Figure 3**

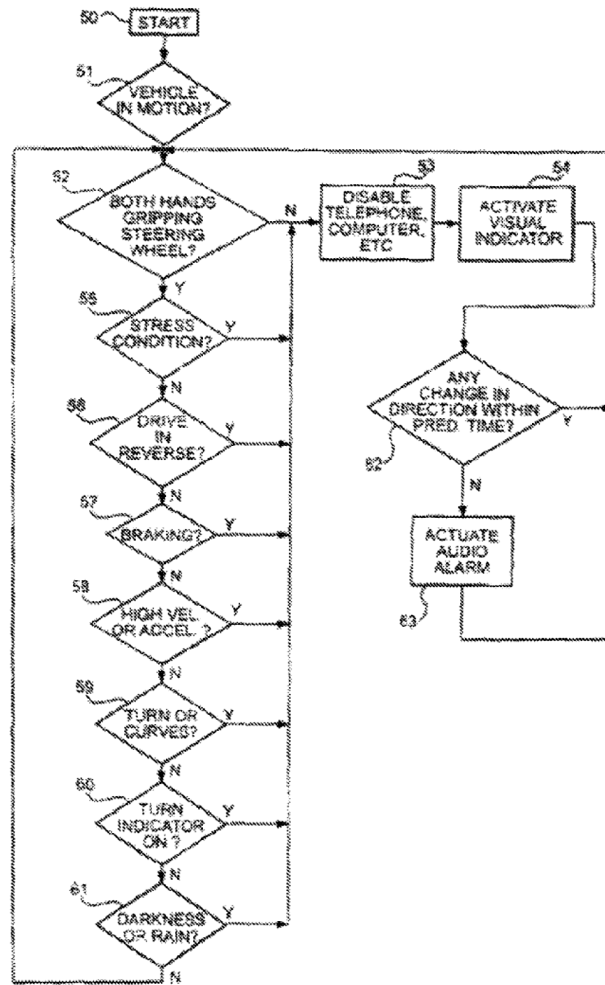
The '709 patent states that “FIG. 3 is a block diagram illustrating the main components in the system of FIG. 1.” *Id.* at 5:37–38. Figure 3 shows as a central block microprocessor (mP) 20, which is connected to and, as indicated via arrows, receives input 21–33 from each of the aforementioned sensors S<sub>1</sub>–S<sub>11</sub>, as well as navigation software 33. *Id.* at 9:59–11:20. Figure 3 also shows that microprocessor 20 is also connected with and, as indicated via arrows, provides output to control disabling of telephone outgoing calls (block 41), disabling of telephone ringer signal and incoming calls (block 42), disabling of computer access to internet (block 43), actuating of visual indicator (block 44), and actuating of audible alarm (block 45). *Id.* at 11:20–14:39.

The '709 patent calls microprocessor 20 a “state machine” for its ability to perform these functions. The '709 patent states:

The state machine aspect of the microprocessor may make telematic control decisions on a variety of criteria such as: (a) the frequency of use of the application, the frequency in which a number, e-mail or URL is contacted; (b) based on safety/urgency priorities, e.g. cruise or CD changer, cell messages or other telematics, or music played on the radio; (c) as preset by the operator; (d) optionally, based on other collected information from the driving system, the microprocessor will initiate calls at predetermined times out of voice mail as, for example, when the driver completes backing out of a driveway and begins a trip.

*Id.* at 11:25–36. The operation of such a system is illustrated by the '709 patent at Figure 4, which we reproduce below:





**Figure 4**

The '709 patent states that "FIG. 4 is a flowchart illustrating the operation of the system of FIG. 1." *Id.* at 5:39–40. Figure 4 shows the operational and algorithmic decision making of the state machine, which (via the aforementioned sensors) determines whether the vehicle is in motion (block 51) and thereafter uses sensor input to determine if potentially distracting conditions are met (blocks 51, 55–61). *Id.* at 13:63–16:30. If microprocessor 20 determines a distracting condition is present, it outputs

signals to disable vehicle components, e.g., phone, computer, etc., and provides an indicator of the condition. *Id.*

The described factors that can be monitored and considered as potential distractions are numerous and are listed in Figure 5 of the '709 patent, for example, state of the transmission, vehicle speed, and noises, and the system may take certain thresholds into consideration, for example vehicle speeds, to determine whether to restrict, suppress, or disable components. *Id.* at 17:61–22:23. For example, if the system senses a high vehicle speed it may disable the telephone entirely, but if it senses a slower vehicle speed it may enable the telephone's operation. *See id.* at 20:12–33.

D. SUMMARY OF ASSERTED GROUNDS FOR UNPATENTABILITY

Petitioner asserts the following grounds for the unpatentability of claims 1–7 and 14–16 of the '709 patent:

Ground	Claims Challenged	35 U.S.C. § <sup>2</sup>	Reference(s)/Basis
1	1–4, 15	103	Krüger, <sup>3</sup> Gelvin <sup>4</sup>
2	1–3, 5–7, 14	103	Trauner, <sup>5</sup> Gelvin, Krüger <sup>6</sup>

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<sup>2</sup> The '709 patent has an October 24, 2001 priority date, which is before AIA revisions to 35 U.S.C. § 103 took effect on March 16, 2013. 35 U.S.C. § 100 (note). Therefore, pre-AIA § 103(a) applies. Our decision is not impacted, however, by which version of the statute applies.

<sup>3</sup> US 7,711,355 B1, issued May 4, 2010 (Ex. 1026, “Krüger”).

<sup>4</sup> US 7,484,008 B1, issued Jan. 27, 2009 (Ex. 1027, “Gelvin”).

<sup>5</sup> US 2002/0070852 A1, published June 13, 2002 (Ex. 1029, “Trauner”).

<sup>6</sup> We note that Petitioner does not list Krüger here when summarizing its grounds for unpatentability or in the section header of the Petition in discussing the merits. Pet. 2, 33. However, Petitioner's discussion on the merits under this ground includes combining Krüger with Trauner and Gelvin and, thus, we consider it with these other references. *Id.* at 45–46.

Ground	Claims Challenged	35 U.S.C. § <sup>2</sup>	Reference(s)/Basis
3	15, 16	103	Tan, <sup>7</sup> Gelvin

*See* Pet. 2.

In support of the grounds for unpatentability Petitioner submits, *inter alia*, the Declaration of Scott Andrews (Ex. 1003). At this stage of the proceeding, and in the absence of evidence to the contrary, we find Mr. Andrews competent to testify as to the perspective and understanding of the person of ordinary skill in the art, as defined herein. *See infra* Section II.A; *see also* (describing this witness’s background, qualifications, and considered materials) Ex. 1003 ¶¶ 4–20, 52–122; Ex. 1004.

At this stage of the proceeding, Patent Owner has not similarly supported its preliminary arguments with witness opinion testimony; it was not required to do so.

We review Petitioner’s asserted prior art below.

E. KRÜGER

Krüger issued as U.S. Patent 7,711,355 on May 4, 2010, from U.S. Application 09/621,085, which was filed July 21, 2000. Ex. 1026, codes (45), (21), (22). There is no dispute at this stage of the proceeding that Krüger is prior art. *See generally* Prelim. Resp.

