

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

BMW OF NORTH AMERICA, LLC AND BAYERISCHE MOTOREN
WERKE AKTIENGESELLSCHAFT,

Petitioner,

v.

THEODORE & ASSOCIATES, LLC,

Patent Owner.

Case IPR2017-01380

Patent 9,045,163 B2

Before MITCHELL G. WEATHERLY, FRANCES L. IPPOLITO, and
SEAN P. O'HANLON, *Administrative Patent Judges*.

WEATHERLY, *Administrative Patent Judge*.

FINAL WRITTEN DECISION
35 U.S.C. § 318(a), 37 C.F.R. § 42.73

I. INTRODUCTION

A. BACKGROUND

BMW of North America, LLC and Bayerische Motoren Werke Aktiengesellschaft (collectively “Petitioner”) filed a petition (Paper 2, “Pet.”) to institute an *inter partes* review of claims 1–4, 6–14, 16–37, and 43–49 of U.S. Patent No. 9,045,163 B2 (Ex. 1001, “the ’163 patent”).

35 U.S.C. § 311. Petitioner supported the Petition with a Declaration from Donald D. Parker (Ex. 1003). Theodore & Associates, LLC (“Patent Owner”) timely filed a Preliminary Response. Paper 7 (“Prelim. Resp.”). On November 21, 2017, based on the record before us at the time, we instituted an *inter partes* review of claims 2–4, 6, 8–10, 19, 23, 24, 27–37, 43–46, 48, and 49.¹ Paper 8, 30 (“Institution Decision” or “Dec.”). We instituted the review on the following challenges to the claims:

References	Basis	Claims
German Patent Publication No. DE 102009038834 A1 (Ex. 1016, “Greil”)	§ 103	6, 8–10, 19, 23, 24, 43–46, 48, and 49
Greil and Japanese Patent Publication No. 5-69854 (Ex. 1017, “Hiroshima”)	§ 103	32–34, 36, and 37
Greil and German Patent Publication No. DE 102010018725 A1 (Ex. 1018, “Brandt”)	§ 103	2–4 and 27–31
Greil, Hiroshima, and Brandt	§ 103	35

After we instituted this review, Patent Owner filed a Patent Owner Response in opposition to the Petition (Paper 12, “PO Resp.”) that was supported by a Declaration from Scott Kunselman (Ex. 2012). Petitioner filed a Reply in support of the Petition (Paper 19, “Reply”). Patent Owner did not move to amend any claim of the ’163 patent.

¹ Patent Owner filed a disclaimer of claims 1, 7, 11–14, 16–18, 20–22, 25, 26 and 47 of the ’163 patent under 35 U.S.C. § 253(a) that was effective as of August 22, 2017. Dec. 2–4; Ex. 2002. Accordingly, we did not institute review of these claims, which were no longer part of the ’163 patent on the date of our Institution Decision, and we do not address the patentability of these claims in this Decision.

Both parties have filed motions to exclude evidence in this proceeding and both motions have been fully briefed with oppositions and replies, respectively. *See* Papers 26, 29, 32 (briefing relating to Petitioner’s Motion to Exclude); Papers 28, 30, 31 (briefing relating to Patent Owner’s Motion to Exclude).

We heard oral argument on August 15, 2018. A transcript of the argument has been entered in the record (Paper 34, “Tr.”).

We have jurisdiction under 35 U.S.C. § 6(c). The evidentiary standard is a preponderance of the evidence. *See* 35 U.S.C. § 316(e); 37 C.F.R. § 42.1(d). This Final Written Decision is issued pursuant to 35 U.S.C. § 318(a) and 37 C.F.R. § 42.73.

For the reasons expressed below, we conclude that Petitioner has demonstrated by a preponderance of evidence that claims 2, 4, 19, 23, 24, 27–31, 35, 44–46, 48, and 49 are unpatentable, but has failed to do so for claims 3, 6, 8–10, 32–34, 36, 37, and 43.

B. RELATED PROCEEDINGS

The parties have identified as a related proceeding the co-pending district court proceeding of *Theodore & Associates, LLC v. BMW of North America, LLC and Bayerische Motoren Werke AG*, Case No. 2:16-cv-14253-VAR-DRG (E.D. Mich.). Pet. 90; Paper 3, 2. Petitioner also filed another petition challenging the same claims of the ’163 patent in IPR2017-01379. Pet. 90.

