UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

TOYOTA MOTOR CORP.,
Petitioner

v.

AUTOCONNECT HOLDINGS LLC,
Patent Owner

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

PATENT OWNER'S REQUEST FOR DISCRETIONARY DENIAL

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TABLE OF CONTENTS

I. INTRODUCTION 1

II. THE BOARD SHOULD EXERCISE ITS DISCRETION UNDER 314(a) TO DENY INSTITUTION. 3

A. *Fintiv* Factor 1 Favors Denial Because the EDTX Litigation Has Not and Will Not Be Stayed by Judge Gilstrap..4

B. *Fintiv* Factor 2 Favors Denial Because Trial in the EDTX Litigation Begins Almost Four Months Prior to a Final Written Decision............6

C. *Fintiv* Factor 3 Favors Denial Because the EDTX Court and the Parties Already Have and Will Continue to Invest Significant Resources by the Institution Decision Deadline..8

D. *Fintiv* Factor 4 Favors Denial Because the Issues in the EDTX Litigation Overlap with the Issues Raised in the Petition..................11

E. *Fintiv* Factor 5 Favors Denial Because the Parties in the Parallel Proceeding are Identical..14

F. *Fintiv* Factor 6 Favors Denial Because the Merits of the Petition are Not Compelling. 14

G. The Parties' Settled Expectations Support Discretionary Denial........21

III. CONCLUSION..22

TABLE OF AUTHORITIES

Cases

Apple Inc. v. Fintiv, Inc.,
IPR2020-00019, Paper 11 (PTAB Mar. 20, 2020)....................................4, 6, 8, 11, 14

Apple Inc. v. Fintiv, Inc.,
IPR2020-00019, Paper 15 (PTAB May 13, 2020)..7

AT&T Services Inc. v. ASUS Tech. Licensing Inc.,
IPR2024-00992, Paper 14 (PTAB Dec. 16, 2024)..7

Dabico Airport Solutions Inc. v. AXA Power APS,
IPR2025-00408, Paper 21 (Acting Director Stewart June 18, 2025)............... 21, 22

eClinicalWorks, LLC v. Decapolis LLC,
IPR2022-00229, Paper 10 (PTAB Apr. 13, 2022) 7

E-One, Inc. v. Oshkosh Corp.,
IPR2019-00161, Paper 16 (PTAB May 15, 2019)..7

F5 Networks, Inc v. WSOU Investments, LLC,
IPR2022-00238, Paper 11 (PTAB May 19, ...10

Facebook, Inc. v. Windy City Innovations, LLC,
973 F.3d 1321 (Fed. Cir. 2020)..20

Ingenico Inc. v. IOENGINE, LLC,
136 F.4th 1354 (Fed. Cir. 2025)..12

iRhythm Techs., Inc. v. CardioNet, LLC,
IPR2025-00363, Paper 10 (Acting Director Stewart June 6, 2025)........................22

Juniper Networks, Inc. v. Correct Transmission, LLC,
IPR2021-00682, Paper 26 (PTAB Oct. 3, 2022) 19

K/S Himpp v. Hear-Wear Techs., LLC,
751 F.3d 1362 (Fed. Cir. 2014)..17

Metalcraft of Mayville, Inc. v. The Toro Co.,
848 F.3d 1358 (Fed. Cir. 2017)..16

Motorola Sols. v. Stellar, LLC,
IPR2024-01205, Paper 19 (PTAB Mar. 28, 2025)..12

Mylan Labs. Ltd. v Janssen Pharm. NV,
IPR2020-00440, Paper 17 (PTAB Sep. 16, 2020) 4, 5

Nautilus Hyosung Inc. v. Diebold, Inc.,
IPR2017-00426, Paper 17 (PTAB June 22, 2017)..3

Netflix, Inc. et al. v. Uniloc 2017 LLC,
IPR2020-00008, Paper 13 (PTAB Apr. 13, 2020) 7

NHK Spring Co. v. Intri-Plex Techs., Inc.,
IPR2018-00752, Paper 8 (PTAB Sept. 12, 2018) 3

Otsuka Pharm. Co. v. Sandoz, Inc.,
678 F.3d 1280 (Fed. Cir. 2012) 16

Samsung Electronics Co., Ltd. v. Cerence Operating Co.,
IPR2025-00458, Paper 14 (Acting Deputy Chief APJ Deshpande June 25, 2025) 21

Samsung Electronics Co., Ltd. v. Sionyx, LLC.,
IPR2025-00065, Paper 16 (PTAB June 6, 2025)... 14

SAP Am., Inc. v. Cyandia, Inc.,
IPR2024-01495, Paper 13 (Apr. 7, 2025) 12

Sotera Wireless, Inc. v. Masimo Corp.,
IPR2020-01019, Paper 12 (PTAB Dec. 1, 2020)...14

Xerox Corp. et al. v. *Bytemark*,
IPR2022-00624, Paper 9 (PTAB Aug. 24, 2024) 17, 20