Krüger summarizes its disclosed invention in its Abstract, as follows:

In the current state of the art there are a number of operable devices 11, 12, 13 known that have an operating panel 14 through which a user of the device 11, 12, 13 can produce and/or change-existing operating states[.] Because of the fact that manual operation is often very complex and can also result in the distraction of the user in situations that require the full

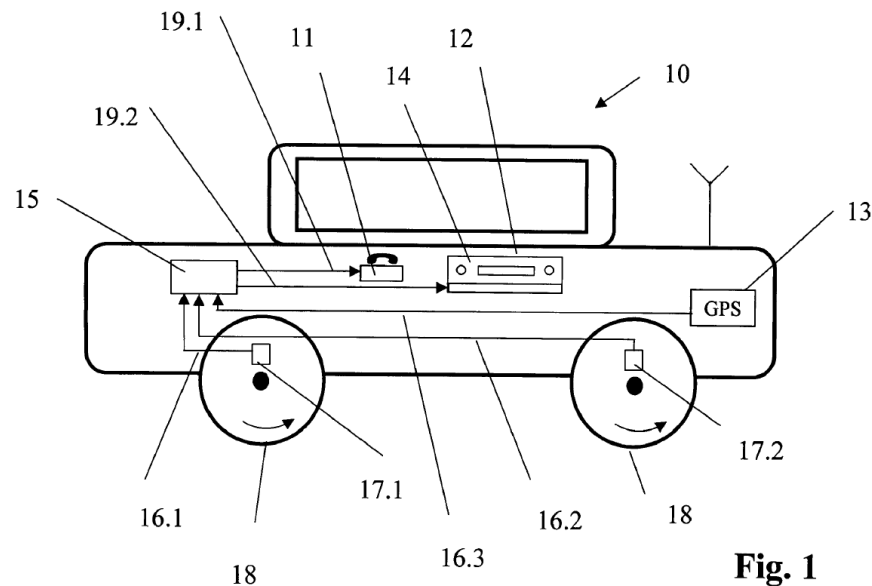
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<sup>7</sup> US 6,574,531 B2, issued June 3, 2003 (Ex. 1025, “Tan”).

the attention of a user to be directed elsewhere, the invention increases the ease of operation and simultaneously reduces the amount of attention required to be paid to the devices 11, 12, 13. The invention uses a decision unit 15 that blocks or releases certain operating states of the operable device 11, 12, 13 based on the data received. The invention can be implemented, for example, so that a mobile telephone 11 installed in a vehicle 10 does not “transfer” any telephone calls or suppresses the making of telephone calls from within the vehicle 10 when the vehicle 10 is moving faster than a certain speed.

Ex. 1026, Abstract.

For context, Figure 1 of Krüger, reproduced below, illustrates a system as described in its Abstract:



Krüger states that

FIG. 1 shows a diagram of a motor vehicle 10. This motor vehicle is equipped with a car phone 11, a car radio 12 and a navigation system 13. The car phone 11, the car radio 12 and the navigation system 13 each fulfill the definition of the term 5 “operable device”. For the sake of clarity, however, the

operating panel 14 is only shown in more detail for the car radio 12.

*Id.* at 2:11–18. Figure 1 also shows decision unit 15 connected to sensors 17.1, 17.2 by wires 16.1, 16.2; these sensors determine the speed of the vehicle and when the brakes are activated, respectively. *Id.* at 2:19–23. Krüger states that “other sensors (not illustrated) may be used” to identify, for example, turning the steering wheel or an incline of the vehicle. *Id.* at 2:25–28. Krüger explains that “the decision unit 15 is connected to the car phone 11 via a data line 19.1 and is connected to the car radio 12 via a data line 19.2,” and, as shown in Figure 1, above, decision unit 15 is also connected to GPS 13 via line 16.3. *Id.* at 2:37–39.

Krüger discloses an example (Example 1) where sensor 17.1 continuously transmits vehicle speed values to decision unit 15, which functions as a “threshold switch,” such that

[i]f the threshold switch is provided with speed values from sensor 17.1 that are over the speed of 130 km/h that is considered dangerous, then a signal is triggered and is transmitted on the data lines 19.1, 19.2. This signal then blocks the operation of the operating panel 14 on the car radio 12 and prevents telephone calls from being made in the vehicle 10 and from being received in the vehicle 10.

*Id.* at 2:51–57. Krüger suggests that at slower vehicle speed, below the threshold of 130 km/h, the radio 12 and phone 11 function normally. *See generally, id.* at Example 1. Krüger discloses that the system can have independent thresholds for different devices, stating “[f]or example, making a telephone call can be prevented at speeds higher than 100 km/h while the operability of the car radio 12 is only restricted at speeds over 120 km/h.” *Id.* at 2:60–63.

Krüger goes on to disclose a second level of control of the in-vehicle devices by the decision unit 15 based on sensed vehicle speed. Krüger discloses that

[e]ven the various operating states of the car phone 11 could be dependent on the corresponding speed. For example, making a telephone call from the vehicle 10 could be prevented at speeds higher than 50 km/h while receiving a telephone call is allowed at speeds of up to 160 km/h, especially when the telephone is equipped with a hands-free operation accessory.

*Id.* at 2:63–3:2. Thus, at least for car phone 11, Krüger discloses at least three levels of functionality controlled by decision unit 15 based on sensed vehicle speed: full functionality below an initial speed threshold; reduced functionality at a higher speed threshold; and further reduced functionality at an even higher speed threshold.

Krüger also discloses related notifications for a driver to inform of such reduced device functionality because of vehicle speed. Krüger states:

If the telephone function of the car phone 12 or the operability of the car radio 11 is suspended due to the current vehicle speed, the driver can be optically or acoustically informed of this state at the same time the signal is transmitted on the data lines 19.1, 19.2. In the context of the car phone 12, the unit could be designed so that the driver is also notified of incoming calls even if the current speed prevents the driver from accepting the call.

*Id.* at 3:3–10.

Krüger also discloses that decision unit 15 is also connected with, for example, receiving unit 20, which itself receives traffic and/or weather information and that such data can be used in addition to the vehicle speed to regulate the functions of operable devices 11, 12, 13. *Id.* at 3:63–4:1.

Krüger also discloses that data from the navigation system 13 (which can

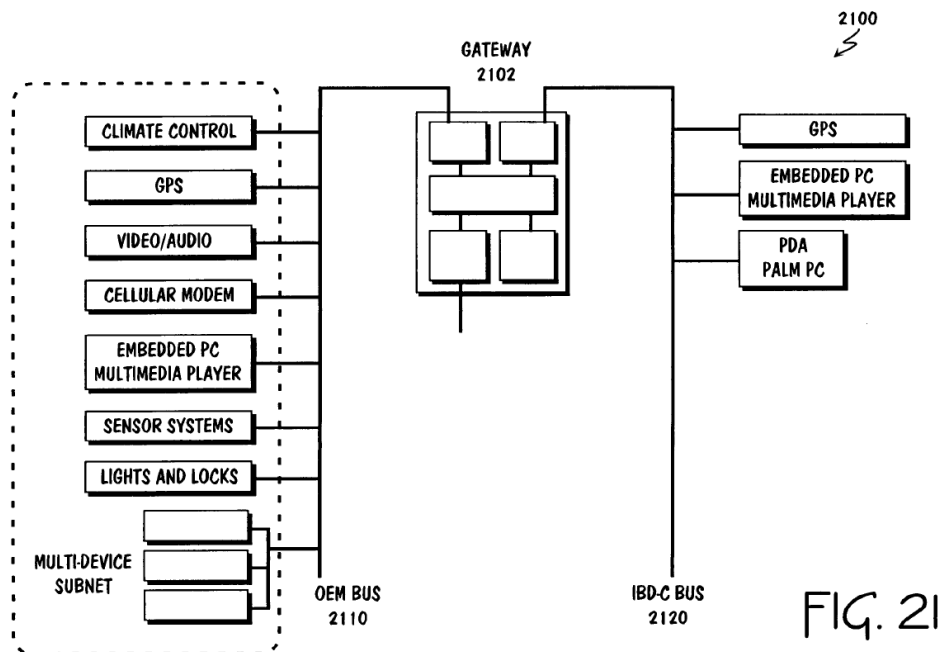
function as a sensor, too) can similarly be used by decision unit 15. *Id.* at 4:4–53.

