



# FleetCor: Recalculating Position

Intellectual Property Analysis of FleetCor Technologies, Inc.

January 14, 2014

***“FleetCor Technologies, Inc. has entered into an agreement to buy the Telenav enterprise business unit of Telenav, Inc.”<sup>1</sup>***

Since 2000, FleetCor Technologies, Inc. built a core business providing credit cards that can be utilized at select gas pumps. FleetCor’s fuel card business operates by forming partnerships with oil companies and acquiring fuel card providers. The company has shown evidence of a shift in focus in mid-2013, as it purchased three geolocation patents from Telenav, Inc. for \$10 million. While FleetCor operated for 13 years without an evident intellectual property portfolio (IP), we observe that the assets it acquired from Telenav do not protect the core of their new business.

## Analysis

Telenav’s patents acquired by FleetCor are listed below.

Figure 1. Document #	Title	Assignee Name	Priority	File	Issue
US 8,606,458	Navigation system having mileage mechanism and method of operation thereof	Fleetcor Technologies Operating Company, LLC	12-Dec-08	12-Dec-08	10-Dec-13
US 8,489,330	Navigation system with distance limitation mechanism and method of operation thereof	Fleetcor Technologies Operating Company, LLC	9-Oct-10	9-Oct-10	16-Jul-13
US 8,433,508	Navigation system with monitoring mechanism and method of operation thereof	Telenav, Inc.	30-Oct-09	30-Oct-09	30-Apr-13

The US patents, 8,606,458 (the ‘458 patent), 8,489,330 (the ‘330 patent), and 8,433,508 (the ‘508 patent), all relate to navigation systems. When considering fuel cards benefits, utilizing technologies including mileage tracking, distance limits, and monitored boundaries could be profitable. However, there are many other players who hold foundational patents in the navigation system field.

M•CAM has reviewed the IP surrounding FleetCor’s new portfolio to identify any potentially damaging precedent innovation. Using our proprietary analytical systems, we detected a large number of companies with substantial holdings that predate FleetCor’s position, as shown in Figure 2. These industry titans – not FleetCor -- control this major sector of the geolocation business. FleetCor has failed to protect itself and its marginal revenues in that business segment.