Statutes

35 U.S.C. § 314(a) 3

PATENT OWNER'S EXHIBIT LIST

Exhibit	Description
2001	*DigitalDoors, Inc. v. International Business Machines Corporation,* Case No. 2:22-CV-00457-JRG-RSP, ECF No. 41 (E.D. Tex. Jul. 24, 2023) (Gilstrap, J.)
2002	*Uniloc USA, Inc. v. Motorola Mobility LLC*, Case No. 2:16-CV-00992-JRG, ECF No. 125 (E.D. Tex. Apr. 5, 2017)) (Gilstrap, J.)
2003	*Garrity Power Services LLC v. Samsung Electronics Co. Ltd. et al*., Case No. 2-20-CV-00269-JRG, ECF No. 40 (E.D.Tex. Feb. 17, 2021) (Gilstrap, J.)
2004	*Clear Imaging Research, LLC, v. Samsung Electronics Co., Ltd*., Case No. 2:19-CV-00326-JRG, ECF No. 127 (E.D.Tex. Dec. 21, 2020) (Gilstrap, J.)
2005	*Solas OLED Ltd. v. Samsung Display Co.,* No. 2:19-CV-00152-JRG, ECF No. 133, (E.D. Tex. July 17, 2020) (Gilstrap, J.)
2006	*Oyster Optics, LLV, v. Infierna Corp., et. al.,* Case No. 2:19-CV-00257-JRG, ECF No. 87 (E.D.Tex. July 17. 2020) (Gilstrap, J.)
2007	First Amended Docket Control Order, *AutoConnect Holdings, LLC v. Toyota Motor Corp*., No. 2:24-CV-00802-JRG-RSP, ECF No. 53 (E.D. Tex. February 13, 2025) (Gilstrap, J.)
2008	Lex Machina Median time to trial Statistics for EDTX for 5 years preceding EDTX Litigation
2009	Lex Machina Median time to trial Statistics for Judge Gilstrap for 5 years preceding EDTX Litigation

2010	*Excerpts* of Toyota's Invalidity Contentions *served* April 1, 2025, *AutoConnect Holdings, LLC v. Toyota Motor Corp*., No. 2:24-cv-00802-JRG-RSP (E.D. Tex.)
2011	Guidance on USPTO's recission of "Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation," March 24, 2025
2012	USPTO FAQs for Interim Processes for PTAB Workload Management
2013	Information Disclosure Statement filed in Toyota Patent App. No. 14,463,791 (US Patent No. 9,387,824), January 6, 2016
2014	AutoConnect's Disclosure of Asserted Claims and Infringement Contentions, served Jan. 21, 2025, in *AutoConnect Holdings, LLC v. Toyota Motor Corp.*, No. 2:24-cv-00802-JRG-RSP (E.D. Tex.)

I. INTRODUCTION

The Board should deny institution of this Petition to avoid duplication of effort with ongoing litigation in federal court that has a trial slated on July 20, 2026—over four months before a final written decision would issue in this proceeding.

In October 2024, AutoConnect Holdings LLC ("Patent Owner") filed a lawsuit against Toyota Corp. ("Petitioner") in which it asserted eleven patents, including the challenged '034 patent. That matter (the "EDTX Litigation") is pending before Judge Rodney Gilstrap in the U.S. District Court for the Eastern District of Texas and involves the same parties, the same patent claims, the same claim construction standard, the same arguments, and the same references that Petitioner set forth in its Petition. Although Petitioner recently filed a *Sotera* stipulation, that stipulation does little to reduce the overlap between this proceeding and the ongoing EDTX Litigation. Petitioner relies on several of the ***same prior art references*** in its invalidity contentions ***for five other asserted patents in the EDTX Litigation***, in addition to the '034 patent at issue here. And because Petitioner waited to file its petition for over six months after being served with the Complaint (and 16 months after receiving a notice of infringement with supporting claim charts), trial in the EDTX Litigation is scheduled to occur over ***four full months before a final written decision*** would be issued here.

Further minimizing any potential value of these proceedings, Petitioner has

filed petitions with respect to only two of the ten other patents asserted in the EDTX Litigation. Consequently, institution of the instant petition could not possibly avoid, or even meaningfully focus, the inevitable trial in the EDTX Litigation.

The EDTX Litigation is also rapidly advancing. By the November 29, 2025 deadline for an institution decision in this proceeding, the parties will have invested significant time and resources in a thirteen-month-old EDTX Litigation. It would be inefficient to force the Board, the Eastern District of Texas, and Patent Owner to address redundant issues, such as claim construction and validity, and engage in redundant activities involving the same prior art alleged here. And by the time of the final written decision, the parties will have completed duplicative expert discovery and a redundant trial. Further, simultaneous proceedings before both the district court and the PTAB creates a very real risk of inconsistent rulings, such as claim construction and validity determinations.

