This petition for covered business method patent review of Patent 8,140,358 (‘358 patent) was filed on September 16, 2012. Against all 20 claims of the ‘358 patent.
patent, Petitioner asserts four hundred and twenty two (422) grounds of unpatentability over prior art on a unit claim basis thus averaging more than 21 grounds per claim. They include the four hundred and twenty grounds in Petitioner’s chart on pages 17-22 of the petition, an alleged anticipation of claim 19 on page 70 of the petition, and an alleged anticipation of claim 20 on page 76 of the petition. We note that numerous redundant grounds would place a significant burden on the Patent Owner and the Board, and would cause unnecessary delays.

Part 42 of Title 37, Code of Federal Regulations, governs proceedings before the Board and 37 C.F.R. § 42.1(b) provides that “[t]his part shall be construed to secure the just, speedy, and inexpensive resolution of every proceeding.” When promulgating the regulations, the Board considered “the effect of the regulations on the economy, the integrity of the patent system, the efficient administration of the Office, and the ability of the Office to timely complete proceedings” as mandated by 35 U.S.C. § 326(b). Conducting a proceeding contrary to those statutory considerations would frustrate Congressional intent.

We take this opportunity to note that multiple grounds, which are presented in a redundant manner by a petitioner who makes no meaningful distinction between them, are contrary to the regulatory and statutory mandates, and therefore are not all entitled to consideration. In the present situation, the multiplicity of grounds requires so much of the petition that the Petitioner has failed to expressly identify the differences between any claim and the prior art in the Petitioner’s assertions of obviousness.

A petitioner has the burden of proof to establish that it is entitled to the requested relief. 37 C.F.R. § 42.20(c). Differences between the claimed invention

and the prior art are a critically important underlying factual inquiry for any obviousness analysis. *Graham v. John Deere Co. of Kansas City,* 383 U.S. 1, 17 (1966). A petitioner who does not state the differences between a challenged claim and the prior art, and relies instead on the Patent Owner and the Board to determine those differences based on the rest of the submission in the petition risks having the corresponding ground of obviousness not included for trial for failing to adequately state a claim for relief.

Here, we discuss only redundancy. Two types of redundancy are common in the instant petition. The first involves a plurality of prior art references applied not in combination to complement each other but as distinct and separate alternatives. All of the myriad references relied on provide essentially the same teaching to meet the same claim limitation, and the associated arguments do not explain why one reference more closely satisfies the claim limitation at issue in some respects than another reference, and vice versa. Because the references are not identical, each reference has to be better in some respect or else the references are collectively horizontally redundant.

The second type of redundancy involves a plurality of prior art applied both in partial combination and in full combination. In the former case, fewer references than the entire combination are sufficient to render a claim obvious, and in the latter case the entire combination is relied on to render the same claim obvious. There must be an explanation of why the reliance in part may be the stronger assertion as applied in certain instances and why the reliance in whole may also be the stronger assertion in other instances. Without a bi-directional explanation, the assertions are vertically redundant.
Horizontal Redundancy

A. Scapinakis, Eisenmann, or Stanifer

Claim 1 is the only independent claim. Petitioner first asserts obviousness of claim 1 over Kosaka, over Herrod, over Kosaka and Bouchard, and also over Herrod and Bouchard. Then, for each of those four grounds of obviousness, Petitioner adds either Scapinakis, Eisenmann, or Stanifer. The three references Scapinakis, Eisenmann, and Stanifer are each applied to account for the same feature of claim 1 that pertains to a wireless transmitter, and Petitioner’s description of how each of the three is pertinent to that feature is substantively essentially the same.

With regard to Scapinakis (Ex. 1016), Petitioner states (Pet. 37:29 to 38:9):

Scapinakis – which is directed to vehicle telematics and was not previously cited to the PTO – discusses wirelessly transmitting recorded vehicle data (e.g., road speed) from “on-board recorder[s]” to a distributed network (e.g., radio, cellular, or satellite network) and a server (e.g., remote central computer) in real-time. Ex. 1016 at 26-27.