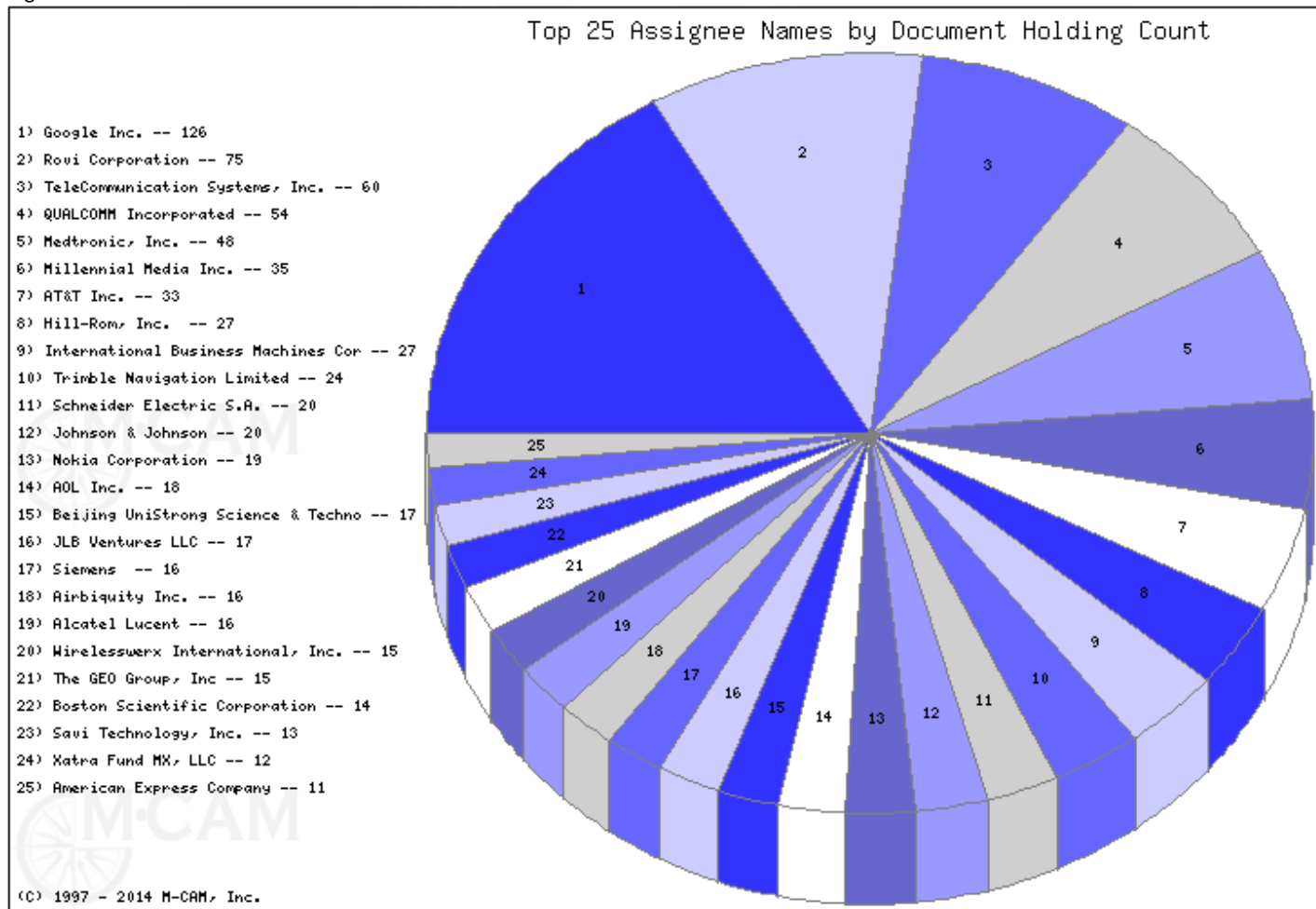
Figure 2. Holders of Precedent Innovation to FleetCor
Caterpillar
Google Inc.
Hitachi
Honda
IBM
Microsoft
Motorola
Robert Bosch
Sony
Toyota

<sup>1</sup><http://www.zacks.com/stock/news/94749/FleetCor-to-Acquire-Telenavs-Unit>

## The Innovation Space

The chart below shows other entities involved in the technology space of the '508 patent. As you can see, entities such as Google Inc. holds many patents in the tracking and monitoring location innovation field, and thus we find overlap. JLB Ventures LLC and Xatra Fund MX, LLC operate as Patent Assertion Entities (PAE) which could potentially pose threats to the new FleetCor portfolio.

Figure 3.



## Conclusion

FleetCor's attempt to gain proprietary controls in the geolocation sector was roundly unsuccessful. The patents FleetCor obtained through the Telenav acquisition not only face significant invalidity issues, they do nothing to cover FleetCor's primary fuel card business. FleetCor thus is in the unenviable position of being exposed on multiple fronts as it seeks future growth.

For a more detailed examination of the patents mentioned in this report, please contact us at [patentlyobvious@m-cam.com](mailto:patentlyobvious@m-cam.com).