In addition to the traditional *Fintiv* factors, the parties' settled expectations support discretionary denial. The '034 Patent issued in July 2014—over a decade ago—and the parties therefore have developed strong settled expectations.

Holistically, denying institution is the most efficient and fair result as it will avoid duplicative efforts by different tribunals and the risk of inconsistent claim construction and validity rulings while maintaining the parties' settled expectations.

II. THE BOARD SHOULD EXERCISE ITS DISCRETION UNDER 314(a) TO DENY INSTITUTION.

The decision whether to institute an *inter partes* review lies with the Board's discretion. *Nautilus Hyosung Inc. v. Diebold, Inc.,* IPR2017-00426, Paper 17 at 11 (PTAB June 22, 2017) (confirming that under § 314(a), "the PTO is permitted, but never compelled, to institute an IPR proceeding"); *see also NHK Spring Co. v. Intri-Plex Techs., Inc.*, IPR2018-00752, Paper 8 (PTAB Sept. 12, 2018) (precedential, designated May 7, 2019) (confirming the Board has discretion to deny institution of under 35 U.S.C. § 314(a) due to the advanced state of parallel district court litigation regarding the same issues).

The Board has identified a number of factors to consider when analyzing whether to discretionarily deny institution, which include:

1. Whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted;
2. The proximity of the court's trial date to the Board's projected statutory deadline for a final written decision;
3. Investment in the parallel proceeding by the court and the parties;
4. Overlap between issues raised in the Petition and the parallel proceeding;
5. Whether the petitioner and the defendant in the parallel proceeding are the same party; and
6. Other circumstances that impact the Board's exercise of discretion, including the merits.

Apple Inc. v. Fintiv, Inc., IPR2020-00019, Paper 11 at 5-6 (PTAB Mar. 20, 2020) ("*Fintiv I*"). "These factors relate to whether efficiency, fairness, and the merits support the exercise of authority to deny institution in view of an earlier trial date in the parallel proceeding." *Id*. The Board should use these factors to develop "a holistic view of whether efficiency and integrity of the system are best served by denying or instituting review." *Id*.

Consistent with *Fintiv*'s holistic analysis, the Board should also consider the "[s]ettled expectations of the parties, such as the length of time the claims have been in force" and "any other considerations bearing on the Director's discretion." Director's March 26, 2025 Memorandum titled, "Interim Processes for PTAB Workload Management" at 2-3.

All of these factors favor discretionary denial of the Petition.

A. *Fintiv* Factor 1 Favors Denial Because the EDTX Litigation Has Not and Will Not Be Stayed by Judge Gilstrap.

The EDTX Litigation is in full swing. Neither party has requested a stay, and Petitioner has not expressed any plans to seek one. Consequently, this factor supports discretionary denial. *See Mylan Labs. Ltd. v Janssen Pharm. NV*, IPR2020-00440, Paper 17 at 13-14 (PTAB Sep. 16, 2020) ("[N]o stay is likely to be entered [], and therefore Fintiv factor 1 leans towards denial of institution.").

Even if Petitioner were to request a stay based on this Petition, it would invariably be denied. The challenged '034 patent is merely ***one of eleven*** asserted

patents. It is highly unlikely that any district court judge would stay a litigation based on a non-instituted petition challenging one of eleven asserted patents. This is even more clear for cases before Judge Gilstrap, who presides over the EDTX Litigation. He has unambiguously explained that he will not agree to stay proceedings under the circumstances present here. Ex. 2002 at 3 (finding a stay "especially" unwarranted where "the pending IPR petitions do not challenge every patent asserted in this case"). Here, where PTAB petitions have been filed against only three of the eleven asserted patents, a stay would serve no purpose even if all three were instituted. Yet none of the petitions have been instituted, and Judge Gilstrap routinely denies opposed motions to stay for non-instituted petitions. *See* Ex. 2001 at 5 ("The 'universal practice' in this District, as well as the practice of most district courts, is to deny a motion for stay when the PTAB has not yet acted on a petition for IPR."); Ex. 2003 at 2-3; Ex. 2004 at 4 ("[I]t is the Court's established policy that motions to stay pending IPR proceedings that have not been instituted are inherently premature."). In fact, Judge Gilstrap often refuses to stay district court proceedings even when PTAB proceedings have been instituted with respect to ***all*** asserted patents. *E.g.,* Ex. 2005 at 1-2, 6; *see also* Ex. 2006 at 1-2, 6.

Because no stay has been or will be entered, this factor favors denial of institution. *Mylan* at 13-14.

B. *Fintiv* Factor 2 Favors Denial Because Trial in the EDTX Litigation Begins Almost Four Months Prior to a Final Written Decision.

Discretionary denial is also appropriate here because trial in the parallel proceeding will be completed well before a final written decision would issue here. "If the court's trial date is earlier than the projected statutory deadline, the Board generally has weighed this fact in favor of exercising authority to deny institution under NHK." *Fintiv I* at 9.