Krüger discloses (describing Figure 2) that mobile telephone 11' has display 22, operating panel 14, and antenna 21. *Id.* at 4:54–56. Mobile phone 11' has a memory unit that can store data, and may house decision unit 15 connected to clock 26. *Id.* at 4:56–58. Mobile phone 11' is also disclosed as having sensor 23 connected to decision unit 15, which can receive signals from remote sender 24. *Id.* at 5:8–11. Remote sender 24 can control the functionality of mobile phone 11'. *Id.* at 5:11–22. Krüger discloses that mobile phone 11' can be equipped with or connected to a GPS module, and that the scope of functionality of mobile phone 11' is not limited to phone calls, but includes data transfers such as faxes, emails, SMS messages, and information from the internet (worldwide web). *Id.* at 5:23–49.

F. GELVIN

Gelvin issued as U.S. Patent 7,484,008 on January 27, 2009, from U.S. Application 09/684,490, which was filed on October 4, 2000 (Gelvin also notes priority to several earlier-filed provisional applications). Ex. 1027, codes (45), (21), (22), (60). There is no dispute at this stage of the proceeding that Gelvin is prior art. *See generally* Prelim. Resp.

Gelvin discloses vehicle internetworks, a communication system, among electronic devices within a vehicle and to connect with external networks. Ex. 1027, Abstract. Exemplary of such a system, Gelvin includes many figures, including Figure 21, reproduced below:



Gelvin explains that Figure 21 shows “a WINS vehicle internetwork 2100” where

The vehicle internetwork 2100 includes at least one gateway 2102 coupled among an OEM network 2110 (depicted as a single *bus*, but not so limited) and an IDB-C bus 2120. Vehicle functions supported on the OEM network 2110 include climate control systems, positioning systems like Global Positioning System (*GPS*), *video/audio systems*, *cellular systems*, embedded *PC* multimedia systems, vehicle *sensor systems* accessed via the OEM OBD-II port, and control of lighting, door locks, and other functions via the SCP bus, but are not so limited. Devices supported on the IDB-C bus 2120 include, for example, GPS units, PC-based multimedia devices, and PDAs.

*Id.* at 27:53–65 (emphasis added). This, however, is not the only disclosure by Gelvin of using a bus for interconnecting electronic devices within a vehicle and Gelvin indicates that, as of its filing, using such a bus was well known. *See, e.g., id.* at 1:45–2:17, 3:21–22. Gelvin also discloses that its vehicle communication system may include pagers and be coupled to the



internet and remote databases and servers to upload and download data. *Id.* at 6:29–78, 28:19–33.

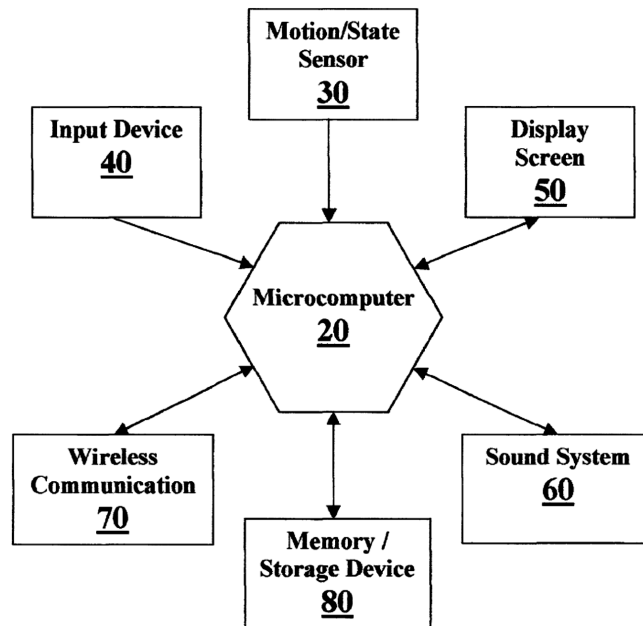
G. TRAUNER

Trauner is the June 13, 2002, published version of U.S. Application 09/735,825, which was filed on December 12, 2000. Ex. 1029, codes (43), (21), (22). There is no dispute at this stage of the proceeding that Trauner is prior art. *See generally* Prelim. Resp.

Trauner summarizes its disclosed invention at its Abstract, which states:

A system is described that improves highway safety by preventing drivers from viewing a display or entering data while the vehicle is in motion. The system monitors the state of the vehicle and enables or disables the different system components that may include microphones, speakers, display screens and input devices such as keyboards, a mouse or a touchscreen. The system allows the vehicle to communicate with cell phones, Internet providers, Bluetooth enabled devices, and other vehicles. The system allows the driver to request information or data when the vehicle is stopped that can be downloaded and stored for later viewing when the vehicle is moving.

Ex. 1029, Abstract. Trauner illustrates such a system at its Figure 1, which is reproduced below:



**Figure 1**

Trauner explains that

FIG. 1 is block diagram showing the key components of an embodiment of the system. The system 10 includes a microcomputer 20 that controls system operation, a vehicle state/motion sensor 30, an input device 40, a display screen 50, a sound system 60, a wireless communication device 70, and a memory buffer (or alternative storage media, e.g., hard disk, writeable CD) 80. In a preferred embodiment, only the display and input devices are visible and accessible to the driver.

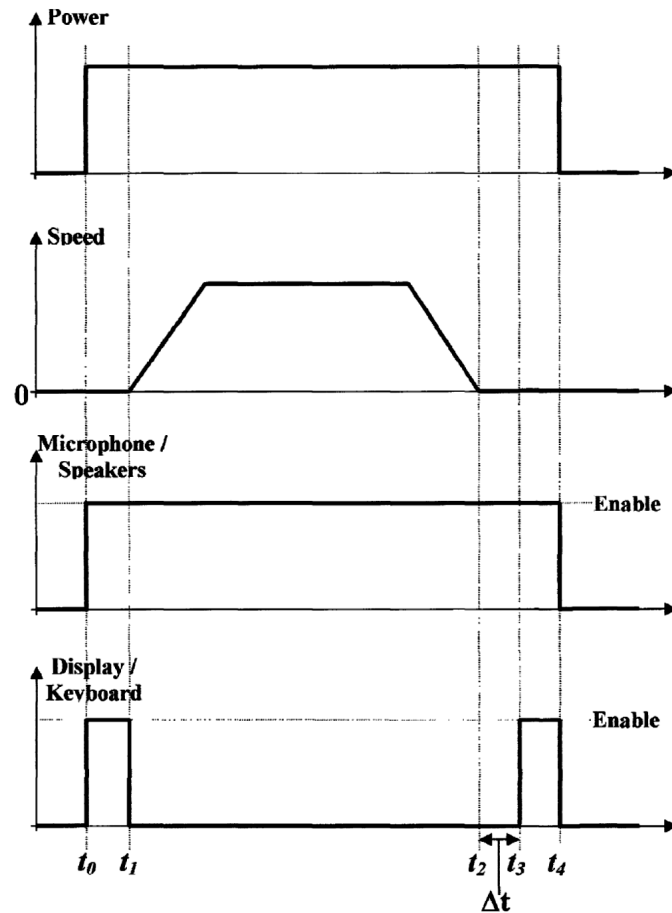
*Id.* ¶ 12. Trauner discloses that microprocessor 20 also includes a wireless communication device and a memory. *Id.* ¶ 13. Trauner discloses that wireless communication device 70 can have “standard cell phone circuitry” and can “communicate with cell phones and wireless Internet providers.” *Id.* ¶ 16.