A POSITA would have been motivated to combine the teachings of each of (1) Kosaka, (2) Herrod, (3) Kosaka in view of Bouchard, or (4) Herrod in view of Bouchard, with Scapinakis, given their similar purpose of using vehicle telematics to evaluate driving characteristics. For example a POSITA would have recognized that Kosaka’s or Herrod’s teachings of evaluating driving characteristics using monitored vehicle operation data would be enhanced by incorporating the similar but more sophisticated wireless telematics system discussed in Scapinakis in order to provide different types of data more efficiently to better determine driver performance.
With regard to **Eisenmann** (Ex. 1006), Petitioner states (Pet. 39:23 to 40:8):

Eisenmann – which is directed to vehicle telematics and was not previously cited to the PTO in connection with the ‘358 Patent – discusses the use of a wireless transmitter (e.g., cellular mobile transceiver) configured to transfer vehicle data retained within the memory (e.g., smart card) to a distributed network (e.g., cellular telephone network, public switched telephone network) and a server (e.g., insurance company computer and database) in real-time. Ex. 1006 at 2:36-49; 7:33-44; 22:29-26; 23:1-12; 23:13-27; Fig. 12.

A POSITA would have been motivated to combine the teachings of each of (1) Kosaka, (2) Herrod, (3) Kosaka in view of Bouchard, or (4) Herrod in view of Bouchard, with Eisenmann, given their similar purpose of using vehicle telematics to evaluate driving characteristics, such as for insurance purposes. For example a POSITA would have recognized that Kosaka’s or Herrod’s teachings of evaluating driving characteristics from monitored data would be enhanced by incorporating Eisenmann’s more sophisticated wireless telematics system to convey different types of data more efficiently to better determine driver performance.

With regard to **Stanifer** (Ex. 1007), Petitioner states (Pet. 42:7 to 43:5):

Stanifer – which is directed to vehicle telematics and was not previously cited to the PTO – discusses a wireless transmitter (e.g., “terminal node controller” and “radio transceiver”) configured to transfer selected vehicle data (e.g., geographic location) retained within memory (e.g., “computer memory”) to a distributed network (e.g., “packet radio link”) and a server (e.g., base station). Ex. 1007 at 2:35-50; 4:4-17; 11:41-44; 12:18-22.

A POSITA would have been motivated to combine the teachings of (1) Kosaka, (2) Herrod, (3) Kosaka in view of Bouchard, or (4) Herrod in view of Bouchard, with [Stanifer], given their similar purpose of using vehicle telematics to evaluate driving characteristics,
such as for insurance purposes. For example a POSITA would have recognized that Kosaka’s or Herrod’s teachings of evaluating driving characteristics using monitored data would be enhanced by incorporating Stanifer’s teachings of a similar but more sophisticated wireless telematics system in order to convey different types of data more efficiently to better determine driver performance.

As is evident from the above-quoted text, and as has been presented by the Petitioner, in order to satisfy the wireless transmitter feature of claim 1, none of Scapinakis, Eisenmann, and Stanifer is a better reference than the other two references. Petitioner does not articulate any relative weakness in any respect for any one of the three references. Petitioner does not articulate any relative strength in any respect for any one of the three references. On this record, we conclude that Scapinakis, Eisenmann, and Stanifer have been applied to meet the wireless transmitter feature of claim 1 redundantly. The redundancy carries forward to the various grounds of unpatentability of dependent claims 2-20, as additional references are appended to each basic combination to account for respective additional features in dependent claims.

It is

**ORDERED** that Petitioner has seven (7) days from the date of this communication to notify the Board which one of three groups of obviousness grounds it chooses to maintain against claim 1, as represented by the designation 1:(6) to 1:(9) in the chart on page 17 of the petition (grounds relying on Scapinakis), the designation 1:(10) to 1:(13) in the chart (grounds relying on Eisenmann), and the designation 1:(14) to 1: (17) in the chart (grounds relying on Stanifer); the grounds that are not selected by Petitioner will not be considered;
FURTHER ORDERED that the Petitioner’s notification as to claim 1 in response to this order shall carry through in effect to all associated obviousness grounds asserted against dependent claims 2-20; for instance, with respect to claim 2, if the Petitioner selects the grounds 1:(6) to 1:(9) based on Scapinakis, this selection will carry forward automatically to grounds 2:(6) to 2:(9) based on Scapinakis, and grounds 2:(10) to 2:(17) based on Eisenmann and Stanifer will not be considered;

FURTHER ORDERED that if Petitioner fails to notify the Board timely as to which group of grounds to maintain, the Board will consider the grounds based on Scapinakis, as Scapinakis has the earliest date of publication as compared to Eisenmann and Stanifer, and that the grounds based on Eisenmann and Stanifer will not be considered.

