

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 OPPOSITION TO PATENT OWNER’S
REQUEST FOR DISCRETIONARY DENIAL**

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I. INTRODUCTION

The Director should deny Patent Owner’s request for discretionary denial.¹

To avoid duplication of efforts between the Board and the District Court, Tesla filed a broadened *Sotera+* stipulation, that extends the standard *Sotera+* stipulation to forgo all 102/103 invalidity grounds in the Parallel Litigation except for “grounds based solely on system prior art or system prior art in combination with one or more of” twelve expressly identified patents and patent applications (“Broadened *Sotera+* Stipulation). EX1040, 2–3. Tesla respectfully submits that this expansive stipulation outweighs all other *Fintiv* factors as it conclusively eliminates potential overlap with invalidity issues raised in the Parallel Litigation. This alone weighs heavily against discretionarily denial.

¹ To assist the Director, Tesla notes that the arguments Patent Owner presented in its Discretionary Denial Brief, and Tesla’s responsive arguments presented herein, contain significant, material overlap with the discretionary denial papers filed in Tesla’s IPR2025-00943 and IPR2025-00944. The only arguments that differ substantively between Tesla’s IPRs are the merits arguments for the respective Petitions (*Fintiv* Factor 6), and, to a lesser extent, the material error arguments.

Additionally, the Patent Office has an interest in rectifying material errors made during examination of the '004 Patent, to which Patent Owner has no strong settled expectations. Here, the Patent Office made multiple errors material to the patentability of the '004 Patent and, ultimately, fatal to the validity of the Challenged Claims. During examination, the Examiner decided to allow the '004 Patent without issuing a single office action after the Applicant submitted a preliminary amendment replacing the originally-filed claims with a new claim set. Instead, the Examiner apparently allowed the '004 Patent without any rejection after he reviewed the same three prior art references he had cited in both the '004 Patent's parent application's (the '765 Patent at issue in Tesla's IPR2025-00944) and grandparent application's notice of allowance, despite new, unique claims. The Examiner's reliance on the parent application's prior art and his failure to meaningfully investigate prior art relevant to the new pending claims constituted material error.

A proper analysis of the *Fintiv* factors further weighs against discretionarily denying Tesla's IPR. As this opposition demonstrates, Patent Owner's conclusion that five of the six *Fintiv* factors favor discretionary denial is incorrect. Only Factor 1 weighs in favor of denial. But the likelihood of a stay, when weighed against the other *Fintiv* factors and the Board's interest in reviewing the Patent Office's error in allowing the Challenged Claims of the '004 Patent, does not justify discretionary

denial. Accordingly, Tesla respectfully requests that the Director deny Patent Owner's request for discretionary denial.

II. INSTITUTION OF TESLA'S PETITION FOR *INTER PARTES* REVIEW IS AN APPROPRIATE USE OF BOARD RESOURCES

A. Tesla's Broadened *Sotera*+ Stipulation Mitigates any Remaining Overlap Concerns Between the IPR and the Parallel Litigation, Strongly Favoring Institution

To mitigate the possibility of overlap between the issues in this IPR and the parallel litigation, Tesla filed a Broadened *Sotera*+ Stipulation in the Parallel Litigation. Ex. 1059. Through its stipulation, Tesla has affirmed that, if this IPR is instituted, it will not pursue in the Parallel Litigation: "(i) the specific grounds raised in IPR2025-01035, (ii) any other grounds that could have reasonably been raised before the PTAB in instituted IPR2025-01035 (i.e., any ground that could have reasonably been raised under §§ 102 or 103 on the basis of only prior art patents or printed publications), or (iii) any ground based on a combination of system prior art and the references asserted as part of a ground raised in IPR2025-01035, as reflected in the table summarizing the Statutory Grounds for Challenges on pages 2–4 of the Petition." *Id.*, 2. In addition to foregoing all of those invalidity grounds, Tesla has further stipulated to **limit** the invalidity grounds it presents in the Parallel Litigation to "grounds based solely on system prior art or system prior art in combination with

one or more of” twelve expressly identified patents and patent applications, removing at least eight references Tesla had identified in its invalidity contentions from the Parallel Litigation. *Id.*, 2–3.