Trauner discloses that “[i]n normal use, the driver when stopped would have complete access to the system and the information that would be downloaded. However, when the vehicle is in motion the keyboard input and display are inhibited preventing the driver from being distracted while driving.” *Id.* ¶ 7. Trauner discloses, in more detail, that

The state/motion sensor 30 can be simply a direct electrical connection to the vehicle speedometer, which provides a signal that is proportional to the speed. In this case the microprocessor compares the vehicle speed to the maximum allowable speed and if the speed is lower, then the display and input devices are enabled. In one embodiment, voice input and sound through speakers have a different maximum allowable speed than do the display screen or hand activated input devices (keyboard, mouse etc.). This would allow regular cell phone communication to occur while the vehicle was moving at normal speeds. The driver can request from the system multiple sets of data that are downloaded and displayed only when the display is enabled. However, the driver could request this information through voice recognition when the vehicle is moving. For example, the driver could request his/her email, voice mail, daily calendar, weather information, etc., to be downloaded while driving.

*Id.* ¶ 17. Thus, Trauner discloses that, based on sensed vehicle speed, its microprocessor controls the functionality of a cell phone where, under a certain threshold, for example *normal* driving speeds, *regular* functionality is allowed. Trauner also discloses that, “[i]n one embodiment, the state/motion sensor 30 can include a monitor of the transmission state. In this case the microcomputer could monitor whether the car was in neutral or park and use this to change the state of the system.” *Id.* ¶ 19.

An embodiment where microprocessor 20 controls the functionality of in-vehicle devices based on vehicle speed is illustrated at Figure 2, reproduced below:



**Figure 2**

Figure 2 “shows a timing diagram describing how the different states of the system may operate,” and compares system power state, vehicle speed/velocity, functionality of the voice and sound components of the system, and functionality of the display and keyboard/input devices of the system. *Id.* ¶ 20.

As illustrated by Figure 2, when the vehicle is stopped and power is supplied all components are fully functional, until the vehicle reaches a first speed threshold (e.g., up to 2 mph) the display and keyboard and microphone and speakers are all fully functional, when a higher speed

threshold is reached (e.g., above 2 mph) the display and keyboard are not enabled, but the microphone and speakers are enabled. *Id.* ¶¶ 20–21. Other system devices may be functional at any speed, for example, GPS maps. *Id.* ¶ 21. Trauner discloses that “[c]olored indicator lights inform a user of the system status.” *Id.* ¶ 22.

H. TAN

Tan issued as U.S. Patent 6,574,531 on June 3, 2003, from U.S. Application 09/915,124, which was filed on July 25, 2001. Ex. 1025, codes (45), (21), (22). There is no dispute at this stage of the proceeding that Tan is prior art. *See generally* Prelim. Resp.

Tan’s Abstract summarizes its disclosed invention as follows:

A vehicle computer system and method of providing information to an occupant of a vehicle that minimizes complete feature lock out are provided. The operating system of the computer is adapted to selectively display full and limited functionality versions of a particular screen, preferably based on whether the vehicle is in motion. A text-to-speech engine can automatically generate audio based on a particular screen once motion is detected. The availability of a limited functionality version of the screen and audio, either independently or together, allow a vehicle occupant to retrieve information from the computer system without distraction.

Ex. 1025, Abstract.

Tan’s Figures 2–4, reproduced below, illustrate this concept of limiting display and functionality of screen-enabled systems of a vehicle based on detecting vehicle motion:

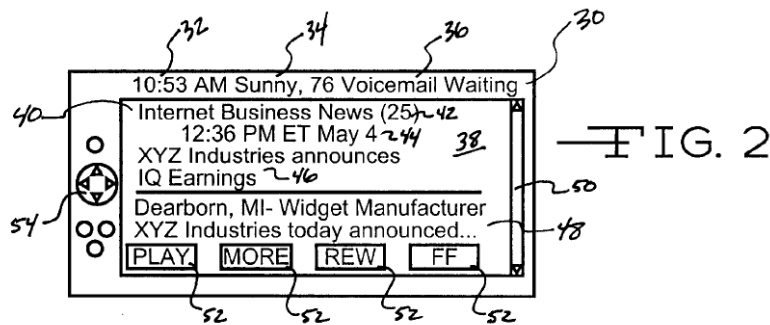


FIG. 2

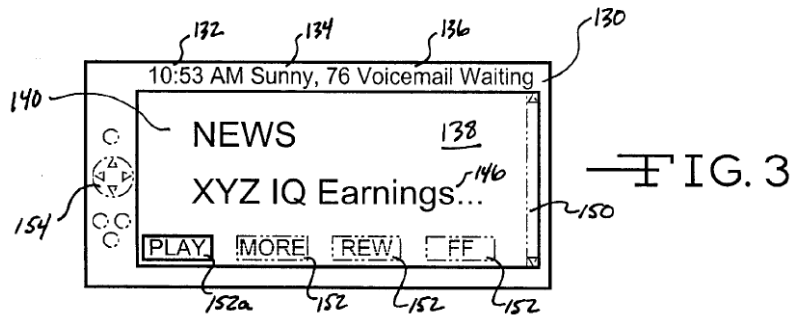


FIG. 3

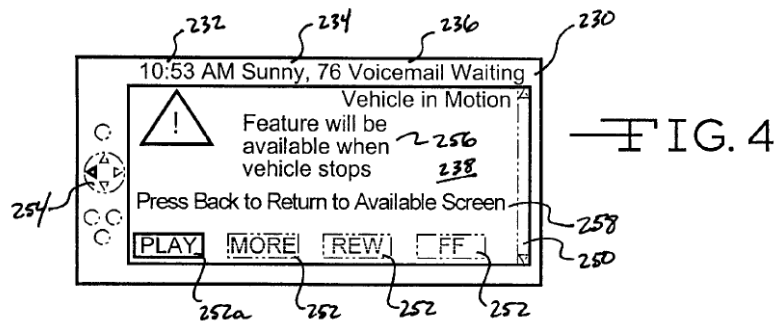


FIG. 4

Figures 2–4 show three views of a screen of a device in a vehicle. *See, e.g., id.* at 1:43–62, 2:39–41, 4:13–15. Tan states that “FIG. 2 is a schematic view of a full functionality version of an Internet news screen in accordance with the present invention,” “FIG. 3 is a schematic of a limited functionality version of an Internet news screen in accordance with the present invention,” and “FIG. 4 is a schematic of a common screen in accordance with the present invention.” *Id.* at 2:19–26. As these quoted portions of Tan indicate, Figures 2, 3, and 4 are three versions of the same in-vehicle computer system 10 having screen 14 for input (via touchscreen) and

display, as well as hard buttons for input (*see also* Fig. 1), that illustrate decreasing degrees of information display and user-accessibility. *Id.* at 2:39–5:7.

Figure 2 shows a first, full functionality version 30 of the system where full information is displayed and full user access to all features and functions are provided. *Id.* at 4:10–33. Figure 2 shows that the device’s display shows internet-derived news 40 (and details 42, 44, 46, 48, 48), a clock 32, weather summary 34, voicemail indicator 36, an active scroll bar 50 for screen navigation, active touch buttons 52, and an active directional navigator 54. *Id.*

Figure 3 shows a second, alternate, limited functionality version 130 of this system where some display and information is maintained, e.g., clock 132, weather summary 134, and voicemail indicator 136; some other display and information is modified to be abbreviated or truncated, e.g., internet news 140, with details omitted; and some functionality is unavailable, e.g., scroll bar 150, touch buttons 152, navigator 154, while some remain available, e.g., play touchscreen button 152a. *Id.* at 4:35–60.

