

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

TESLA, INC.,
Petitioner

v.

GRANITE VEHICLE VENTURES LLC,
Patent Owner

Inter Partes Review Case No. IPR2025-01035
U.S. Patent No. 12,037,004
(Claims 10–24, 27)

**PETITIONER’S SUR-REPLY IN SUPPORT OF ITS OPPOSITION TO
PATENT OWNER’S
REQUEST FOR DISCRETIONARY DENIAL**

Patent Owner's Reply provides no basis to grant Patent Owner's Request for Discretionary Denial.

First, regarding *Fintiv* Factors 1 and 2, Tesla submitted relevant metrics, demonstrating that Judge Gilstrap's recent patent trials are regularly rescheduled. Paper 9, 11–12. Tesla provided the recent patent cases' docket sheets to illustrate this. *Id.* Tesla did not then “switch[]” to the median time to trial. Paper 11, 1. Instead, Tesla demonstrated that the average time-to-trial for Judge Gilstrap's recent patent cases aligns with the median time-to-trial statistics for the Eastern District. Paper 9, 11–12. Tesla also justified limiting its analysis to Judge Gilstrap's recent patent trials that were rescheduled. *Id.*, 13–14. Judge Gilstrap currently has seven other cases scheduled for trial on the same day as the Parallel Litigation. *Id.* Judge Gilstrap cannot hold all these trials as scheduled. Consequently, the Director should credit Tesla's statistics, which align with that reality. Regardless, whether trial occurs shortly after the Board's final decision, as Tesla showed is likely, or slightly before, as Patent Owner contends, *Fintiv* Factor 2 is, at worst, neutral. Moreover, the Director should determine that Tesla's Broadened *Sotera+* stipulation, ignored by Patent Owner, eliminates the risk of any overlap between this IPR and the Parallel Litigation and outweighs any timing concerns. The Director's prior decisions did not account for these considerations and, consequently, should not control here.

Second, Patent Owner's reliance on *Ecto World* is inapposite. Paper 11, 2 (citing *Ecto World LLC v. RAI Strategic Hold'gs Inc.*, IPR2024-01280, Paper 13 at 5 (PTAB May 19, 2025) (Acting Dir. C.M. Stewart) (precedential)). There, the Director held only that "a petitioner must provide an [*Advanced Bionics* part two] analysis even when the asserted prior art is on an IDS[.]" *Ecto World*, Paper 13 at 5. But *Advanced Bionics* is not relevant to this proceeding because, as Patent Owner acknowledges, Tesla's IPR art was not before the Examiner during examination. Paper 11, 2. Nor is it a prerequisite to showing material error that the IPR art was cited during examination. *See W. Digital Techs., Inc. v. Godo Kaisha IP Bridge 1*, IPR2025-00701, Paper 9 at 2 (PTAB Aug. 14, 2025) (material error was the erroneous identification of the allowable subject matter); *see also id.*, Paper 1 at 6 (presenting grounds not including the reference underlying the material error).

Next, Patent Owner claims there is nothing wrong with the Examiner reusing previously drafted summaries of the prior art identified during the examination of both the '004 Patent's parent (the '765 Patent) and grandparent applications in the '004 Patent's Notice of Allowance. Paper 11, 2. But that is not the material error Tesla identified and demonstrated. The error Tesla demonstrated was that the Examiner, in the notice of allowance for the '004 Patent, cited the same prior art he had cited in the notices of allowance of both the '765 Patent and its parent, despite

the '004 Patent's claims differing in scope from those of the '765 Patent and its parent Paper 9, 6–7. Tesla supported its conclusion by showing that prior art cited on the face of the '004 Patent itself, though not cited by the Examiner, disclosed key limitations of the Challenged Claims and that the prior art in the Petition rendered the Challenged Claims obvious. *Id.*, 7–8. Patent Owner disputes neither showing. Paper 11, 2–3. Thus, having established prior material error, the grounds presented in the Petition rectify that error by demonstrating the obviousness of the Challenged Claims.