Trial is currently set for July 20, 2026, in the EDTX Litigation. Ex. 2007, p. 1. According to the scheduling order, this date is a "deadline that cannot be changed without an acceptable showing of good cause. Good cause is not shown merely by indicating that the parties agree that the deadline should be changed." *Id.* at 6; *see also* E.D. Tex. L.R. CV-83(a) (characterizing set trial dates as "firm trial dates"). The scheduled trial date deadline coincides with the median time to trial for EDTX patent cases over the past 5 years. *See* Ex. 2008, p. 2 (data showing a median time to trial of 655 days, which equates to a July 20, 2026 trial date). This is also consistent with the median time to trial for patent cases before Judge Gilstrap for the same time period. *See* Ex. 2009, p. 1 (data showing a median time to trial of 643 days, which equates to a July 8, 2026 trial date).

The final written decision deadline for this *inter partes* review would not be until November 29, 2026. Thus, trial in EDTX Litigation will begin more than ***four months*** before any final written decision in this *inter partes* review. This timing

strongly favors discretionary denial. *See AT&T Services Inc. v. ASUS Tech. Licensing Inc*., IPR2024-00992, Paper 14 at 10-11 (PTAB Dec. 16, 2024) (denying institution because *Fintiv* factor 2 substantially favored discretionary denial when there was a parallel trial scheduled "***four*** to five ***months*** prior" to the final written decision deadline) (emphasis added). In fact, the Board denies petitions in cases with even shorter timeframes between the trial date and the deadline for the final written decision. *See, e.g., E-One, Inc. v. Oshkosh Corp.,* IPR2019-00161, Paper 16 at 6-9 (PTAB May 15, 2019) (denying institution where trial was scheduled one month before the final written decision deadline); *eClinicalWorks, LLC v. Decapolis LLC*, IPR2022-00229, Paper 10 at 9, 13 (PTAB Apr. 13, 2022) (denying institution where "the beginning of the jury trial in the WDTX Cases is roughly one to two months" before the final written decision deadline.); *Apple Inc. v. Fintiv, Inc.,* IPR2020-00019, Paper 15 at 13, 17 (PTAB May 13, 2020) (denying institution where trial was scheduled just over two months before the final written decision deadline); *Netflix, Inc. et al. v. Uniloc 2017 LLC*, IPR2020-00008, Paper 13 at 9-11 (PTAB Apr. 13, 2020) (same).

Because the currently scheduled trial date (which is consistent with both the median times to trial for the entire Eastern District of Texas and for Judge Gilstrap) is more than four months before a final written decision would be rendered for this *inter partes* review, and there is not any reason to believe this date would be

extended (which would require good cause), *Fintiv* factor 2 strongly favors discretionary denial.

C. *Fintiv* Factor 3 Favors Denial Because the EDTX Court and the Parties Already Have and Will Continue to Invest Significant Resources by the Institution Decision Deadline.

The substantial effort and resources expended in the EDTX Litigation also supports discretionary denial of institution. Under *Fintiv* Factor 3, the Board is to consider the "amount and type of work already completed in the parallel litigation by the court and the parties at the time of the institution decision." *Fintiv I* at 9. Due to the fast-paced nature of cases in the Eastern District of Texas, it should be no surprise that by the time the Board decides on institution (November 29, 2025), the parties and the court will have heavily invested in the EDTX Litigation.

Discovery is already well underway. The parties served Infringement Contentions with 26 exhibits totaling 330 pages on January 21, 2025 and Invalidity Contentions with 218 exhibits totaling 19,634 pages on April 1, 2025. *See* Exs. 2014, 2010. Petitioner's Invalidity contentions, as discussed further in Section II.D. below, assert dozens of references in combination with Yasui and dozens of references in combination with Ikeda with respect to the '034 patent, which Patent Owner has already invested time addressing before an institution decision will be rendered.

Additionally, the parties have served and responded to multiple rounds of

written discovery, and together produced over 275,000 pages of documents with productions ongoing. Petitioner has served multiple third-party subpoenas. And Patent Owner is currently undergoing extensive review of source code and technical documentation, which requires intensive expert review and analyses. Significant fact discovery has already been completed as of the filing of this request, with months of additional fact discovery, likely including depositions, to be completed before the institution deadline.

Petitioner has moved to dismiss claims based on an asserted patent other than the '034 patent challenged here. Patent Owner submitted its responding brief on July 16, 2025, explaining why that motion is procedurally flawed and substantively baseless. Thus, well before the institution deadline, the court will have also invested time in disposing of that motion.

Claim construction proceedings will also be substantially advanced prior to any institution decision. The parties are scheduled to exchange claims terms for construction on September 16, 2025 (more than two months before the institution decision deadline), exchange preliminary claim constructions by October 7, 2025, prepare a joint claim construction statement by October 28, 2025 (more than a month before the institution decision), and conclude Claim Construction Discovery by November 25, 2025. When the time for the institution decision arrives, the parties will be in the middle of expert depositions and drafting claim construction briefs.