Tesla’s broad stipulation goes beyond the scope of estoppel under 35 U.S.C. § 315(e)(2). *See Ingenico Inc. v. IOENGINE, LLC*, 136 F.4th 1354, 1367 (Fed. Cir. 2025) (holding that IPR estoppel does not preclude an IPR petitioner from relying on system art in litigation that is related to printed publications relied on in an IPR). This stipulation also specifically addresses the Director’s comment regarding remaining overlap in *Motorola Solutions* (combinations of system art with the references asserted in the IPR). IPR2024-01205, Paper 19 at 3–4 (“Petitioner’s invalidity arguments in the district court are more expansive and include combinations of the prior art asserted in these proceedings with unpublished system prior art, which Petitioner’s [*Sotera*] stipulation is not likely to moot.”). Further still, Tesla’s stipulation removes any remaining ambiguity from the scope of the invalidity theories it would be able to pursue in the Parallel Litigation by expressly identifying a discrete list of patents and patent publications it may rely on as secondary references in combinations with system art. EX1059, 2–3.

Tesla respectfully submits that this expansive stipulation outweighs all other *Fintiv* factors as it conclusively eliminates potential overlap with invalidity issues

raised in the Parallel Litigation. The Director has credited narrower *Sotera+* stipulations in denying requests for discretionary denial. *See, e.g., Shenzhen Tuozhu Tech. Co., Ltd. v. Stratasy, Inc.*, IPR2025-00438, Paper 10 at 3 (PTAB July 17, 2025); *Tesla, Inc. v. Intellectual Ventures II LLC*, IPR2025-00340, Paper 10 at 2 (PTAB July 2, 2025); *Tesla, Inc. v. Intellectual Ventures II LLC*, IPR2025-00217, Paper 9 at 2 (PTAB June 13, 2025). Tesla's Broadened *Sotera+* Stipulation goes even further than the stipulations the Director has credited. Thus, it goes even further in eliminating potential overlap compared with those prior stipulations and weighs even more strongly in favor of institution.

Fintiv Factor 4 strongly favors institution.

B. The Patent Office Erred in a Way Material to Patentability When It Allowed the '004 Patent

The Acting Director has repeatedly emphasized that “it is an appropriate use of Board resources to review” errors made by the Patent Office during the examination of a Challenged Patent. *Skullcandy Inc. v. Earin AB*, IPR2025-00690, Paper 9 at 2 (PTAB July 31, 2025); *Microsoft Corp. v. Partec Cluster Competence Ctr. GmbH*, IPR2025-00318, Paper 9 at 3 (PTAB June 12, 2025). The Board's interest in reviewing such errors can even supersede other factors (e.g., strong settled expectations). *Skullcandy*, Paper 9 at 2; *see also TSMC Ltd. v. Marlin Semiconductor*

Ltd., IPR2025-00847, Paper 11 at 2–3 (PTAB Sept. 3, 2025) (referring to merits panel in light of material error despite finding that settled expectations of a patent in force for fifteen years outweighed the final decision issuing before parallel ITC trial occurs).

During prosecution, the Examiner allowed the '004 Patent without a rejection despite the Applicant replacing the originally-filed claims with a new claim set.² EX1002, 3365–84 (Preliminary Amendment), 3499–3506 (Notice of Allowance). But the Examiner's actions (and inactions) between the Applicant's preliminary amendment and the Examiner's Notice of Allowance reveal the Examiner's material error. The Examiner's statement of reasons for allowance confirms this error. The Examiner mentioned three prior art references in the Notice of Allowance that he contended did not disclose the claim limitations: Prokhorov, Koptez, and Schiek. *Id.*, 3504–05. But these are the very same references the Examiner cited in the notices of allowance he issued for both the '004 Patent's parent patent—the '765 Patent at issue in Tesla's IPR2025-00944—and grandparent patent application.