Figure 4 shows a third, less-functional, common screen 230 to which the system defaults when the limited functionality version shown in Figure 3 is unavailable. *Id.* at 4:61–5:7. The common screen 230 preferably includes a notice 256 to inform the vehicle occupant that they have reached a point at which even limited functionality is not available; the notice states “Vehicle in Motion” and “Feature will be available when vehicle stops.” *Id.* at 5:1–7, Fig. 4.

Tan discloses that its computer system includes electronics, such as a navigation system, internet connectivity, integrated mobile phone, and radio.

*Id.* at 2:39–56, 3:13–36. Tan explains how its operating system functions to select the aforementioned versions of its display and functionality, as follows:

[T]he operating system selectively chooses which version of the screen to display based on whether the vehicle is in motion. The operating system can receive data related to vehicle motion from a motion sensor placed appropriately in the vehicle, as described above. Based on this data, the operating system preferably chooses between the two alternate versions of the screen. In the preferred method, the operating system displays the full functionality version of the screen if the vehicle is not in motion, giving an occupant of the vehicle access to all information associated with the screen. However, if the vehicle is in motion, the operating system displays the limited functionality version of the screen. This method restricts the ability of a vehicle occupant to interact with the computer system, but avoids complete lock-out of features. Of course, the application and/or computer processor can select the appropriate screen based on vehicle motion, if appropriate.

It is preferred that the sensor continually monitor for motion of the vehicle. This continuous monitoring allows the operating system to switch from the full functionality version of the screen to the limited functionality version as soon as vehicle motion is detected.

*Id.* at 5:16–38.

## II. DISCUSSION

### A. LEVEL OF ORDINARY SKILL IN THE ART

In determining the level of skill in the art, we consider the type of problems encountered in the art, the prior art solutions to those problems, the rapidity with which innovations are made, the sophistication of the technology, and the educational level of active workers in the field. *Custom Accessories, Inc. v. Jeffrey-Allan Indus., Inc.*, 807 F.2d 955, 962 (Fed. Cir. 1986).



Petitioner asserts:

An ordinary artisan as of October 24, 2001 would have been a person having a Bachelor's degree in Electrical Engineering, Mechanical Engineering, Computer Engineering, or Computer Science, or an equivalent degree with at least two years of experience in electronic user interface systems and vehicle sensor systems or related technologies. Additional education may substitute for lesser work experience and vice-versa. (Ex.1003, ¶19.)

Pet. 3 (citing Andrews Declaration). Patent Owner does not address the definition of the person of ordinary skill in the art, either to contest Petitioner's proposal or to offer a different definition. *See generally* Prelim. Resp.

For the purposes of this Institution Decision, we accept Petitioner's unopposed, proposed definition of the person of ordinary skill in the art (or ordinarily skilled artisan), which appears to be consistent with the level of skill in the art reflected in the prior art of record and the disclosure of the '709 patent. *See Okajima v. Bourdeau*, 261 F.3d 1350, 1355 (Fed. Cir. 2001) ("the prior art itself [may] reflect[] an appropriate level" as evidence of the ordinary level of skill in the art) (quoting *Litton Indus. Prods., Inc. v. Solid State Sys. Corp.*, 755 F.2d 158, 163 (Fed. Cir. 1985)).

B. CLAIM CONSTRUCTION

"[W]e need only construe terms 'that are in controversy, and only to the extent necessary to resolve the controversy.'" *Nidec Motor Corp. v. Zhongshan Broad Ocean Motor Co.*, 868 F.3d 1013, 1017 (Fed. Cir. 2017) (quoting *Vivid Techs., Inc. v. Am. Sci. & Eng'g, Inc.*, 200 F.3d 795, 803 (Fed. Cir. 1999)).

Petitioner asserts "that the limitations of the challenged claims can be understood based on their ordinary and customary meaning as understood by

one of ordinary skill in the art, and therefore no claim construction is necessary at this time.” Pet. 5. Patent Owner argues that Petitioner appears to provide some interpretation of the claims in its challenges and states that Petitioner’s assertion that the claims carry their plain and ordinary meaning is “flawed,” but does not expressly assert that any claim language requires express construction by the Board. *See* Prelim. Resp. 9–10, and *generally*.

At this stage of the proceeding, we do not find it necessary to construe any claim language. The language of the claims appears to be readily understandable on its face. If any claim language is in dispute at trial, we encourage the parties to further develop the record thereon.

C. APPLICABLE LEGAL STANDARDS

“In an IPR, the petitioner has the burden from the onset to show with particularity why the patent it challenges is unpatentable.” *Harmonic Inc. v. Avid Tech., Inc.*, 815 F.3d 1356, 1363 (Fed. Cir. 2016) (citing 35 U.S.C. § 312(a)(3) (requiring *inter partes* review petitions to identify “with particularity . . . the evidence that supports the grounds for the challenge to each claim”)). This burden of persuasion never shifts to Patent Owner. *See Dynamic Drinkware, LLC v. Nat’l Graphics, Inc.*, 800 F.3d 1375, 1378 (Fed. Cir. 2015) (discussing the burden of proof in *inter partes* review).

Regarding obviousness, the Supreme Court in *KSR International Co. v. Teleflex Inc.*, 550 U.S. 398 (2007), reaffirmed the framework for determining obviousness set forth in *Graham v. John Deere Co.*, 383 U.S. 1 (1966). The *KSR* Court summarized the four factual inquiries set forth in *Graham* (383 U.S. at 17–18) that are applied in determining whether a claim is unpatentable as obvious under 35 U.S.C. § 103(a) as follows:

(1) determining the scope and content of the prior art; (2) ascertaining the

differences between the prior art and the claims at issue; (3) resolving the level of ordinary skill in the art;<sup>8</sup> and (4) considering objective evidence indicating obviousness or non-obviousness.<sup>9</sup> *KSR*, 550 U.S. at 406.

“The combination of familiar elements according to known methods is likely to be obvious when it does no more than yield predictable results.” *Id.* at 416. “[W]hen the question is whether a patent claiming the combination of elements of prior art is obvious,” the answer depends on “whether the improvement is more than the predictable use of prior art elements according to their established functions.” *Id.* at 417.

With these standards in mind, and in view of the definition of the ordinarily skilled artisan and our understanding of the asserted prior art, we address Petitioner’s challenges below.

#### D. PETITIONER’S PATENTABILITY CHALLENGES

As summarized above, Petitioner asserts three grounds for unpatentability of the claims of the ’709 patent. *See supra* Section I.D; *see also* Pet. 2. We review Petitioner’s challenges and Patent Owner’s arguments below.

Before addressing any specific grounds for unpatentability, Petitioner asserts that all of asserted the prior art references would have been combined or modified in view of one another. *Id.* at 5–14. Petitioner identifies that each of Krüger, Trauner, and Tan is directed to in-vehicle device and sensor systems, where a decision unit or microprocessor controls the functions of such devices, and that such systems would benefit from using a data bus to

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<sup>8</sup> *See supra* Section II.A.

<sup>9</sup> At this stage of the proceeding, there is no evidence pertaining to objective indicia of non-obviousness. *See* Prelim. Resp.

connect the components of such systems as it would use less wiring, connectors and materials, and would reduce complexity and density of the system. *Id.* (citing Ex. 1003 ¶¶ 75–83, 123–128, 133, 208, 210, 212, 217, 352–354, 361). Petitioner asserts that combining the elements of these prior art references would be combining familiar elements to achieve predictable results. *Id.* at 12–13 (citing Ex. 1003 ¶¶ 130, 214, 358). Petitioner also asserts that techniques of the prior art known to improve one vehicle would be understood to similarly improve other vehicles. *Id.* at 13 (citing Ex. 1003 ¶¶ 131, 215, 359).