B. Kosaka, Black Magic, or Pettersen

Claims 19 and 20 each depend on independent claim 1. Claim 19 adds that the server “is further configured to calculate an insured’s premium under the insured’s insurance policy based on the rating factor, or a surcharge or a discount to the insured’s premium, based on the rating factor.” Claim 20 adds that the server “is further configured to process selected vehicle data that represents one or more aspects of operating the vehicle with data that reflects how the selected vehicle data affects an insured’s premium under an insured’s insurance policy.”

According to the Petitioner, each of Kosaka (Ex. 1003), Black Magic (Ex. 1015), and Pettersen (Ex. 1013) discloses the features added by claims 19 and 20. Thus, for each of the 17 grounds Petitioner asserts against independent claim 1,
Petitioner adds Kosaka to make 17 grounds against each of claims 19 and 20, adds Black Magic to make 17 more grounds against each of claims 19 and 20, and adds Pettersen to make still 17 further more grounds against each of claims 19 and 20.

Petitioner asserts simply that Kosaka teaches the claim features added to claim 1 by claims 19 and 20, that Black Magic teaches the claim features added to claim 1 by claims 19 and 20, and that Pettersen teaches the claim features added to claim 1 by claims 19 and 20, without relative distinction, in claim charts presented on pages 72-75 of the petition for claim 19 and on pages 77 and 78 for claim 20.

With regard to **Kosaka** as applied to claims 19 and 20, Petitioner states (Pet. 71:37 to 72:5):

A POSITA would have been motivated to combine the teachings of each of combination 1:(1)-1:(17) with Kosaka, given their similar purpose of using vehicle telematics to evaluate driving characteristics, including for insurance purposes. For example, a POSITA would have recognized that the system disclosed in each of combinations 1:(1)-1:(17) would be enhanced by implementing them with Kosaka’s teachings of making insurance premium calculations based on the evaluations in order to make advantageous use of the vehicle data for insurance purposes.

With regard to **Black Magic** as applied to claims 19 and 20, Petitioner states (Pet. 73:15-21):

A POSITA would have been motivated to combine the teachings of each of combination 1:(1)-1:(17) with Black Magic, given their similar purpose of using vehicle telematics to evaluate driving characteristics, including for insurance purposes. For example, a POSITA would have recognized that the system disclosed in each of combinations 1:(1)-1:(17) would be enhanced by implementing them with Black Magic’s teachings of premium
determinations to make advantageous use of the vehicle data for insurance purposes.

With regard to Pettersen as applied to claims 19 and 20, Petitioner states (Pet. 75:3-9):

A POSITA would have been motivated to combine the teachings of each of combination 1:(1)-1:(17) with Pettersen, given their similar purpose of using vehicle telematics to evaluate driving characteristics, such as for insurance purposes. For example, a POSITA would have recognized that the system disclosed in each of combinations 1:(1)-1:(17) would be enhanced by implementing them with Pettersen’s teachings of insurance premium evaluations to make advantageous use of the vehicle data for insurance purposes.

As explained above, for satisfying the additional feature of claims 19 and 20, and as has been presented by the Petitioner, none of Kosaka, Black Magic, and Pettersen is stated by Petitioner to be a better reference than the other two references. Petitioner does not articulate any relative weakness for any one of the three references. Petitioner does not articulate any relative strength for any one of the three references. On this record, we conclude that Kosaka, Black Magic, and Pettersen have been redundantly applied to meet the claim features added by claims 19 and 20 relative to independent claim 1.