And while the Court will not yet have ruled on claim construction, that will happen long before a final written decision in these proceedings.[1]

Finally, Petitioner filed this petition more than six months after service of the complaint in the EDTX Litigation, and 16 months after receiving a detailed claim chart demonstrating infringement of the ’034 patent. Petitioner’s delay resulted in the parties and the Court investing over six months of efforts in the EDTX Litigation before the Petition was filed, and more than thirteen months of effort leading up to the institution deadline.

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[1] While the parties will have invested substantial time performing claim construction activities before institution, a Markman ruling will not issue until after that date. That said, Petitioner has asserted that “no terms need construction to resolve the controversy in this forum.” Petition at 18. Accordingly, Petitioner does not believe that the court’s issuance of a claim construction order bears on the unpatentability issues in its Petition and thus should not impact the *Fintiv* Factor 3 analysis. *F5 Networks, Inc v. WSOU Investments, LLC*, IPR2022-00238, Paper 11 at 9 (PTAB May 19, 2022) (holding that completion of claim construction did not impact Factor 3 where “neither party contends that the merits of the Petition turn on any claim constructions” such that “the court’s issuance of the claim construction order does not bear on the unpatentability issues in this case”).

Accordingly, *Fintiv* Factor 3 weighs in favor of discretionary denial.

D. *Fintiv* Factor 4 Favors Denial Because the Issues in the EDTX Litigation Overlap with the Issues Raised in the Petition.

The Board should also deny the present Petition because the grounds set forth therein completely overlap with Petitioner's invalidity contentions in the EDTX Litigation. "[I]f the petition includes the same or substantially the same claims, grounds, arguments, and evidence as presented in the parallel proceeding, this fact has favored denial." *Fintiv I* at 12.

In its contentions, Petitioner relies on the same primary references Yasui (JP 2008017227) and Ikeda (U.S. Patent Pub. No. 2008/0215209) as set forth in all grounds of the Petition. Ex. 2010, pp. 2-3. Petitioner also relies upon the same secondary references in combination with these primary references for Grounds 1-5 as set forth in the Petition: Morehouse (European Patent App. No. EP 1211141 A2). *Id.* at 2, 6-8, 10, 13, 20-25. While Petitioner did not cite Zellner in support of any of its invalidity challenges in the EDTX Litigation, it will also be addressed during in the EDTX Litigation because it has been relied upon by another defendant, General Motors, whose case has been consolidated with Petitioner for pretrial purposes. This overlap of issues illustrates the duplication of efforts that would occur if this Petition were to be instituted. Such inefficiencies weigh in favor of discretionary denial.

Acknowledging this overlap, Petitioner filed a "*Sotera*" stipulation. Paper 5,

p. 2. This type of stipulation, however, is not dispositive. Ex. 2011, pp. 2-3. Indeed, the USPTO has indicated that reliance on system art and other invalidity theories renders a *Sotera* stipulation "not … particularly meaningful because the efficiency gained by any AIA proceeding will be limited." Ex. 2012, at 5. For example, this stipulation does not prevent Petitioner from relying on the same prior art in district court in support of combinations involving non-printed publication art, e.g., prior art based on public use or an on sale-bar. *Ingenico Inc. v. IOENGINE, LLC*, 136 F.4th 1354, 1365–66 (Fed. Cir. 2025) ("IPR estoppel does not preclude a petitioner from relying on the same patents and printed publications as evidence in asserting a ground that could not be raised during the IPR, such as that the claimed invention was known or used by others, on sale, or in public use.").

Additionally, ***the Sotera stipulation will not simplify the issues in the EDTX Litigation because Petitioner has asserted the same prior art against other asserted patents***. This also supports discretionary denial. *See, e.g., Motorola Sols. v. Stellar, LLC*, IPR2024-01205, Paper 19 at 3–4 (PTAB Mar. 28, 2025) (denying institution despite Petitioner's *Sotera* stipulation, in part, because "Petitioner's invalidity arguments in the district court are more expansive" and "Petitioner's stipulation does not ensure that the[] IPR proceedings would be a 'true alternative' to the district court proceeding"); *SAP Am., Inc. v. Cyandia, Inc.*, IPR2024-01495, Paper 13, 8-9 (Apr. 7, 2025). For example, Petitioner relies on Ikeda to challenge five other