Patent Owner does not offer any specific arguments that Petitioner’s assertions on the obviousness of combining the cited prior art are in error or why the prior art would not be so combined or modified. *See generally* Prelim. Resp.; *cf. id.* at 48–49 (generally arguing, without citation to supporting evidence, that there would not have been such motivation to combine or that there is a teaching away in the prior art).

*1. Obviousness of Claims 1–4 and 15 over Krüger and Gelvin (Ground 1)*

Petitioner’s Ground 1 addresses independent claims 1 and 15, and dependent claims 2–4, and asserts that each would have been obvious over Krüger and Gelvin. *See* Pet. 14, *et seq.*

Petitioner begins by discussing Krüger and Gelvin and how their combination teaches each limitation of independent claim 1. Pet. 15–25 (citing Ex. 1003 ¶¶ 93–99, 100–105, 135–141, 143–145, 147–149, 151–152, 154–157, 159–161, 164, 166; Ex. 1026, Abstract, 1:13–26, 2:11–15, 2:18–39, 2:48–3:28, 3:65–4:4, 4:54–58, 5:8–10, Fig. 1; Ex. 1027, 27:53–65, Fig. 21). Petitioner makes a similar showing for independent claim 15, citing essentially the same disclosure from the prior art, but where claim 15

requires something different than claim 1 (i.e., three controlled modes of operation as opposed to two), Petitioner accounts for such by pointing to teachings of Krüger. *Id.* at 29–33 (citing, *inter alia*, Ex. 1003 ¶¶ 135–142, 147–150, 151–158, 180, 187–188, 190–191, 196–206). Petitioner also makes a similar showing for dependent claims 2–4. *Id.* at 26–29 (citing, *inter alia*, Ex. 1003 ¶¶ 169–170, 172–175, 177–178).

To summarize, Petitioner points to Krüger’s vehicle system (*see supra* Section I.E, discussing Krüger)—which includes a decision unit and several operable devices (e.g., mobile phone, radio, GPS, receiving unit), and sensors, and the decision unit’s controlling of the operable devices (e.g., phone) to reduce their functionality based on vehicle speed, as well as Krüger’s optical/acoustic alert of reduced functionality—as teaching the claimed telematics system and its functionality (automatically switching between first mode and reduce distractions mode) and coupling with a web server, and indicium of reduced distractions mode. Pet. 15–25. As for the required “bus,” Petitioner asserts it would have been obvious to incorporate a bus into Krüger’s system, as such is taught by Gelvin (*see supra* Section I.F, discussing Gelvin). *Id.* at 17–18.

Patent Owner addresses independent claim 15 and Petitioner’s challenges under Grounds 1 and 3, together. Prelim. Resp. 37–47. We will address Patent Owner’s arguments as applicable to Ground 1 here, and as to Ground 3, below. Patent Owner argues that Petitioner’s assertions conflate Krüger’s functional control of two devices, a telephone and a radio, with different operating modes, as claimed. *Id.* at 38–41. Patent Owner argues that Krüger does not teach a third set of telematics features, as claimed. *Id.* at 41. These arguments are not persuasive for the reasons discussed below.

Based on the evidence of record at this stage, we do not understand Petitioner's assertions or the prior art's teachings in the same way as argued by Patent Owner. Krüger appears to teach the claimed three modes of functionality for a single device, as controlled by a decision unit operating as a threshold switch, as we discussed above at Section I.E. To summarize our understanding of Krüger, its disclosed decision unit monitors vehicle speed via a sensor and controls the functionality of a phone based on this, where if the speed is below a first threshold the phone has full functionality, if the speed exceeds that threshold then some phone operations are blocked (e.g., outgoing calls prevented), and if the speed exceeds another threshold then more operations are blocked (e.g., receiving calls). *See supra* Section I.E. Thus, Patent Owner's argument is unavailing.

Patent Owner also argues that Petitioner's witness, Mr. Andrews, may not be credible because of some past relationship with Petitioner or its related companies. Prelim. Resp. 46–47. Patent Owner offers mere unsubstantiated allegations and cites no evidence that causes us to question Mr. Andrews's credibility at this stage of the proceeding.

Finally, Patent Owner sets forth a list of reasons why Petitioner's Ground 1 is in error, including failing to address each claim element, improper use of hindsight, lack of motivation to combine references, failure to show reasonable expectation of success, teaching away, and failure of Petitioner to articulate or use the plain and ordinary meaning of the claim language. *Id.* at 48. None of these points is supported by either reasoned argument or a citation to any persuasive supporting evidence. Thus, Patent Owner's list of arguments does not persuasively undermine Petitioner's contentions.

At this stage of the proceeding, we find Petitioner has sufficiently explained how and why the cited prior art teaches or suggests the limitations of claims 1–4 and 15 and that, based on the preliminary record, Petitioner sufficiently shows that there is a reasonable likelihood that it would prevail at trial in establishing that these claims would have been obvious over Krüger and Gelvin.

2. *Obviousness of Claims 1–3, 5–7, 14 over Trauner, Gelvin, and Krüger (Ground 2)*

Under Ground 2, Petitioner asserts that the '709 patent's claims 1–3, 5–7, and 14 would have been obvious over Trauner, Gelvin, and Krüger. Pet. 33–64.

Petitioner begins with independent claim 1 and addresses how the combination of Trauner, Gelvin, and Krüger teaches each limitation thereof. *Id.* at 36–49 (citing Ex. 1003 ¶¶ 106–113, 219–224, 226–227, 230–232, 234, 236–237, 239–242, 244–248, 250–254, 256–257, 259–262; Ex. 1026, 3:3–7; Ex. 1027, 1:54–2:17, 27:53–65; Ex. 1029 ¶¶ 7, 12, 16–17, 19–21, Figs. 1, 2). Petitioner similarly addresses independent claims 5 and 14. *Id.* at 48–58, 61–64 (citing, *inter alia*, Ex. 1003 ¶¶ 219–243, 247–351). For the most part, claims 5 and 14 are substantially similar to independent claim 1 and, therefore, Petitioner cites the same portions of the prior art. *Id.* Where elements (or, in the case of claim 5's method, steps) differ, Petitioner identifies where the prior art also teaches such subject matter. *See, e.g., id.* at 48, 51, 53, 56, 58, 62–63. Moreover, Petitioner also explains why dependent claims 2, 3, 6, and 7 are allegedly obvious over the prior art combination. *Id.* at 46–48, 59–60 (citing, *inter alia*, Ex. 1003 ¶¶ 264–265, 267–270, 306–312).

To summarize, Petitioner points to Trauner's system with a microprocessor, motion sensor, display, memory and connected devices (*see supra* Section I.G, discussing Trauner), as teaching the claimed telematics system, and asserts it would have been obvious to use Gelvin's bus (*see supra* Section I.F, discussing Gelvin) to connect the components of such a system. Pet. 36–49. Petitioner asserts that Trauner's microprocessor, based on sensed vehicle motion (transmission information), automatically controls the functionality of in-vehicle devices, such as a mobile phone, in the same way as claimed, i.e., providing various levels of functionality of input/output based on motion or speed. *Id.* Petitioner asserts that, because Trauner discloses internet access it teaches accessing web servers, as claimed, and also that Trauner discloses providing notice to a driver of the system's operation, as claimed (and that this would also be obvious in view of Krüger's disclosure). *Id.*

Other than presenting the same list of unsupported reasons why Petitioner allegedly erred, as noted above, Patent Owner presents no arguments directed to Ground 2 or the Trauner-Gelvin-Krüger combination, as asserted by Petitioner, that are supported by any reasoned rationale or persuasive evidence. *See* Prelim. Resp. 48–49.