It is ORDERED that Petitioner has seven (7) days from the date of this communication to notify the Board which one of three groups of obviousness grounds it chooses to maintain against each of claims 19 and 20, as represented by the designation 19:(1)-19:(17) and 20:(1)-20:(17) in the chart on page 21 of the petition (grounds relying on Kosaka), the designation 19:(18)-19:(34) and 20:(18)-
20:(34) in the chart on pages 21-22 of the petition (grounds relying on Black Magic), and the designation 19:(35)-19:(51) and 20:(35)-20:(51) in the chart on page 22 of the petition (grounds relying on Pettersen); the grounds that are not selected by Petitioner will not be considered;

**FURTHER ORDERED** that if Petitioner fails to notify the Board timely as to which group of grounds to maintain, the Board will consider the grounds based on Pettersen, as Pettersen has the earliest date of publication as compared to Kosaka and Black Magic, and that the grounds based on Kosaka and Black Magic will not be considered.

C. Gray or Lewis

Claim 16 depends on independent claim 1. Claim 17 depends on claim 16 and claim 18 depends on claim 17. Petitioner asserts 9 grounds of obviousness against claim 16, designated as grounds 16:(1) to 16:(9) in the chart on pages 20-21 of the petition. On that foundation, Petitioner asserts 18 grounds of obviousness against each of claims 17 and 18, the first 9 relying on the addition of Gray to all the grounds of obviousness of base claim 16, and the second 9 relying on the addition of Lewis to all the grounds of obviousness of base claim 16. As applied by the Petitioner to account for the features of claims 17 and 18, there is no substantive difference between Gray and Lewis. Each purportedly discloses the features additionally required by claims 17 and 18 relative to base claim 16. Petitioner has not articulated any deficiency of Gray relative to Lewis or of Lewis relative to Gray. The explanations of their application are essentially the same.
With respect to Gray, the Petitioner states (Pet. 67:11-16):

A POSITA would have recognized that the systems disclosed in each of the combinations 16:(1) to 16:(9), which describe systems for evaluating driving characteristics using monitored vehicle data received wirelessly from a vehicle telematics device with the ability to communicate in the event of certain situations, would be enhanced by implementing them with the ability to communicate in the event of certain additional situations as discussed in Gray.

With respect to Lewis, the Petitioner states (Pet. 69:3-8):

A POSITA would have recognized that the systems disclosed in each of combinations 16:(1) to 16:(9), which describe systems for evaluating driving characteristics using monitored vehicle data received wirelessly from a vehicle telematics device with the ability to communicate in the event of certain situations, would be enhanced by implementing them with the ability to communicate in the event of certain additional situations as discussed in Lewis.

As explained above, Petitioner has applied Gray and Lewis in a manner that presents no distinction. On this record, Petitioner has not established a case that Gray may be better prior art for some reasons and Lewis better for other reasons. We conclude that Gray and Lewis have been redundantly applied to meet the features added by claims 17 and 18 relative to base claim 16.

It is ORDERED that Petitioner has seven (7) days from the date of this communication to notify the Board which one of Gray and Lewis it chooses to add to the grounds asserted against claim 16, to render obvious claims 17 and 18; the reference that is not selected by Petitioner and corresponding grounds will not be considered;
FURTHER ORDERED that if Petitioner fails to notify the Board timely as to which reference to consider, the Board will consider the grounds based on Gray, because Gray has the earlier date of publication, and that the alleged grounds based on Lewis will not be considered.

Vertical Redundancy

Vertical redundancy exists when there is assertion of an additional prior art reference to support another ground of unpatentability when a base ground already has been asserted against the same claim without the additional reference and the Petitioner has not explained what are the relative strength and weakness of each ground. To move forward with such a multiplicity of grounds, Petitioner must articulate a reasonable basis to believe that from a certain perspective the base ground is stronger, and that from another perspective the ground with additional reference is stronger.

