

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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TOYOTA MOTOR CORP.,  
Petitioner,

v.

AUTOCONNECT HOLDINGS LLC,  
Patent Owner.

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Case No. IPR2025-00890  
U.S. Patent No. 8,793,034

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**PETITIONER'S OPPOSITION TO  
PATENT OWNER'S REQUEST FOR DISCRETIONARY DENIAL**

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Exhibit	Description
Ex. 1001	U.S. Patent No. 8,793,034 to Ricci.
Ex. 1002	Prosecution File History for U.S. Patent No. 8,793,034.
Ex. 1003	Curriculum Vitae of Mr. Scott Denning
Ex. 1004	Declaration of Mr. Scott Denning
Ex. 1005	Japanese Patent Pub. No. JP2008-017227 to Yasui
Ex. 1006 (new)	U.S. Patent Publication 2008/0051957 to Breed et al.
Ex. 1007	European Patent App. No. EP 1 211 141 A2 to Morehouse
Ex. 1008	U.S. Patent Pub. No. 2008/0215209 to Ikeda et al.
Ex. 1009 (new)	U.S. Patent Publication No. 2006/0047386 to Kanevsky et al.
Ex. 1010 (new)	U.S. Patent Publication No. 2011/0234369 to Cai et al.
Ex. 1011 (new)	Complaint in <i>AutoConnect Holdings, LLC v. Toyota Motor Corp.</i> , No. 2:24-cv-00802 (E.D. Tex.)
Ex. 1012 (new)	District Court – Judicial Caseload Profile (March 31, 2025), available at <a href="https://www.uscourts.gov/sites/default/files/document/fcms_na_dist_profile0331.2025.pdf">https://www.uscourts.gov/sites/default/files/document/fcms_na_dist_profile0331.2025.pdf</a>
Ex. 1013 (new)	Jury Selection Starting July 20, 2026, Before Judge Gilstrap (cases for jury selection as of July 29, 2025).
Ex. 1014 (new)	Consolidation Order for pre-trial in <i>AutoConnect Holdings, LLC v. General Motors LLC</i> , No. 2:24-cv-00877 (E.D. Tex.).
Ex. 1015 (new)	General Motor’s Unopposed Motion to Amend Docket Control Order <i>AutoConnect Holdings, LLC v. General Motors LLC</i> , No. 2:24-cv-00877 (E.D. Tex.).

Ex. 1016 (new)	Jury Selection Starting Between April 6, 2026 and July 20, 2026, Before Judge Gilstrap.
Ex. 1017 (new)	AutoConnect's Disclosure of Asserted Claims and Infringement Contentions, served Jan. 21, 2025, in <i>AutoConnect Holdings, LLC v. Toyota Motor Corp.</i> , No. 2:24-cv-00802 (E.D. Tex.).
Ex. 1018 (new)	Complaint in <i>AutoConnect Holdings, LLC v. General Motors LLC</i> , No. 2:24-cv-00877 (E.D. Tex.).
Ex. 1019 (new)	Complaint in <i>AutoConnect Holdings, LLC v. Ford Motor Co.</i> , No. 2:24-cv-01327 (D. Del.).
Ex. 1020	U.S. Patent Pub. No. 2007/0208861 to Zellner et al.
Ex. 1021	U.S. Patent Pub. No. 2011/0093159 to Boling et al.

## **I. Introduction**

This case should be referred to a panel for evaluation of the Petition on the merits. The Office committed a “material error during patent examination” when it overlooked prior art and neglected to reject against the Applicant’s flawed arguments during prosecution. This material error outweighs other considerations including settled expectations and any other *Fintiv* considerations.