At this stage of the proceeding, we find Petitioner has sufficiently explained how and why the cited prior art teaches or suggests the limitations of claims 1–3, 5–7, and 14 and that, based on the preliminary record, Petitioner sufficiently shows that there is a reasonable likelihood that it would prevail at trial in establishing that these claims would have been obvious over Trauner, Gelvin, and Krüger.



3. *Obviousness of Claims 15 and 16 over Tan and Gelvin  
(Ground 3)*

Independent claim 15 and dependent claim 16 are addressed by Petitioner under Ground 3 as obvious over Tan and Gelvin. Pet. 64–76.

Petitioner addresses independent claim 15 and dependent claim 16 and how the cited prior art teaches their limitations. *Id.* at 64–74 (citing Ex. 1003 ¶¶ 40–51, 114–122, 353–371, 374–378, 380–382, 384, 386–387, 389–391, 393–394, 396; Ex. 1025, Abstract, 2:19–24, 2:38–55, 4:4–5:7, 5:16–20, Figs. 1–4; Ex. 1027, 27:53–65). To summarize, Petitioner points to Tan’s vehicle computer system (*see supra* Section I.H, discussing Tan)—which runs software applications for navigation and news and a mobile phone, and is adapted to automatically selectively display full, limited, and no functionality versions of a device, such as internet news (web server connection) display and a mobile phone, based on input from a sensor that detects whether the vehicle is in motion (transmission information), to mitigate driver distraction—as teaching the claimed telematics device, sensor, controller, connections, and functionality of claim 15. *Id.* As under other grounds discussed here, Petitioner points to Gelvin as teaching the claimed bus. *Id.*

As discussed above regarding Ground 1, Patent Owner separately addresses independent 15 and Petitioner’s assertions under Ground 3. Prelim. Resp. 42–47. We addressed Patent Owner’s arguments as applicable to Ground 1 above, and address Patent Owner’s arguments as to Ground 3, here. Patent Owner argues that Tan discloses only two operating modes, not three as claimed. *Id.* Patent Owner acknowledges Petitioner’s position that Tan’s disclosure of a fully functional device (e.g., Internet news screen) is a first mode of operation, that the more limited functionality of this device is a

second mode, and that a non-functional common screen of the device is a third mode, but argues Petitioner’s position is “incorrect” because the common screen does not count. *Id.* at 43–44. Patent Owner’s argument is not persuasive for the reasons below.

At best, Patent Owner’s argument presents an issue of fact to be resolved at trial. At this stage of the proceeding, Patent Owner’s arguments are not supported by persuasive evidence and are mere attorney argument. Moreover, based on the preliminary record, we disagree with Patent Owner’s framing of Tan’s disclosure because it appears, at least based on this preliminary record, that Tan does disclose three functionality modes of operation of an in-vehicle device (for example, an Internet news, navigation system, or mobile phone display) with ever-reduced functionality based on sensed vehicle motion. *See supra* Section I.H. Thus, Patent Owner’s argument is unavailing.

At this stage of the proceeding, we find Petitioner has sufficiently explained how and why the cited prior art teaches or suggests the limitations of claims 15 and 16, and that, based on the preliminary record, Petitioner sufficiently shows that there is a reasonable likelihood that it would prevail at trial in establishing that these claims would have been obvious over Tan and Gelvin.

E. DISCRETIONARY DENIAL UNDER 35 U.S.C. § 314(a)

1. *Background and Legal Standards*

Under § 314(a), the Director possesses “broad discretion” in deciding whether to institute an *inter partes* review. *See* 35 U.S.C. § 314(a); *Saint Regis Mohawk Tribe v. Mylan Pharm. Inc.*, 896 F.3d 1322, 1327 (Fed. Cir.

2018). The Board decides whether to institute an *inter partes* review on the Director's behalf. 37 C.F.R. § 42.4(a) (2021).

Patent Owner argues that we should exercise discretion under § 314(a) to deny institution of an *inter partes* review. *See* Prelim. Resp. 8–12, 20–33; Prelim. Sur-Reply. Petitioner argues that we should decline to exercise our discretion under § 314(a) to deny institution. *See* Prelim. Reply. For the reasons explained below, under the circumstances here, we decline to exercise our discretion under § 314(a) to deny institution.

When deciding whether to exercise discretion under § 314(a) to deny institution, the Board has considered the status of litigation involving the parties in light of the AIA's objective “to provide an effective and efficient alternative to district court litigation.” *NHK Spring Co. v. Intri-Plex Techs., Inc.*, IPR2018-00752, Paper 8 at 12, 19–20 (PTAB Sept. 12, 2018) (precedential) (quoting *Gen. Plastic Indus. Co. v. Canon Kabushiki Kaisha*, IPR2016-01357, Paper 19 at 16–17 (PTAB Sept. 6, 2017) (precedential as to § II.B.4.i)).

In *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 at 5–6 (PTAB Mar. 20, 2020) (precedential) (“*Fintiv*”), the Board set forth the following nonexclusive factors to consider when determining whether to exercise discretion under § 314(a) to deny institution due to the advanced state of parallel litigation:

- (1) whether the court granted a stay or evidence exists that one may be granted if the Board institutes a trial;
- (2) the proximity of the court's trial date to the Board's projected statutory deadline for a final written decision;
- (3) the investment in the parallel litigation by the court and the parties;

- (4) the overlap in the issues raised by the petition and the issues in the parallel litigation;
- (5) whether the petitioner and the defendant in the parallel litigation are the same party; and
- (6) other circumstances that impact the Board’s exercise of discretion, including the merits.

These factors, considered below, “relate to whether efficiency, fairness, and the merits support the exercise of authority to deny institution in view of an earlier trial date in the parallel proceeding.” *Id.* at 6. Further, *Fintiv* instructs that the Board should take “a holistic view of whether efficiency and integrity of the system are best served by denying or instituting review.” *Id.* (citing PTAB Consolidated Trial Practice Guide at 58 (Nov. 2019)<sup>10</sup>).

As identified above in this Decision at Section I.B, the related, parallel proceeding at issue here is *Safe Driving Technologies LLC v. Ford Motor Company*, Case 1:21-cv-00064-MN in the U.S. District Court for the District of Delaware. *See, e.g.*, Ex. 2019 (original complaint dated January 21, 2021).

2. *Analysis Under Section 314(a)*

*Factor 1: Whether a Stay  
has Been or is Likely to be Granted*

The parties do not dispute that there is currently no stay in the related district court litigation, either requested or granted. Prelim. Resp. 20–21; Prelim. Reply 1–2. Petitioner indicates that, if trial is instituted here, the district court would likely grant a stay and that such would be warranted. Prelim. Reply 1–2. Petitioner’s assertion aside, we will not speculate as to

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<sup>10</sup> Available at <https://www.uspto.gov/TrialPracticeGuideConsolidated>.

whether the related district court litigation will be stayed, as the evidence is inconclusive concerning this factor.

Accordingly, we weigh this factor as neutral as to whether to exercise our discretion to deny institution.

*Factor 2: Proximity of the Court's Trial Date  
to the Board's Final Written Decision*

The statutory deadline for the issuance of a final written decision in this proceeding will be one year from the date of institution, if trial is instituted. 35 U.S.C. § 316(a)(11). Based upon the preliminary filings in this proceeding, the due date for our decision on institution is approximately February 18, 2022, meaning a final written decision would be due in mid-February 2023, at the latest. 35 U.S.C. § 314(b)(1). The record includes a first scheduling order (Ex. 1028) and a second, modified scheduling order (Ex. 1036) from the related district court litigation, each of which sets a jury trial date of February 21, 2023. *See* Prelim. Resp. 23–24. Thus, a jury trial is scheduled to occur in the related district court litigation after a final written decision would be statutorily due in this *inter partes* review, if the trial begins as scheduled (however, as the scheduling order has been modified at least once, it appears that the district court is not opposed to such modifications).