The underlying principle is this: If either the base ground or the ground with additional reference is better from all perspectives, Petitioner should assert the stronger ground and not burden the Patent Owner and the Board with the other. If there is no difference, Petitioner should assert just one ground. Only if the Petitioner reasonably articulates why each ground has strength and weakness relative to the other should both grounds be asserted for consideration.
A. Adding Gray or Lewis for Claims 17 and 18

Petitioner first asserts 9 grounds of obviousness against claims 17 and 18. They are designated as grounds 17:(1) to 17:(9) and 18:(1) to 18:(9) in the chart appearing on pages 20-21 of the petition. For no apparent or explained need, Petitioner then adds Gray (Ex. 1012) to the mix to support an additional 9 grounds against claims 17 and 18; they are designated as grounds 17:(10) to 17:(18) and 18:(10) to 18:(18) in the chart on page 21 of the petition. And for no further apparent or explained need, Petitioner adds Lewis (Ex. 1024) to the mix to support an additional 9 grounds against claims 17 and 18; they are designated as grounds 17:(19) to 17:(27) and 18:(19) to 18:(27) in the chart on page 21 of the petition.

The Petitioner states merely that one with ordinary skill would have recognized that the system disclosed in each of the 9 base grounds “would be enhanced by implementing them with the ability to communicate in the event of certain additional situations discussed in Gray” (Pet. 67:11-16) and also “would be enhanced by implementing them with the ability to communicate in the event of certain additional situations discussed in Lewis” (Pet. 69:3-8). That the base combination can be enhanced tells nothing about why it may be inadequate to meet the requirements of claims 17 and 18 and why either Gray or Lewis can help to shore up that infirmity. Furthermore, if either Gray or Lewis can shore up an infirmity in the base combination, then the base combination should not be asserted concurrently with another ground including the base combination and Gray or Lewis.
It is

ORDERED that Petitioner has seven (7) days from the date of this communication to notify the Board which one of three groups of grounds it chooses to maintain against claims 17 and 18, the base combination of grounds 17:(1) to 17:(9) and 18:(1) to 18:(9) against claims 17 and 18, grounds 17:(10) to 17:(18) and 18:(10) to 18:(18), or grounds 17:(19) to 17:(27) and 18:(19) to 18:(27); the grounds that are not selected by Petitioner will not be considered;

FURTHER ORDERED that if Petitioner fails to notify the Board timely which grounds to maintain, the Board will consider the base combination of grounds 17:(1) to 17:(9) and 18:(1) to 18:(9) and the grounds based on Gray and Lewis will not be considered.

B. Adding Scapinakis, Eisenmann, or Stanifer for Claim 1

As we discussed earlier in the section titled “Scapinakis, Eisenmann, or Stanifer,” Petitioner first asserts obviousness of claim 1 over Kosaka, over Herrod, over Kosaka and Bouchard, and also over Herrod and Bouchard. Then, for each of those initial four grounds of obviousness, Petitioner adds Scapinakis, Eisenmann, or Stanifer, to make 12 more grounds of obviousness for claim 1. Of those 12 additional grounds, 4 are from adding Scapinakis, 4 are from adding Eisenmann, and 4 are from adding Stanifer, to each of the initial 4 obviousness grounds for claim 1.

Petitioner does not explain why the addition of any one of Scapinakis, Eisenmann, and Stanifer, is needed to augment the initial four grounds of obviousness directed against claim 1, i.e., over Kosaka, over Herrod, over
Kosaka and Bouchard, and over Herrod and Bouchard. Petitioner articulates no infirmity or deficiency in the initial four grounds of obviousness rejection of claim 1, which would be made up or otherwise remedied by relying on Scapinakis, Eisenmann, or Stanifer.

The Petitioner states merely that one with ordinary skill would have recognized that the system disclosed in each of the 4 initial obviousness grounds would be enhanced by incorporating the more sophisticated wireless telematics system to provide different types of data more efficiently to better determine driver performance as is discussed in Scapinakis, Eisenmann, and Stanifer. (Pet. 38:5-9; 40:4-8; 42:16 to 43:5). That the initial 4 grounds can be enhanced tells nothing about why it may be inadequate to meet the requirements of claim 1 and why any of Scapinakis, Eisenmann, and Stanifer can help to shore up that infirmity. And if any of Scapinakis, Eisenmann, and Stanifer can shore up an infirmity in the initial four obviousness grounds, then the initial four grounds should not be asserted concurrently with a separate ground adding Scapinakis, Eisenmann, or Stanifer.