## *M·CAM's Patent Glossary*

<u>Aligned Sector:</u>	The business sector in which the product(s) resulting from the patent(s) is currently or intended to be sold.
<u>Applicant:</u>	The person or corporation that applies for a patent with the intent to use, manufacture or license the technology of the invention; under U.S. law, except in special situations, the applicant(s) must be the inventor(s).
<u>Application:</u>	Complete papers submitted to the U. S. Patent and Trademark Office seeking a patent including oath, specification, claims, and drawings. This usually does not signify a Provisional Patent Application, but only a regular patent application.
<u>Art:</u>	The established practice and public knowledge within a given field of technology. This also identifies a process or method used to produce a useful result. A term used in consideration of the problem of patentable novelty encompassing all that is known prior to the filing date of the application in the particular field of the invention.
<u>Assignee:</u>	The person(s) or corporate body to whom the law grants or vests a patent right. This refers to the person or corporate entity that is identified as the receiver of an assignment.
<u>Business Method</u>	
<u>Patent:</u>	A patent that controls the way a business process is undertaken. The issuance of these patents by the United States Patent and Trademark Office (USPTO) is new and controversial, since many allege that it is unfair to allow a patent on a way of doing business.
<u>Citation:</u>	This may include patents or journal articles that the applicant or examiner deems relevant to a current application. A reference to legal authorities or a prior art documentation are examples of a citation.
<u>Claim:</u>	The language in a patent application that defines the legal scope of the patent. Most patents have numerous claims. This is typically the single most important section in the application.
<u>Concurrent Art:</u>	Concurrent art occurs when related patent applications are being examined by the USPTO at the same time. It is difficult for any company or inventor to know, at the time they file for a patent, whether a “related” patent application exists.
<u>Filing Date:</u>	The date when a properly prepared application reaches the patent office in complete form.
<u>Innovation Cycle:</u>	A description of the commercialization timeframe for the intellectual property.
<u>Innovation Space:</u>	M·CAM’s representation of the innovation(s) that occur before, during, and after the pending period of the subject patent. The innovation space is the first place to look for patents that are closely related to the subject patent and that may impact the defensibility of the subject patent or create opportunities for patent licensing.
<u>Issue Date:</u>	Not to be confused with the filing date, which is the date the patent application was physically received by the U.S. Patent and Trademark Office. This is the date on which the patent actually issues.
<u>Non-Aligned</u>	
<u>Sector:</u>	Any sector in which the patent can be used or sold, other than the sector for which the patent or resultant product was invented or intended.
<u>Pod:</u>	A group of patents owned by a company that should be treated as a single unit of innovation (e.g., a certain group of patents that comprise a single product or multiple related products).
<u>Prior Art:</u>	Any relevant patent that was issued before the patent being analyzed. If this previous patent was specifically mentioned in the new patent’s application, the previous patent is referred to as “cited prior art”. If it was NOT mentioned, then that previous patent is referred to as “uncited prior art”.
<u>Subsequent Art:</u>	Any patent that has a filing date with the USPTO that is after the issuance date of the subject patent. This subsequent art patent may or may not have cited (see “Citation” above) the subject patent. As subsequent art represents more recent innovation than the subject patent, it has great potential to shrink the market opportunity for the subject patent.

## *A Brief Primer on the Patent System*

In recent years, the importance of patents and intellectual property rights as an important variable in the marketplace has come to the forefront of the public consciousness as world leaders declare their country's lead in the innovation race. Damaging intellectual property litigation is becoming increasingly common across all industries. This is exacerbated when patent rights are granted for non-novel ideas. A vast amount of precedent innovation is unconsidered by patent-granting authorities in the creation of new IP rights. Patent granting authorities including the United States Patent and Trademark Office (USPTO), European Patent Office (EPO), Japanese Patent Office (JPO), Chinese State Intellectual Property Office (SIPO), Korean Intellectual Property Office (KIPO) and many others are constrained by the use of patent classification systems which are routinely circumvented by patent applicants.

There is a two-way social contract underlying the patent system. In the United States, patent terms are generally limited to 20 years from the date of application. By statutory intention, once a patent has expired, the patent holder loses the right to exclude others from fully utilizing any innovation described in the patent. A large number of patents enter the public domain when they are "abandoned" – when owners discontinue paying patent maintenance fees. Patents also only provide an exclusionary right in the country for which the patent is filed. As demonstrated by the Global Innovation Commons<sup>1</sup> (G.I.C.), using intellectual property available in the public domain eliminates the need to pay licensing fees on those innovations in countries where the patent was never registered, or worldwide, if abandoned.

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<sup>1</sup> <http://www.globalinnovationcommons.org/>