

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

K-40 ELECTRONICS, LLC
Petitioner

v.

ESCORT, INC.
Patent Owner

Case IPR2013-00203
Patent 7,999,721

Before GLENN J. PERRY, THOMAS L. GIANNETTI, and
TRENTON A. WARD, *Administrative Patent Judges*.

WARD, *Administrative Patent Judge*.

DECISION
Patent Owner's Request for Rehearing
37 C.F.R. § 42.71

I. INTRODUCTION

Patent Owner Escort Inc. filed a Request for Rehearing (Paper 48, “Req. Reh’g”) of the Board’s Final Written Decision, dated Aug. 27, 2014 (Paper 45, “Final Dec.”), which found Petitioner demonstrated by a preponderance of the evidence that claims 1–10 of U.S. Patent 7,999,721 are unpatentable. Patent Owner contends that the Board misapprehended and/or overlooked evidence in the record and misapplied the legal standards for the case. Req. Reh’g. 1. For the reasons stated below, Patent Owner’s request is denied.

II. STANDARD OF REVIEW

Under 37 C.F.R. § 42.71(c), “[w]hen rehearing a decision on petition, a panel will review the decision for an abuse of discretion.” An abuse of discretion occurs when a “decision was based on an erroneous conclusion of law or clearly erroneous factual findings, or . . . a clear error of judgment.” *PPG Indus. Inc. v. Celanese Polymer Specialties Co. Inc.*, 840 F.2d 1565, 1567 (Fed. Cir. 1988) (citations omitted). The request must identify, specifically, all matters the party believes the Board misapprehended or overlooked. 37 C.F.R. § 42.71(d).

III. DISCUSSION

A. PATENT OWNER ARGUES THAT THE “GPS LOCKOUT CONCEPT” IS NOT AN ELEMENT OF THE CHALLENGED CLAIMS

Patent Owner notes that the decision states that “Patent Owner fails to provide any objective evidence to corroborate Mr. Orr’s testimony that he reduced to practice the GPS lockout concept and associated position determining circuit prior to January 27, 1998 other than the tst4600k.bas file.” Req. Reh’g. 1–2. Patent Owner argues that none of the challenged claims require a GPS lockout

concept and, thus, the inclusion or absence of a GPS lockout concept is irrelevant.
Id. at 3.

The Final Decision generally associates Patent Owner’s use of the abbreviation “GPS lockout concept” with claim limitations, such as the recitation in claim 1 of the “warning produced by the warning section varying in relation to a vehicle location derived from a position determining circuit.”¹ The Final Decision states the following:

In evaluating the date of the actual reduction to practice, we begin with the key aspects of the claimed invention, namely claim 1’s recitation “the warning produced by the warning section varying in relation to a vehicle location derived from a position determining circuit.” Ex. 1001, col. 25, ll. 34-36. *Patent Owner and Mr. Orr generally refer to this concept as the GPS lockout concept*, as the device can lockout certain false alarms experienced at a particular GPS location. *See* Ex. 2073 ¶¶ 79-82. Furthermore, we analyze the recitation of the “position determining circuit” in claim 2.

Final Dec. 12.

Therefore, contrary to Patent Owner’s argument, claim 1 requires the limitation associated with the abbreviation “GPS lockout concept,” namely, “the “warning produced by the warning section varying in relation to a vehicle location derived from a position determining circuit.”

¹ Patent Owner and the inventor, Mr. Orr, generally refer to the GPS lockout concept in the record. For example, in its Request for Rehearing, Patent Owner quotes the following statement by Mr. Orr at the hearing: “[w]hat was missing in the 1996 setting was the ability to bring GPS coordinates into the process. So what I am saying here is that in 1996 I added the *GPS lockout capability* that I have spoken about in this session today.” Req. Reh’g. 11 (quoting Hearing Transcript, Paper 44, 33–34). Furthermore, in his Declaration, Mr. Orr. states the following: “I used the laptop and spacebar in the laboratory in Stage 1 to illustrate the *GPS lockout concept* to other CMI employees.” Ex. 2073, ¶ 80.

Additionally, we note that regardless of Patent Owner’s arguments regarding the “GPS lockout concept,” the “position determining circuit” is a required element of all challenged claims, as it is recited in independent claims 1 and 2, and claims 3–10 are dependent on claim 2. Final Dec. 8–9. Furthermore, we determined that “the only evidence of the successful reduction to practice of the *position determining circuit* and the associated *GPS lockout concept* of the claimed invention for its intended purpose prior to January 27, 1998 is the testimony of the inventor, Mr. Orr.” Final Dec. 16 (emphasis added). Accordingly, we determined that Patent Owner failed to prove by a preponderance of the evidence its claim of reduction to practice of the challenged claims 1–10 prior to January 27, 1998. *Id.* at 17.

B. PATENT OWNER ARGUES THAT NOT EVERY CONTESTED FACTUAL ISSUE REQUIRES CORROBORATION

Patent Owner argues that “corroborating evidence” is supplementary to that already given but is not required to be an independent source of proof. Req. Reh’g. 5 (citing Black’s Law Dictionary 344 (6th ed. 1990)). Patent Owner’s arguments are contrary to precedent setting forth the requirements for establishing an actual reduction to practice. As set forth in the Final Decision, “[i]t has long been the case that an inventor’s allegations of earlier invention alone are insufficient—an alleged date of invention must be corroborated.” Final Dec. 16 (quoting *In re NTP, Inc.*, 654 F.3d at 1291 (citing *Medichem*, 437 F.3d at 1170; *Woodland Trust v. Flowertree Nursery, Inc.*, 148 F.3d 1368, 1371 (Fed. Cir. 1998))). Furthermore, we determined that “the only evidence of the successful reduction to practice of the *position determining circuit* and the associated *GPS lockout concept* of the claimed invention for its intended purpose prior to January 27, 1998 is the testimony of the inventor, Mr. Orr.” Final Dec. 16 (emphasis

added). Accordingly, we determined that Patent Owner failed to prove by a preponderance of the evidence its claim of reduction to practice of the challenged claims 1–10 prior to January 27, 1998. *Id.* at 17.

C. PATENT OWNER ARGUES THAT AN OVER-THE-SHOULDER OBSERVER IS NOT REQUIRED

Patent Owner argues that even if the record is lacking an over-the-shoulder observer, ““sufficient circumstantial evidence of an independent nature can satisfy the corroboration requirement.”” Req. Reh’g. 5–6 (quoting *Cooper v. Goldfarb*, 154 F.3d 1321, 1330 (Fed. Cir. 1998)). In the case cited by Patent Owner, the Federal Circuit held that, although there was no direct evidence to support the testimony of the inventor Goldfarb, Goldfarb’s testimony was corroborated by the testimony of two other individuals, Mendenhall and Green. *Cooper*, 154 F.3d at 1330. Accordingly, the Federal Circuit found sufficient circumstantial evidence to satisfy the corroboration requirement. *Id.*

Here, we determined that the only evidence of a successful reduction to practice was the inventor’s own testimony. Final Dec. 16. Patent Owner does not allege that the Board misapprehended and/or overlooked any evidence in the record regarding a successful reduction to practice of the claimed invention, only that the Board should have been more persuaded by the evidence in the record. *See* Req. Reh’g. 6–13. Therefore, Patent Owner has not demonstrated an abuse of discretion in the Board’s determination that Patent Owner failed to prove by a preponderance of the evidence its claim of reduction to practice of the challenged claims prior to January 27, 1998.

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