It is

ORDERED that Petitioner has seven (7) days from the date of this communication to notify the Board which one of four groups of grounds it chooses to maintain against claim 1, i.e., first group with grounds designated as 1:(2) to 1:(5) in the chart on page 17 of the petition, second group with grounds designated as 1:(6) to 1:(9) including Scapinakis, third group with grounds designated as 1:(10) to 1:(13) including Eisenmann, and fourth group with grounds designated as 1:(14) to 1:(17) including Stanifer; the
grounds in the non-selected groups will not be considered and neither will
grounds which dependent on any ground in the non-selected groups;

FURTHER ORDERED that if Petitioner fails to notify the Board
timely as to which group of grounds to maintain, the Board will consider
grounds 1:(6) to 1:(9) relying on the addition of Scapinakis; grounds 1:(2) to
1:(5), 1:(10) to 1:(13), and 1:(14) to 1:(17) and grounds dependent thereon
will not be considered.

C. Adding Bouchard for Claim 1

According to claim 1, a processor must collect vehicle data from a vehicle
bus. Petitioner first asserts obviousness of claim 1 over Kosaka and also over
Herrod, in grounds designated as 1:(2) and 1:(3) in the chart on page 17 of the
petition. For those grounds, Petitioner alleges that collection of vehicle diagnostic
data from a vehicle bus was well known in the art, without citing to any particular
reference. In support of that assertion, Petitioner’s technical witness Andrews
testified in his declaration ¶ 21, lines 10-14, that the On-Board Diagnostics II
(OBD-II) vehicle bus was used in vehicles since 1994 and has, in fact, been
required in passenger vehicles and light duty trucks since January 1996, as
mandated by the Environmental Protection Agency.

Nevertheless, Petitioner adds the prior art reference Bouchard to each of the
two obviousness grounds based on Kosaka and Herrod to provide two additional
grounds of obviousness, one based on Kosaka and Bouchard and the other based
on Herrod and Bouchard. Bouchard is relied on as disclosing a processor that
collects vehicle data from a vehicle bus. (Pet. 36:3-5). In that regard, Bouchard is
said to be directed to a method and system for monitoring vehicle sensors to obtain
various data elements and determine the operational status of a vehicle. (Pet. 35:28-30). The Petitioner nowhere explains why reliance on Bouchard is needed in light of the alleged fact that collection of vehicle diagnostic data from a vehicle bus was well known to one with ordinary skill in the art and was actually required by law on certain types of vehicles since January of 1996. It is unknown why without reliance on Bouchard the obviousness grounds based on Kosaka and Herrod would be deemed inadequate insofar as the vehicle data bus limitation is concerned. If they are not inadequate in that connection, then additional grounds including Bouchard should not be asserted. If Bouchard is necessary, then Kosaka and Herrod should not be asserted without Bouchard.

It is

ORDERED that Petitioner has seven (7) days from the date of this communication to notify the Board which one of two groups of obviousness grounds it chooses to maintain against claim 1, i.e., first group with grounds based on Kosaka and Herrod and designated as 1:(2) and 1:(3) in the chart on page 17 of the petition, and second group with grounds designated as 1:(4) and 1:(5) which include the addition of Bouchard; the grounds in the non-selected group will not be considered and neither will grounds which depend on any ground in the non-selected group;

FURTHER ORDERED that if Petitioner fails to notify the Board timely, the Board will consider grounds 1:(2) and 1:(3) which rely on the alleged fact that collecting diagnostic data from a vehicle bus was well known; grounds 1:(4) and 1:(5) which rely on Bouchard for its disclosure of a vehicle data bus and grounds dependent thereon will not be considered.
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1  ack
2  By Electronic Transmission
3
4  Attorney for Petitioner Liberty Mutual Ins. Co.:
5
6  J. Steven Baughman, Esq.
7  Ropes & Gray LLP
8  steven.baughman@ropesgray.com
9
10
11  Attorneys for Patent Owner Progressive Casualty Ins. Co.:
12
13  Calvin P. Griffith, Esq.
14  James L. Wamsley, III, Esq.
15  John V. Biernacki, Esq.
16  Jones Day
17  cpgriffith@jonesday.com
18  jlwamsleyiii@jonesday.com
19  jvbiernacki@jonesday.com
20
21