## **II. Material Error During Prosecution Favors Referral**

The Office materially erred when it overlooked the asserted prior art by failing to identify on the record, consider, and evaluate the asserted prior art that anticipates or renders obvious the challenged claims. *See, e.g., Microsoft Corp. v. ParTec Cluster Competence Ctr. GmbH*, IPR2025-00318, Paper 9, 3 (PTAB June 12, 2025); *Ecto World, LLC v. Rai Strategic Holdings Inc.*, IPR2024-01280, Paper 13, 5 (PTAB May 19, 2025) (precedential); *Xencor, Inc. v. Merus N.V.*, IPR2025-00604, Paper 12, 3 (PTAB July 17, 2025). The Office further materially erred when it overlooked the teachings in the prior art considered during examination.

As explained in the Petition (Pet. 7-8), Applicant represented to the Office that the prior art did not contain at least the following limitations:

- “determining, by a processor, if said identified person has corresponding settings”;

- “configuring said zone of said vehicle based on said corresponding settings”; and
- “determine if the person has made a setting; and based on the determination, configure said zone of said vehicle to said setting.”

Ex. 1002, 361-63, 365-66. The Applicant also distinguished the claims from the prior art. Ex. 1002, 368-69. For example, the Applicant represented that requiring “gestures” to initiate a zone’s configuration was different from the claimed invention where “a person simply enters a zone of the vehicle, and the vehicle configures the zone of the vehicle to the person.” Ex. 1002, 368-69.

As further detailed below, the Office’s material errors relate to these reasons why the claims were allowed.

**A. The Office materially erred when it overlooked the asserted prior art**

*Yasui* and *Ikeda* each individually anticipate the challenged claims (claims 1 and 7-17). Pet. 18-48. 55-71.

The fact that Petitioner was able to present not one, but two anticipatory grounds suggests that the Office’s review of the prior art was incomplete. *Yasui* and *Ikeda* were publicly available and both qualify as prior art under at least 35 U.S.C. §§ 102(a), (b), and/or (e). *Yasui*, cover; *Ikeda*, cover; Pet. 8, 14. Both references are in the same international or US patent classification as the ’034

patent. For example, *Yasui* is in B60R (2006.01) (*Yasui*, code (51)) and *Ikeda* is in 701/36 (*Ikeda*, code (52)). See Ex. 1001, cover; Ex. 1002, 219, 241. A diligent prior art search in the same field as the '034 patent, even with the most cursory of search terms like “user recognition,” “face recognition,” or “settings” would have revealed *Yasui* and “driving environment,” “seat position,” or “setup” would have revealed *Ikeda*.

*Yasui* and *Ikeda* both anticipate the challenged claims of the '034 patent. See Pet. 18-47 (*Yasui*), 55-71 (*Ikeda*). In other words, they both teach the limitations that Applicant represented were novel:

- “determining, by a processor, if said identified person has corresponding settings” (see Pet. 26-28 (“*Yasui* discloses that ‘hospitality decision-making unit 2 . . . decides what kind of hospitality operation to perform.’ *Yasui*, [0064].”), 54-59 (*Ikeda* describes that “[t]he ‘in-vehicle device 10’ determines if an identified person has corresponding settings by sending a ‘setup information-sending request.’ *Ikeda*, [0091]; see *Ikeda*, [0246].”));
- “configuring said zone of said vehicle based on said corresponding settings” (see Pet. 28-29 (“*Yasui* discloses ‘controlling the operation of the hospitality operation unit according to said hospitality operation information.’ *Yasui*, Claim 10, [0008]; Denning, ¶¶95-100.”), 59-60

(“*Ikeda* discloses that its ‘control units’ operate ‘to reproduce the driving environment indicated by the environment setup item.’ *Ikeda*, [0064].”);

and

- “determine if the person has made a setting; and based on the determination, configure said zone of said vehicle to said setting” (*see* Pet. 36 (“*Yasui* discloses that the ‘hospitality decision-making unit,’ acting via CPU 12, ‘decides what kind of hospitality operation to perform.’ *Yasui*, [0064]; *see Yasui*, Fig. 11, [0046]-[0047]....”), 64 (“*Ikeda* discloses, as part of the vehicle environment setup processing as performed by the ‘the control unit 11 of the in-vehicle device 10,’ acting via its CPU, obtaining ‘the environment setup information item indicative of the driving environment for the driver’ by sending a ‘setup information-sending request requests the portable device 20 of the driver to send the environment setup information item.’ *Ikeda*, [0091]....”).