patents and Yasui to challenge two other patents asserted in the EDTX Litigation. Ex. 2010 at 5-27 (addressing U.S. Patent Nos. 9,020,697; 9,123,186; 9,147,296; 12,039,243; and 9,290,153). Petitioner also cites its secondary reference in the Petition—Morehouse—in support of obviousness of three other asserted patents. *Id*. at 6-8, 10, 13, 20-25, 27 (challenging the 9,123,186; 9,147,296; and 12,039,243). Not only does Petitioner rely on Yasui, Ikeda, Morehouse to challenge the '243 and '296 patents like it does for the '034 patent in the Petition, it addresses all three of those patents in a single, common section in its invalidity contentions, confirming it is relying on a common invalidity theory for all three patents. Ex. 2010, pp. 5-25. In addition, Petitioner has sought to rely on the same prior art asserted here in combination with alleged third-party system art in the EDTX Litigation—art that could not be presented to the PTAB here. *Id.* at 25. To the extent Petitioner has preserved any such arguments—which Patent Owner disputes—these arguments also confirm that its *Sotera* stipulation does not eliminate the overlap in the proceedings. Thus, regardless of whether this IPR is instituted, the parties and the EDTX will be required to address three references that Petitioner relies upon for its obviousness grounds in this IPR in the EDTX Litigation (*id.* at 5-27), and Patent Owner will also be addressing the fourth cited reference in the consolidated General Motors action. The objectives of efficiency and fairness behind *Fintiv* would be defeated if the Board were to institute *inter partes* review.

Petitioner's stipulation fails to render this post-grant proceeding from being a true alternative to district court. Because of the significant overlap in issues between the petition and the parallel proceeding and the limited impact of Petitioner's stipulation, this factor favors discretionary denial.

E. *Fintiv* Factor 5 Favors Denial Because the Parties in the Parallel Proceeding are Identical.

The parties in this proceeding are the same as in the EDTX Litigation. Thus, *Fintiv* Factor 5 favors denial. *Fintiv*, Paper 11 at 13-14; *see also Sotera Wireless, Inc. v. Masimo Corp*., IPR2020-01019, Paper 12 at 19 (PTAB Dec. 1, 2020).

F. *Fintiv* Factor 6 Favors Denial Because the Merits of the Petition are Not Compelling.

Although not dispositive on its own (Ex. 2011, p. 3), the Board considers other circumstances impacting its exercise of discretion, including the strength of the merits of the petition. "If the merits of the grounds raised in the petition are a closer call, then that fact has favored denying institution when other factors favoring denial are present." *Fintiv I* at 14–15. Institution may not be appropriate even when the merits of the petition are strong. *E.g., Samsung Elecs. Co., Ltd. v. Sionyx, LLC.*, IPR2025-00065, Paper 16 at 19-20 (PTAB June 6, 2025) (denying institution despite "Petitioner's strong case on the merits"); Ex. 2011.

Here, the strength of the merits are inadequate to warrant institution. As explained below, there are flaws in Petitioner's arguments that ensure there will be

claims that have to be litigated despite any institution of these proceedings. To be clear, Patent Owner is not attempting to catalog every omission or weakness in the Petition; rather, the examples discussed below highlight the most glaring deficiencies—deficiencies so significant that they cannot reasonably support Petitioner's invalidity position.

Petitioner fails to prove anticipation and/or obviousness of multiple claims. ***Regarding grounds 1a/b***, Petitioner fails to prove that Yasui discloses, teaches, or suggests "wherein the processor is operable to … determine if the person has made a setting" (element 9[c4]). For this element, Petitioner alleges merely two sentences. The first sentence merely refers back to Petitioner's arguments for element 1[d]. Petition at 36. But Petitioner fails to acknowledge that element 1[d] includes different language than element 9[c4]. *Compare* element 1[d] ("determining, by a processor, if said identified person has corresponding settings"); *with* element 9[c4] ("wherein the processor is operable to … determine if the person has made a setting"). Determining if a person has settings is different from determining if a person makes a setting, and Petitioner fails to offer any argument to address this variation in the claim language. Rather, Petitioner's second sentence merely states "Yasui discloses that the 'hospitality decision-making unit,' acting via CPU 12, 'decides what kind of hospitality operation to perform.' *Yasui*, [0064]." Petition at 36. This second sentence fails to prove anything about a person making a setting.

Petitioner also fails to prove that Yasui discloses, teaches, or suggests claims 12-13. Claim 12 requires the processor to receive "voice data" to determine if a person is within a zone and also determine the identity of the person. Petitioner contends that Yasui's "voice recognition unit 130," "could be used" to perform such processes "using known speech recognition technology", but does not identify where Yasui actually teaches such a process. *See* Petition, pp. 38-39. In fact, Yasui is focused on facial recognition and, therefore, teaches away from other means of identifying people. Nor does Yasui teach the use of voice data to determine if a person is within a zone of the vehicle. Instead, Yasui describes the use of voice recognition for issuing commands. Ex. 1005 at ¶ 100. Petitioner fails to point to any teachings of the prior art reference to achieve the claimed invention of claim 12, and instead relies on Patent Owner's claims as a road map for its argument, which is an impermissible hindsight analysis. *Otsuka Pharm. Co. v. Sandoz, Inc.*, 678 F.3d 1280, 1296 (Fed. Cir. 2012) ("The inventor's own path itself never leads to a conclusion of obviousness; that is hindsight."); *see also Metalcraft of Mayville, Inc. v. The Toro Co.*, 848 F.3d 1358, 1367 (Fed. Cir. 2017) (finding a lack of explanation or reasoning "as to how or why" aspects of references are to be combined leads to hindsight, which cannot "be the thread that stitches together prior art patches into something that is the claimed invention.").