Third, Patent Owner's attempt to minimize Tesla's authority supporting its "number of references" argument because those cases did not involve IPRs lacks merit. Paper 11, 3. The legal standard for obviousness does not change between examination, reexam, and IPR. Critically, the Board has affirmed Tesla's very argument. *See Silicon Lab 'ys, Inc. v. Cresta Tech. Corp.*, IPR2015-00626, Paper 65 at 55 n.42 (PTAB Aug. 11, 2016) ("The proper criterion is not the number of references; rather, the proper criterion is what the references would have meant to a [POSITA.]") (citing *In re Gorman*, 933 F.2d 982, 987 (Fed. Cir. 1991)). Moreover, Patent Owner does not substantively challenge Tesla's reliance on *Gorman*, where the Federal Circuit collected cases affirming obviousness findings based on combinations of between six and eight prior art references. Paper 9, 21–22 (citing

Gorman, 933 F.2d at 986). *Biogen*, relied on by Patent Owner, supports Tesla's argument, not Patent Owner's. Paper 11, 4 (citing *Biogen, Inc. v. Iancu*, No. 19-1364). There, the Federal Circuit **summarily affirmed** the Board's decision finding the challenged claims obvious over a five-reference combination. *Biogen, Inc. v. Iancu*, 831 F. App'x 506, 507 (Fed. Cir. 2020); *Pfizer, Inc. v. Biogen, Inc.*, IPR2017-01168, Paper 59 (PTAB Oct. 31, 2018) (final decision on appeal).

Finally, Patent Owner's claim that Tesla "misstates the holding of *Tesla, Inc. v. Intellectual Ventures II LLC*, IPR2025-00217, Paper 9 at 3 (PTAB June 13, 2025)" is meritless. Paper 11, 4. First, Tesla quoted the Director's own language in its Response Brief. Paper 9, 23. Second, Tesla argued only that the convoluted permutations of the '004 Patent's claimed invention are **comparable to** the assertion of a "large number and vast scope" of patents. Paper 9, 23. So just as the Board is "better suited to review" validity challenges to a larger number of patents having a vast scope, the Board is better suited to review the large number of convoluted permutations of the '004 Patent's claimed invention. *Id.* Moreover, the '004 Patent's Challenged Claims are even more complex than the Challenged Claims in Tesla's '402 and '765 IPR proceedings, making Board review even more appropriate.

Regardless, Tesla demonstrated in its Petition and Response Brief that *Hampiholi* alone "teach[es] the majority of the independent claims' limitations."

Paper 9, 22 (citing Paper 1). The recitation of extraneous, well-known limitations throughout the Challenged Claims does not, in and of itself, render the Claims non-obvious. *Id.*, 23; *see, e.g. Sundance, Inc. v. DeMonte Fabricating Ltd.*, 550 F.3d 1356, 1366–67 (Fed. Cir. 2008) (explaining that often a [POSITA] can fit prior art teachings together like puzzle pieces, and the resulting combination will more likely be obvious where the combination arranges known elements to perform their same functions).

Fourth, Patent Owner’s characterization of Tesla’s typical document production evidence as “extraordinary” fails. Paper 11, 5. As Tesla explained in its Response Brief, even the Federal Circuit has agreed with Tesla’s position. Paper 9, 15 (citing *Eon-Net LP v. Flagstar Bancorp*, 653 F.3d 1314, 1327 (Fed. Cir. 2011)). Patent Owner tries to side-step the Federal Circuit’s decision by claiming its language was taken “out-of-context” because the Federal Circuit was addressing sanctions. Paper 11, 5. But the Federal Circuit’s observation was general in nature and not tied to the sanctions issue before it. *Eon-Net*, 653 F.3d at 1327.

Fifth, Tesla maintains its constitutional and policy arguments (Paper 14, 30–37) and disputes Patent Owner’s contention that *SAS* empowers the Director to deny institution for any reason. Paper 15, 5.

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Respectfully submitted,

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COUNSEL FOR PETITIONER

**CERTIFICATE OF SERVICE ON PATENT OWNER
UNDER 37 C.F.R. § 42.105**

Pursuant to 37 C.F.R. § 42.6(e), the undersigned certifies that on October 6, 2025, the foregoing *Petitioner's Sur-Reply In Support Of Its Opposition To Patent Owner's Request For Discretionary Denial* were served via electronic filing with the Board and via Electronic Mail on the following counsel of record for Patent Owner:

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