Pet. 26-29, 36, 54-60, 64 (colored text omitted); Ex. 1002, 361-63, 365-66. These disclosures also describe how *Yasui* and *Ikeda* teach the zone configuration that Applicant represented was not in the prior art. Pet. 26-29, 36, 54-60, 64; Ex. 1002, 368-69.

*Yasui* and *Ikeda* are therefore relevant to the patentability of the challenged claims, and it was a material error for the Examiner to overlook *Yasui* and *Ikeda* and fail to apply these references in a rejection.

To the extent that there is a dispute about whether *Yasui* or *Ikeda* teaches any of these limitations, the Petition also describes how *Yasui* and *Ikeda* would render the limitations obvious alone or in combination with *Morehouse*. Pet. 49-55, 71-76. It further was a material error for the Examiner to overlook *Morehouse* and fail to apply the reference in combination with *Yasui* and *Ikeda* for the same reasons noted above.

**B. The Office materially erred when it overlooked teachings in the prior art considered during examination**

The Office materially erred when the Examiner overlooked how the prior art taught “determining if said person has corresponding settings; and configuring said zone of said vehicle based on said corresponding settings.” Ex. 1002, 267-274.

During prosecution, the Examiner issued a rejection based on three references: Breed, Kanevsky, and Cai. Ex. 1002, 267-274. The Applicant argued that “Breed nor Kanevsky teach the type of the configuration of a zone of the vehicle based on corresponding settings claimed.” Ex. 1002, 369-370 (Response); Ex. 1002, 267-274 (Rejection). The Applicant repeated a similar position when responding the Examiner’s rejection that added Cai—“as stated previously, Breed

does not teach or suggest separating the vehicle into zones and determining if said person (a person within the zone) has corresponding settings, and configuring said zone of said vehicle based on said corresponding settings as described in claim 1 or 11. Nor would it have been obvious to do so because Breed details using gestures to control setting[.]” Ex. 1002, 370. The Examiner subsequently allowed the claims over the prior art.

There are at least two material errors in this examination. First, the Applicant improperly attacked the references individually instead of the combination of the references. *See Palo Alto Networks, Inc. v. Centripetal Networks, LLC*, 122 F.4th 1378, 1386 (Fed. Cir. 2024) (finding that an attack on individual references is improper and “lack[s] merit”). Had the Examiner realized that the Applicant attacked the references individually instead of considering the combination, the Examiner would have maintained the rejection. Second, the Examiner appears to have overlooked that Applicant did not address Cai at all. Applicant instead shifted the focus to Breed and did not address how the Examiner found that “Kanevsky discloses the person occupying the driver area or zone within the vehicle...” Ex. 1002, 271. These mistakes during prosecution amount to material error because they are directly related to the patentability of the claims.

**C. These material errors during examination outweigh all other factors**

The Acting Director has consistently found that material error during examination outweighs all other factors. *See Microsoft*, IPR2025-00318, Paper 9, 3 (finding “it is an appropriate use of Office resources to review the potential error,” and reasoning this error required review, even though the parties had a trial date “preced[ing] the date projected for a Board final written decision”); *Eunsung Glob. Corp. v. HydraFacial LLC*, IPR2025-00445, Paper 14, 2-3 (PTAB July 10, 2025) (finding “Petitioner provides persuasive reasoning” that denial is not appropriate “due to a material error in examination,” even though the challenged patent “issued in 2017, and this would ordinarily favor denying institution”); *Tesla, Inc. v. Charge Fusion Techs., LLC*, IPR2025-00152, Paper 11, 2 (PTAB June. 12, 2025) (referring and finding the “[p]etitioner provides persuasive evidence that the Office erred in a manner material to the patentability of the challenged claims by overlooking the teachings of [a prosecution reference]”); *Anthony Inc. v. ControlTec, Inc.*, IPR2025-00559, Paper 12, 2 (PTAB July 16, 2025) (referring and finding showing of material error favored referring to panel for both seventeen- and eighteen-year-old patents).