Although Petitioner refers to Ikeda as alleged support for "known speech

recognition technology," (Petition at 39) as described below, Ikeda's reference to "authentication" using a "voiceprint" does not describe detection of whether a person is within a vehicle's zone. Instead, Petitioner is merely supplying a general conclusion about "known speech recognition technology" combined with a POSITA's alleged knowledge to supply a wholly missing element. This is improper. *K/S Himpp v. Hear-Wear Techs., LLC*, 751 F.3d 1362, 1366 (Fed. Cir. 2014) ("the Board cannot accept general conclusions about what is 'basic knowledge' or 'common sense' as a replacement for documentary evidence for core factual findings in a determination of patentability."). And Petitioner's expert's conclusory verbatim restatement fails to provide any supporting evidence. *Xerox Corp. et al.* v. *Bytemark*, IPR2022-00624, Paper 9, 14-16 (PTAB Aug. 24, 2024) (finding expert's verbatim restatement of Petitioner's attempt to supply a missing element without support or technical reasoning "particularly problematic"). Accordingly, Petitioner has failed to prove anticipation or obviousness of claim 12.

Petitioner fails to prove that Yasui anticipates or renders obvious claim 13 at least due to its dependency on claim 12. Because it is Petitioner's burden to illustrate unpatentability, Petitioner's errors noted above showcase a failure of this burden. Such failures do not establish compelling merits.

For ground 2, Petitioner only relies upon Morehouse for elements 1[d] and 9[c4]. And for element 9[c4], Petitioner again relies on its allegations for element

1[d] without acknowledging element 1[d] includes different language than element 9[c4]. Petitioner's additional reliance on Morehouse includes the same deficiencies identified above with respect to grounds 1a/b. Petition at 50-55 (focusing on if settings exist, rather than if a person makes a setting). Accordingly, there are no compelling merits for ground 2 for similar reasons set forth above with respect to grounds 1a/b.

Regarding ground 3, Petitioner also fails to prove that Ikeda discloses, teaches, or suggests claims 12-13. For claim 12 ("The device of claim 9, wherein the sensor data is voice data from the person"), Petitioner alleges "*Ikeda* discloses performing 'authentication of the driver' by 'detecting' a 'user's physical feature,' including 'a voiceprint.'" (Petition at 65)—which Petitioner's expert merely repeats (Ex. 1004 at 265). But because claim 12 depends from claim 9, Petitioner must show that Ikeda both "automatically determine[s] if a person is within a zone of a vehicle" (element 9[c2]) and "automatically identif[ies] the person" (element 9[c3]) based on the received sensor data (e.g., voice data per claim 12). Petitioner fails to allege, and Ikeda does not describe teach or suggest, automatically determining if a person is within a zone of a vehicle based on voice data. Petitioner fails to prove that Ikeda discloses or renders obvious claim 13 due to its dependency on claim 12. For at least these reasons, ground 3 also fails to set forth compelling merits.

Regarding ground 4, Petitioner provides additional discussion for only

elements 1[d] and 9[c4] and thus fails to cure the deficiencies of Ikeda identified above with respect to ground 3. Accordingly, there are no compelling merits for ground 4 for similar reasons set forth above with respect to ground 3.

For grounds 5a/b, which involves only claim 11, Petitioner sets forth two combinations—1) Ikeda in view of Yasui and 2) Ikeda in view of Morehouse and Yasui—but only provides a single conclusory statement regarding the reasonable expectation of success. Petition at 78. And that single conclusory statement only refers to combining Ikeda with Yasui, not combining Ikeda, Morehouse, and Yasui. A petition that "itself does not show, let alone with the particularity required by statute, a reasonable expectation of success," fails to demonstrate by a preponderance of the evidence that the claims would have been obvious over the alleged combination. *Juniper Networks, Inc. v. Correct Transmission, LLC*, IPR2021-00682, Paper 26 at 26, 43 (PTAB Oct. 3, 2022). Petitioner cannot rely on its Expert declaration to cure this deficiency as it would be an improper incorporation by reference and/or a circumvention of the Petition's word count limit[2].

Additionally, although Petitioner asserts a motivation to combine Ikeda and

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[2] Petitioner's expert adds 91 words to explain the reasonable expectation of success, incorporation of which would exceed the Petition's word count by 69 words (without counting other ways Petitioner circumvented the word count).

Yasui (Petition at 77-78) and a motivation to combine Ikeda and Morehouse (Petition at 72-75), Petitioner fails to assert a motivation to combine Ikeda, Morehouse, and Yasui. And as mentioned above, Petitioner fails to assert a reasonable expectation of success in combining Ikeda, Morehouse, and Yasui. Such errors fail to present a bare minimum showing of obviousness, let alone compelling merits.