We find these facts under this factor weigh in favor of not exercising discretion to deny institution.

*Factor 3: Investment in the Parallel Litigation*

If, at the time of the institution decision, the district court has issued substantive orders related to the challenged patent, such as a claim construction order, this fact weighs in favor of discretionary denial. *See*

*Fintiv* at 9–10. On the other hand, if the district court has not issued such orders, this fact weighs against discretionary denial. *Id.* at 10.

The evidence of record indicates that the related district court litigation has not progressed as far as the entry of a claim construction order, which is not expected until sometime after the claim construction hearing scheduled for August 19, 2022. Ex. 1036. Patent Owner does not argue that any substantial investment has yet been made in the related district court litigation, but alludes to investments yet to come. Prelim. Resp. 24–26. Petitioner, on the other hand, points out that the institution of trial in this proceeding will occur before claim construction, the close of fact discovery, and the beginning of expert discovery. Prelim. Reply 4. The facts here indicate an insubstantial investment in the related district court litigation by the parties and court.

Further, *Fintiv* provides guidance on how the timing of various events can impact Factor 3:

As a matter of petition timing, notwithstanding that a defendant has one year to file a petition, it may impose unfair costs to a patent owner if the petitioner, faced with the prospect of a looming trial date, waits until the district court trial has progressed significantly before filing a petition at the Office.

*Fintiv* at 11 (footnote omitted). However, “it is often reasonable for a petitioner to wait to file its petition until it learns which claims are being asserted against it in the parallel proceeding.” *Id.* (footnote omitted).

Accordingly, a petitioner should act expeditiously once the patent owner has identified the claims being asserted against it so that the petitioner can file a petition challenging all asserted claims—if it chooses to do so.

Here, Patent Owner argues that Petitioner waited 4 months to file the Petition after knowing that the related district court litigation “may go to

trial as early as January 23, 2023 (Ex. 2004 and 2005 at page 12), as is common in Delaware.” Prelim. Resp. 25. Petitioner argues that it “waited until the [allegedly infringed] claims were identified [in the related district court litigation] before filing its IPRs, which it [then] did promptly.” Prelim. Reply. 3. In this regard, Petitioner indicates that Patent Owner’s infringement positions were identified on July 12, 2021 (Ex. 1037) and the Petition was filed here on August 6, 2021, i.e., mere weeks thereafter. *Id.*

The facts indicate Petitioner was diligent in filing the Petition after Patent Owner identified its asserted claims in the related district court litigation.

We find the facts under this factor weigh in favor of not exercising discretion to deny institution.

*Factor 4: Overlap in Issues Raised by the Petition  
and in the Parallel Litigation*

“[I]f the petition includes the same or substantially the same claims, grounds, arguments, and evidence as presented in the parallel proceeding, this fact has favored denial.” *Fintiv* at 12 (footnote omitted). “Conversely, if the petition includes materially different grounds, arguments, and/or evidence than those presented in the district court, this fact has tended to weigh against exercising discretion to deny institution under *NHK*.” *Id.* at 12–13 (footnote omitted).

Patent Owner argues that Petitioner relies on the same primary references (Tan, Gelvin, Trauner, Krüger) and substantially the same arguments for invalidity in the related district court litigation as for unpatentability here. Prelim. Resp. 26–27. However, Patent Owner concedes some differences, stating that the invalidity contentions in the related district court also include other references (Mahvi, Ordinak), which

are the basis of invalidity defenses. *Id.* at 26–27. Petitioner does not address this factor. *See* Prelim. Reply.

We agree with Patent Owner that there is some overlap in issues here. But, Patent Owner also concedes that there are differences, too. Thus, in view of the unique facts here, we weigh this factor as neutral as to whether to exercise our discretion to deny institution.

*Factor 5: Are Petitioner and the Defendant  
in the Parallel Litigation the Same Party?*

It is undisputed that Petitioner is the defendant and Patent Owner the plaintiff in the related district court litigation. *See* Ex. 2018; Prelim. Resp. 28; *see also* Prelim. Reply (Petitioner does not address this factor). Because of the evidence addressed here under *Fintiv* factors 2, 3, and 6, which supports that the related district court trial will occur after any final written decision in this proceeding, that there has not been substantial investment in that litigation, and, as discussed in detail above and noted below, that the merits of Petitioner’s case here are strong, we find this fact weighs in favor of not exercising discretion to deny institution.

*Factor 6: Other Circumstances, Including the Merits*

Although we need not undertake a full merits analysis when evaluating *Fintiv* Factor 6, we consider the strengths and weaknesses of Petitioner’s case, where stronger merits may weigh against discretionary denial and weaker merits may favor exercising discretion to deny institution. *Fintiv* at 15–16.

In our view, although there may be some open issues of fact left for trial, concerning the majority of the challenged claims, as discussed above, we find Petitioner’s showing to be strong on the merits, as contrasted with Patent Owner’s weaker arguments on the merits at this stage. For example,



as discussed above, we find Petitioner has made a sufficient case for each of its unpatentability grounds and find that Patent Owner’s arguments at this stage of the proceeding do not reflect our reading of the asserted prior art or amount to mere attorney argument without evidentiary support. *See supra* Sections II.D.1–3. Accordingly, we weigh this factor in favor of not exercising our discretion to deny institution.

3. *Holistic Assessment of Factors Under Section 314(a)*

After analyzing the *Fintiv* factors with a holistic view of whether the efficiency and integrity of the system are best served by denying or instituting review, we determine that the factors, on balance, weigh in favor of institution here. Hence, we do not exercise our discretion under § 314(a) to deny institution.

### III. CONCLUSION

Petitioner demonstrates a reasonable likelihood of prevailing at trial in showing that at least some of claims 1–7 and 14–16 of the ’709 patent would have been obvious over the cited prior art. Our decision at this stage derives from our review of the preliminary record before us. In accordance with the Court’s decision in *SAS*, 138 S. Ct. at 1359–60, and Office Guidance,<sup>11</sup> we institute *inter partes* review of all challenged claims (1–7, 14–16) of the ’709 patent on all grounds asserted by Petitioner.<sup>12</sup>

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<sup>11</sup> Guidance, *supra* at 2 (“If the PTAB institutes a trial, the PTAB will institute on all challenges raised in the petition.”).

<sup>12</sup> The Board must institute on all grounds and all claims if it does so for any. Patent Owner should address each ground at trial or else risk waiving arguments. In the interest of efficiency, Petitioner has the option to reconsider whether to pursue all grounds asserted in the Petition as the proceeding enters the trial stage.

This decision does not reflect a final determination on the patentability of the claims. No arguments from the Preliminary Response carry over to trial and any arguments not made in Patent Owner's Response may be considered waived.<sup>13</sup>

#### ORDER

Accordingly, it is hereby:

ORDERED that, pursuant to 35 U.S.C. § 314, an *inter partes* review of claims 1–7 and 14–16 of the '709 patent, in accordance with all grounds in the Petition, is hereby instituted; and

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

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<sup>13</sup> See Consolidated Trial Practice Guide 52 (Nov. 2019) (“Once a trial is instituted, the Board may decline to consider arguments set forth in a preliminary response unless they are raised in the patent owner response.”); *In re NuVasive, Inc.*, 842 F.3d 1376, 1381 (Fed. Cir. 2016) (explaining that the patent owner waived an issue presented in its preliminary response that it failed to renew in its response during trial).

IPR2021-01353  
Patent 10,532,709 B2

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