This case presents similar material errors to those that the Acting Director has found warrant referral. Regardless of whether the other factors would typically

weigh in favor of denial, the material errors committed during prosecution suggest that the challenged claims should not have been granted in the first place.

Therefore, the material errors warrant referral.

### **III. Settled Expectations Are Neutral or Favor Referral**

Despite the '034 patent having been “in force for over 11 years,” neither Patent Owner, nor anyone else, has developed settled expectations in it. Paper 6, 21.

Patent Owner is a non-practicing entity that does not compete with Petitioner. For example, Patent Owner’s district court complaint stated that “AutoConnect was created in 2015 for the purpose of researching, developing, collaborating, and commercializing several automotive and other technologies, and for the protection of inventions and intellectual property that the company’s principals developed over the years.” Ex. 1011, 1. As described in greater detail in Section V, despite the lifetime of the patent, Patent Owner has done nothing with it until now. Patent Owner has not commercialized its purported inventions, nor has it done anything to improve the United States economy or public interest with its purported inventions. Accordingly, Patent Owner cannot have established settled expectations in a patent that sat on a shelf for over a decade.

Patent Owner’s contention that “Petitioner has had full visibility of the claims over the last decade and chose not to pursue post-grant challenges,” is

unsupported and impractical. Paper 6, 21-22. Although Petitioner cited US Patent App. Pub. No. 2013/0231800 (App No. 13/843,011) on an IDS in its US Patent No. 9,387,824 (App. No. 14/463,791) (Ex. 2013, 9), its mere citation is in no way a testament to its validity. First, Petitioner only has an obligation in its patent filings to submit prior art that may be relevant to the patentability of the claims Petitioner seeks to claim. Petitioner is under no obligation to examine the validity of the prior art that it submits. That Petitioner cited prior art does not mean Petitioner believes that prior art is itself valid. Second, US Patent App. Pub. No. 2013/0231800, being in Patent Owner's own words, "a child application of one of the '034 Patent's sibling applications," is too far removed to impute any knowledge of the '034 patent to Petitioner. Paper 6, 22. Patent Owner alleges that the specifications are "substantially identical" but provides not support for this. Paper 6, 22. As these were two separate applications, there is no guarantee that the content is similar enough that Petitioner would have had knowledge of the separate family. Moreover, Petitioner notes that its own patent was allowed even though US Patent App. Pub. No. 2013/0231800 was on an IDS. Because it was not a barrier to its own patent, Petitioner had no reason to believe that US Patent App. Pub. No. 2013/0231800 was a concern to any of Petitioner's commercial products or that it would be accused of infringing the '034 patent years later.

This relationship between the applications does not evidence that Petitioner had actual knowledge of the '034 patent. Indeed, such a requirement is inconsistent with what courts have traditionally found amounts to knowledge for the purposes of indirect infringement. *See, e.g., Software Rsch., Inc. v. Dynatrace LLC*, 316 F. Supp. 3d 1112, 1133 (N.D. Cal. 2018) (holding knowledge of “application does not provide notice of the resulting patent for indirect . . . infringement”).

Petitioner further was under no obligation to challenge the '034 patent when Petitioner received a letter from Patent Owner in 2023 because the AIA does not contain nor suggest any such requirement. Paper 6, 22. Contrary to the logic of Patent Owner’s position, there is no obligation for petitioners to challenge patents merely because they have knowledge of a patent or are accused of infringing a patent. The obligation only arises *after* they have been served with a complaint. Imposing this obligation on petitioners would exceed the Acting Director’s policymaking authority under the Administrative Procedure Act and deprives petitioners of due process.