C. THE ’163 PATENT

The ’163 patent is directed to “a universal chassis apparatus for an automotive vehicle” that “includes a battery and/or fuel storage compartment in a rigid backbone structure.” Ex. 1001, 1:42–45. A fuel tank can

optionally be attached to the rear structure. *Id.* at 6:29–31. The backbone structure connects a front structure with a front suspension to a rear structure with a rear suspension. *Id.* at 6:46–51. The front and rear suspensions are:

rigidly affixed to the front and rear structures (or backbone mounting structures) such that the suspension loads (in the preferred embodiment) stress the engine block and transaxle case, to create a complete, self-supporting chassis without the need for a separate frame, or the need to attach the front and rear suspension subassemblies to a rigid uni-body.

Id. at 1:50–55. The universal chassis is purportedly lighter than a traditional automotive frame and “particularly well suited for Battery Electric Vehicles (BEVs) and Plug-in Hybrids (PHEVs), since the battery pack can be mounted inside the backbone—eliminating the need for a separate battery box—thus reducing cost and weight.” *Id.* at 2:21–47.

Claims 27, 32, 43, and 44 are the independent claims among the challenged claims. Claim 27 is illustrative and recites:

27. An automotive vehicle chassis apparatus comprising:

a single central chassis structure spanning between a front set of wheels and a rear set of wheels, the central chassis structure further comprising a hollow longitudinally elongated segment and a hollow laterally crossing segment defining a substantially T-shape when viewed from above; and

a set of batteries being removeably located within the segments of the central chassis structure.

Id. at 15:16–24. This claimed arrangement is illustrated, for example, in Figure 36, which we reproduce below.

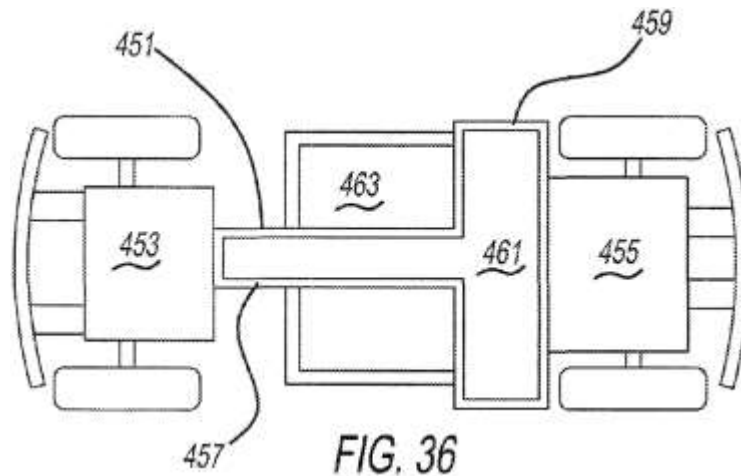


Figure 36 is a diagrammatic top view of a universal chassis with a T-shaped backbone 451.

Id. at 11:63–65.

II. ANALYSIS

A. THE PARTIES' POST-INSTITUTION ARGUMENTS

In our Institution Decision, we concluded that the argument and evidence adduced by Petitioner demonstrated a reasonable likelihood that claims 2–4, 6, 8–10, 19, 23, 24, 27–37, 43–46, 48, and 49 were unpatentable as obvious based on the challenges identified in the table in Part I.A above. Dec. 30. We must now determine whether Petitioner has established by a preponderance of the evidence that the specified claims are unpatentable over the cited prior art. 35 U.S.C. § 316(e). We previously instructed Patent Owner that “any arguments for patentability not raised in the [Patent Owner Response] will be deemed waived.” Paper 9, 6; *see also In re Nuvasive, Inc.*, 842 F.3d 1376, 1381 (Fed. Cir. 2016) (holding that patent owner’s failure to proffer argument at trial as instructed in scheduling order constitutes waiver). Additionally, the Board’s Trial Practice Guide states that the Patent Owner Response “should identify all the involved claims that

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