Regarding grounds 6a/b, Petitioner makes similar omissions with respect to its asserted combinations of Ikeda in view of Zellner and Ikeda in view of Morehouse and Zellner that it did with respect to the combinations in grounds 5a/b. *See* Petition at 80-83 (failing to assert motivation to combine and reasonable expectation of success with respect to the Ikeda, Morehouse, and Zellner combination).

Lastly, although Petitioner submitted an expert declaration with their Petition (Ex. 1004), it almost exclusively parrots (essentially word for word) the Petition without providing additional compelling analysis. *Compare* Petition pp. 8-83; *with* Ex. 1004, ¶¶ 49-65, 71-103, 105-135, 139-156, 163, 172, 178, 186, 196, 200-256, 260-297, 299-310, 316-332. Such parroting provides little to no value, especially when such remarks are conclusory. *Xerox Corp.* at 14-18 (denying institution and according "little weight" to expert's verbatim restatement of a petition's conclusory assertions without additional supporting evidence or reasoning); *Facebook, Inc. v. Windy City Innovations, LLC*, 973 F.3d 1321, 1340–41 (Fed. Cir. 2020) (affirming

Board decision giving no weight to expert testimony that "merely repeated Petitioner's argument, nearly verbatim"). Expert testimony providing little to no weight certainly doesn't establish compelling merits.

For all of these reasons, Factor 6 supports discretionary denial.

G. The Parties' Settled Expectations Support Discretionary Denial.

In determining whether to discretionarily deny a Petition, the Board should also consider the "[s]ettled expectations of the parties, such as the length of time the claims have been in force" and "any other considerations bearing on the Director's discretion." Director's March 26, 2025 Memorandum titled, "Interim Processes for PTAB Workload Management" at 2-3. "Although there is no brightline rule on when expectations become settled, in general, the longer the patent has been in force, the more settled expectations should be." *Dabico Airport Solutions Inc. v. AXA Power APS*, IPR2025-00408, Paper 21 at 3 (Acting Director Stewart June 18, 2025). The '034 Patent has been in force for over 11 years, which in and of itself creates settled expectations. *Id.* at 2 (finding "the challenged patent has been in force almost eight years, creating settled expectations."); *see also Samsung Electronics Co., Ltd. v. Cerence Operating Co.*, IPR2025-00458, Paper 14 at 2 (Acting Deputy Chief APJ Deshpande June 25, 2025) (finding "settled expectations weigh toward discretionary denial" where "the challenged patents issued over 11 years ago.").

Even further, however, Petitioner has had full visibility of the claims over the

last decade and chose not to pursue post-grant challenges. Although issued patents on their own "provide notice to the public, other inventors, competitors, and commercial interests" such that actual notice is not required to create settled expectations (*Dabico* at 3), Petitioner had actual notice of the '034 Patent family at least as early as January 6, 2016, when Petitioner submitted an IDS in its US Patent No. 9,387,824 (App. No. 14,463,791). Ex. 2013. In that IDS, Petitioner cited US Patent App. Pub. No. 2013/0231800 (App No. 13/843,011), which is a child application of one of the '034 Patent's sibling applications (and thus has a substantially identical specification as the '034 Patent). *Id.* at 9. In addition, Patent Owner sent a letter to Petitioner in 2023 raising infringement concerns with Petitioner's infringement of nineteen patents, including the '034, '296. '931, '186 and '153 patents. Petitioner's inaction subsequent to these notices reinforces the existence of settled expectations. *See iRhythm Techs., Inc. v. CardioNet, LLC*, IPR2025-00363, Paper 10 at 3 (Acting Director Stewart June 6, 2025) ("failure to seek early review of the patents favors denial"). The parties' settled expectations alone are enough to deny institution of this petition.

III. CONCLUSION

The '034 patent has been in force for over a decade. And the '034 patent is but one of eleven patents asserted in the parallel EDTX Litigation. The EDTX Litigation is well underway, and trial is scheduled to be completed over four months

before a final written decision would issue in this case. Further, regardless of whether the Petition is instituted, the trial will involve presentation of the same invalidity arguments based on the same prior art with respect to multiple other patents. It would wholly defeat the goals of discretionary denials—efficiency and integrity of the system—to institute on the '034 patent. In view of the foregoing, Patent Owner requests discretionary denial of the Petition.

Date: July 29th, 2025

Respectfully submitted,
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CERTIFICATE OF COMPLIANCE

I hereby certify that this paper complies with the type-volume limitation of 14,000 words (as determined by the Microsoft Word word-processing system used to prepare this paper) because it contains 5,370 words, excluding the parts of the paper exempted by 37 C.F.R. § 42.24(c).

Dated: July 29th, 2025

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that the foregoing **PATENT OWNER'S REQUEST FOR DISCRETIONARY DENIAL** and associated exhibits (Exhibits 2001-2014) were served electronically via e-mail on July 29th, 2025, in their entireties on the following counsel of record for Petitioner:

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