Patent Owner’s knowledge argument places an unreasonable expectation and impractical burden on all would-be petitioners. Toyota cannot be expected to file validity challenges to every patent brought to its doorstep. This, however, is the standard that Patent Owner seeks to establish. Such a requirement is unworkable, unrealistic, and not supported by law.

A policy that requires would-be petitioners to challenge every patent that they receive notice letters for—as Patent Owner’s argument would demand—is impractical and would dramatically increase the workload of the PTAB. Petitioner simply cannot challenge every patent for which it receives a letter. Most letters threatening infringement are baseless and never materialize into actual lawsuits. Forcing Petitioner to bring challenges on all such patents would balloon the PTAB’s workload beyond any workable level, forcing examination of patents that would likely never see the inside of a federal courthouse. This would waste the parties’ resources as well as the PTAB’s resources, contrary to the legislative intent of the AIA.

#### **IV. *Fintiv* Factors Favor Referral or Are Neutral**

##### **A. Factor 1: whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted**

Factor 1 is neutral because no evidence exists as to the likelihood that a stay may be granted in this dispute.

Patent Owner’s arguments are based on speculations and assumptions that cannot be applied to this case. Paper 6, 4-5. There is no indication that if this IPR is instituted and a subsequent motion to stay is requested, the court will deny a stay. And the Board has consistently found that Factor 1 is neutral when no such evidence exists. *See, e.g., Nikon Corp. v. Optimum Imaging Techs., LLC*, IPR2024-

01372, Paper 17 at 10-11 (PTAB Apr. 23, 2025) (finding Factor 1 neutral because the Board “will not attempt to predict how the court in the parallel district court proceedings would proceed if a stay is requested because the court may determine whether or not to stay any individual case based on a variety of circumstances and facts beyond [the Board’s] control and to which the Board is not privy.”); *Home Depot U.S.A., Inc. v. Sec. Tech., LLC*, IPR2024-01420, Paper 12, 43-44 (PTAB Mar. 24, 2025) (“If Petitioner were to file a motion to stay in the EDTX Litigation, we decline to speculate how the district court would rule on such a motion.”); *Ericsson Inc. v. XR Commc’ns LLC*, IPR2024-00868, Paper 8, 28 (PTAB Dec. 13, 2024) (“Because no motion to stay the proceeding is currently pending, we weigh this factor as neutral. We do not speculate as to whether a motion to stay would be renewed and ultimately granted.”); *Hulu, LLC v. SITO Mobile, Ltd.*, IPR2021-00298, Paper 11, 11 (PTAB May 19, 2021) (“We decline to infer, based on actions taken in a different case with different facts, how the District Court would rule should a stay be requested by the parties in the parallel case here.’ Accordingly, we find that this factor does not weigh for or against exercising our discretion to deny institution.” (internal citations omitted)).

Consistent with the Board’s previous cases with similar facts, Factor 1 should not weigh in favor of or against either party.

**B. Factor 2: proximity of the court’s trial date to the Board’s projected statutory deadline for a final written decision**

Factor 2 weighs in favor of referral because it is more likely than not that the July 20, 2026, trial date will be moved.

Patent Owner’s arguments and evidence do not account for the reality of the district court litigation. Paper 6, 6-7. A full consideration of the parallel litigation and Eastern District of Texas statistics weighs in favor of referral even though trial is set for July 20, 2026, and the final written decision is scheduled for approximately November 29, 2026.

First, the current time-to-trial statistics provided by the U.S. Federal Courts show a median time-to-trial for civil trials of 25.9 months for the EDTX. U.S. Ex. 1012, 35. This would mean that trial would not start until late November or early December. In other words, trial is unlikely to start *before* or around the deadline for a final written decision to issue here. Even if the trial occurred within a few weeks before the FWD, this would tilt factor two to weigh “marginally in favor” of the Board “not exercising [its] delegated discretion to deny institution.” *Cisco Systems, Inc. v. Croga Innovations LTD.*, IPR2024-01283, Paper 8, 44 (PTAB Feb. 13, 2025); *Amazon.com, Inc. v. NL Giken, Inc.*, IPR2025-00407, Paper 14, 2 (PTAB May 16, 2025) (“The district court’s scheduled trial date is June 22, 2026, but the time-to-trial statistics suggest trial would not begin until December 2026.”).

Second, it is more likely than not that the trial will be delayed. Judge Gilstrap has *seven* other trials set to simultaneously start jury selection on July 20, 2026. Ex. 1013, 1-3; Ex. 1014, 1 (consolidating Petitioner's and another defendant's cases, except for separate trial, both set for July 20, 2026); Ex. 1015, 5. At most one of these trials could go forward on that date, meaning that there is currently a 12.5% chance for each case. Contrary to Patent Owner's assertion, it is more likely than not that trial will be delayed.

Furthermore, there is a significant possibility that *none* of the scheduled trials take place on July 20, 2026. There are approximately 70 other cases that are set for jury selection within fifteen weeks leading up July 20, 2026. Ex. 1016, 1-23. These cases are competing for jury selection, which would delay their trials, causing a waterfall effect that would almost certainly impact the trial date in this case.

Third, the finality of PTAB decisions compared to jury verdicts weighs in favor of referral. A final written decision is appealable as of the date it issues, whereas a jury verdict is not. District court cases involve post-trial motions and briefings, which likely would prolong the litigation into 2027. The PTAB is the most efficient and prompt forum for achieving appealable finality.

Finally, the Director has determined that the complexity of the parallel litigation may outweigh the proximity of a trial date. *See Tesla v. United States of*

*Am. as represented by the Secretary of the Navy*, IPR2025-00341, Paper 12, 2 (PTAB June 13, 2025). As discussed in greater detail in Factor 6, the district court case involves fifteen patents and multiple parties. This case presents a complex litigation in addition to the high-level of skill required to understand the technology. Such considerations outweigh any risk of a trial date occurring before a final written decision may issue.

**C. Factor 3: investment in the parallel proceeding by the court and the parties**

Factor 3 weighs in favor of referral because minimal investments have been made in the district court proceeding.

The litigation is still in its infancy. Paper 6, 8-10. The court’s involvement in this case to date has been nil, and this status is likely to stay that way at least until the expected institution date. The parties’ investment has also been minimal. For example, although infringement and invalidity contentions have been served and documents have been produced, there have been no depositions, no claim construction briefing, and no expert reports. By the time of institution in this proceeding, the district court case will be at a similar posture where “much of the district court’s investment relates to ancillary matters untethered to the validity issue itself.” *Sand Revolution II, LLC v. Cont’l Intermodal Grp. – Trucking, LLC*, IPR2019-01393, Paper 24 at 10-11 (PTAB June 16, 2020). The *Markman* hearing

is not until January 2026, fact discovery closes in February 2026, expert discovery then follows (and closes in April 2026), and dispositive motions are not to be filed until April 2026. Ex. 2007 at 3-4; *see also Apple, Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11, 10 (PTAB Mar. 20, 2020); *SAP Am., Inc. v. Cyandia, Inc.*, IPR2024-01433, Paper 13, 11 (PTAB Apr. 7, 2025) (finding that an E.D. Tex. case was in its early stages when the court had not issued any orders related to the challenged patent); *Tesla, Inc. v. Autonomous Devices, LLC*, IPR2023-01172, Paper 21, 8-9 (PTAB Jan. 8, 2024) (finding that few district court resources had been dedicated to the patentability of the challenged patent when fact discovery was still on-going, expert discovery had not started, and no claim construction order had issued, among other factors).

Petitioner diligently prepared and filed **multiple** petitions within months of being served with the complaint. Petitioner did so well before the statutory one-year deadline. As noted above, the complaint asserts eleven patents, which collectively contain over 220 claims. *See* Ex. 1011. It was not until three months after the complaint that Petitioner learned that Patent Owner would only be asserting 135 claims from those eleven patents against numerous products (and adding eighteen additional claims for the '243 patent), plus four more patents asserted only against GM. Ex. 1017, 2-7. Preparing one petition—let alone

multiple petitions—is no easy task and requires time. Petitioner’s filing occurred diligently and without delay.<sup>1</sup>

**D. Factor 4: overlap between issues raised in the petition and in the parallel proceeding**

Factor 4 weighs in favor of referral because Petitioner provided a *Sotera* stipulation, which minimizes the duplicate efforts between the proceedings. Paper 5, 2.

Patent Owner complains that a *Sotera* stipulation does not give up reliance on prior art based on public use or an on sale-bar. Paper 6, 12. However, Petitioner is not required to give up such reliance. And while Petitioner’s invalidity

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<sup>1</sup> Patent Owner suggests “Petitioner’s delay resulted in the parties and the Court investing over six months of efforts in the EDTX Litigation...” Paper 6, 10. Patent Owner cannot reasonably maintain that it did not expect to defend the validity of its patents because such defenses are an integral part of any litigation. Patent Owner would have spent six months in the district court litigation regardless of when the Petition was filed. Petitioner also respectfully submits that the fact that Petitioner filed its IPR Petition on April 30, 2025, but the Notice of Filing Date Accorded was not issued until May 29, 2025 (Paper 4), should not be held against Petitioner.

contentions present combinations involving the asserted reference and system art (Ex. 2010, 25), the contentions also include system art by itself. Moreover, the system art that Petitioner relies on is not related to the asserted references and therefore does not present any concerns about overlap.

The complexity of the district court proceeding also weighs in Petitioner's favor for Factor 4. Although Petitioner relies on the same art against different patents asserted in district court, review of the '034 patent would simplify the district court litigation because it could remove one patent from the eleven that Patent Owner asserts against Petitioner. The potential of simplifying multiple district court litigations weighs in favor of institution.

**E. Factor 5: whether the petitioner and the defendant in the parallel proceeding are the same party**

Factor 5 is at most neutral because the district court litigation involves additional defendants. *See, e.g., Jumio Corp. v. Facetec, Inc.*, IPR2025-00106, Paper 17, 8 (June 6, 2025) (“The Petitioner is a defendant in the California litigation but is not a defendant in the Nevada litigation. Under the circumstances, the fifth Fintiv factor is either neutral or weighs marginally in favor of denial.”); *see also Shenzhen Root Technology v. Chiaro Technology Ltd. d/b/a Elvie*, IPR2024-01296, Paper 9, 19-20 (PTAB Feb. 25, 2025) (acknowledging a split

between panels on whether overlapping defendants is neutral or slightly favors denial).

There is overlap between the parties in this IPR and the parallel district court proceeding, but Patent Owner has also asserted the '034 patent against General Motors (in E.D. Tex.) and Ford Motors Co (in D. Del.). Ex. 1018; Ex. 1019. If the PTAB decides issues of validity, it would simplify not only the dispute between the parties here but other litigants and jurisdictions as well.

**F. Factor 6: other circumstances that impact the Board's exercise of discretion, including the merits**

Factor 6 weighs in favor of referral because the district court litigation is complex and the Petition presents compelling merits.

**1. Complex Litigation Favors Referral**

The Director has determined that the complexity of the parallel litigation may outweigh other factors. *See Tesla*, IPR2025-00341, Paper 12, 2. That is the case here.

As Patent Owner acknowledges, the '034 patent is “*one of eleven* asserted patents” that it asserts against Petitioner. Paper 6, 4-5. These eleven patents have over 220 claims, Patent Owner plans to assert at least 135 of those claims against Petitioner. Ex. 1017, 2-7. The number of patents and claims demonstrates that this litigation is complex because it involves so many different issues.

The complexity of the litigation goes beyond these eleven patents. Patent Owner's case against General Motors, which has been consolidated with the case against Petitioner for pre-trial purposes, adds four additional patents to the litigation. The court will be asked to decide issues related to fifteen patents across the two cases. Furthermore, because the "[i]ndividual cases remain active for trial," (Ex. 1014, 1), different juries will ultimately be asked to decided issues of patentability. This presents risks of inconsistent outcomes. Such a litigation over burdens the district court, and review of the '034 patent would simplify the issues in district court and preserve judicial resources.

This litigation is even further complicated because Patent Owner sued Ford in the District Court of Delaware, the litigations involve different jurisdictions. Ex. 1011; Ex. 1019. Institution would avoid the possibility of different juries coming to different conclusions on the same patent. Resolution of the validity of the '034 patent therefore preserves judicial resources and strongly favors referral.

## **2. Compelling Merits Favor Referral**

As described in detail in the Petition, *Yasui* and *Ikeda* each individually anticipate the challenged claims (claims 1 and 7-17). Pet. 18-48. 55-71. These anticipatory references present compelling merits because they disclose each element of the challenged claims. Pet. 18-48. 55-71. The merits are particularly

compelling here because as outlined in Section II, *Yasui* and *Ikeda* address the specific reasons that lead to allowance.

To the extent that there is any dispute about the anticipatory nature of *Yasui* and *Ikeda*, the Petition further bolsters these positions with obviousness grounds. Pet. 29-31, 39-42, 47-54, 71-83.

Patent Owner's cursory merits-based arguments fail to refute the Petition's Grounds. Paper 6, 14-21. Patent Owner presents only attorney argument, leaving its positions unsupported while Petitioner's positions are supported with expert testimony and additional support evidence that details the state of the art.

### **3. Reliance on Expert Testimony**

Patent Owner contends that Dr. Denning's declaration "almost exclusively parrots (essentially word for word) the Petition without providing additional compelling analysis." Paper 6, 20. Patent Owner's argument is based on a narrow reading of *Xerox Corp. et al. v. Bytemark*, IPR2022-00624, Paper 9, 14-16 (PTAB Aug. 24, 2024). Mr. Denning's Declaration is not conclusory because it explains his opinions and how a POSITA would have interpreted the prior art. *See generally*, Ex. 1004.

## **V. Conclusion**

The Director should refer the petition to the Board for the reasons discussed above.

Date: August 29, 2025

By: /Joshua L. Goldberg/  
Joshua L. Goldberg, Lead Counsel  
Reg. No. 59,369

**CERTIFICATION OF WORD COUNT**

Pursuant to 37 C.F.R. § 42.24(a)(1)(i), the undersigned hereby certifies that the foregoing PETITIONER’S OPPOSITION TO PATENT OWNER’S REQUEST FOR DISCRETIONARY DENIAL contains 4,611 words, excluding the parts of this document that are exempted under 37 C.F.R. § 42.24(a), as measured by the word-processing system used to prepare this paper.

Date: August 29, 2025

By: /Joshua L. Goldberg/  
Joshua L. Goldberg, Lead Counsel  
Reg. No. 59,369

**CERTIFICATE OF SERVICE**

Pursuant to 37 C.F.R. §§42.6(e) and 42.105(a), the undersigned certifies that on August 29, 2025, a copy of the foregoing **PETITIONER’S OPPOSITION TO PATENT OWNER’S REQUEST FOR DISCRETIONARY DENIAL** and **Exhibits 1006, 1009-1019** were served by email to:

zelepugas@avantechlaw.com

conley@avantechlaw.com

USPTO@avantechlaw.com

Dated: August 29, 2025

Respectfully submitted,

/Daniel Doku/  
Daniel Doku  
Senior Litigation Paralegal  
Finnegan, Henderson, Farabow,  
Garrett & Dunner, LLP