² The Examiner's failure to issue a double patenting rejection or require a terminal disclaimer (*see generally* EX1002) also evidences the Examiner's determination that the new claim sets were patentably distinct over the '765 Patent's claims.

EX1060 ('765 Patent's Notice of Allowance); EX1061 ('171 Patent's Notice of Allowance). In fact, the Examiner's description of all three references' teachings is identical in all three notices of allowance. *Compare* EX1002, 3504–05 *with* EX1060 EX1060 ('765 Patent's Notice of Allowance)) *with* EX1061 ('171 Patent's Notice of Allowance). Thus, it appears that the Examiner simply assumed that the prior art he had identified during the examination of the '765 Patent's parent and relied on without explanation during the examination of the '765 Patent would suffice. This despite the Applicant presenting entirely new patentability distinct claim sets for the '004 Patent, with different limitations from those recited in either of the ancestral applications that materially changed the focus of the '004 Patent's claims. *Compare, e.g.,* EX1062 21:21–40 (Claim 1 of the grandparent '171 Patent) *with* EX1063, 21:23–48 (Claim 1 of the parent '765 Patent) *with* EX1001, 21:33–22:11 (Claim 1 of the '004 Patent). That assumption is refuted by at least two patents cited on the face of the '765 Patent itself, *Cullinane* and *James*, that teach key features of the Challenged Claims.

As Tesla's expert, Dr. Wilson, explained, *Cullinane* teaches determining whether a fault has occurred:

SDVs were capable of 'switching between autonomous and manual driving modes. In order to do so, the vehicle's computer may conduct a series of environmental, system, and driver checks to identify certain

conditions.’ **Upon detecting ‘some emergency or some preventative condition** [i.e., *a fault*] such as a loss of communication with some component of the autonomous driving system, the computer 110 may immediately inform the driver of the need to switch to the manual driving mode.’”

EX1003, ¶ 37 (quoting *Cullinane* (EX1019) (emphasis added), Abstract, FIG. 10, 16:38–43) (internal citations omitted). “Thus, SDVs were known to switch driving modes in response to detecting a fault[.]” *Id. James*, likewise, teaches taking action based on determining that a fault has occurred:

James further teaches ‘transitioning a vehicle between a first operational mode and a second operational mode’ dependent on if ‘an operational mode transition event has occurred’ (e.g., **a fault**). ‘Such an event may be indicative of a **problem** which is to be communicated to the driver to prepare to take a greater degree of involvement in the vehicle control.’

Id., ¶ 38 (quoting *James* (EX1021) (emphasis added), 1:30–38, 10:52–55, FIG. 2 and citing *James*, 19:19). Moreover, *James* “teaches a single vehicle may transition (including automatically) from a level with lower automation to a level with higher automation, or the reverse where the transition is from a level with higher automation to lower automation.” *Id.*, ¶ 43 (quoting *James*, 4:4–43).

Tesla’s Petition further confirms the Examiner’s error. As Tesla demonstrated, every limitation of the Challenged Claims was taught in the prior art. While the Patent Owner challenges the Petition’s obviousness rationales and

articulations, Patent Owner does not dispute that the prior art discloses every limitation of the Challenged Claims. Paper 8, 22–37. Yet the Examiner failed to identify any of these prior art references during the examination of the '004 Patent. This, too, constitutes material error. *Partec*, Paper 9 at 3. Accordingly, the Office has an interest in reviewing that error, and it is an appropriate use of Board resources to consider the merits of Tesla's Petition.³ *See, e.g., id.; Skullcandy*, Paper 9 at 2.

C. The PO Does Not Have a Settled Expectation That the '004 Patent Would Not be Challenged

Patent Owner “has not developed strong settled expectations” that the '004 Patent would not be challenged because the '004 Patent has “not been in force for a

³ The Board's interest in reviewing the Office's prior material error is not negated by the Petitioner's reliance on different prior art from the art identified by the Examiner during examination. The Board's interest in reviewing material errors is to ensure the Office's validity determination, **generally**, was correct; not that the Office's determinations regarding specific prior art references was correct. *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).

significant period of time[.]” *Microsoft Corp. v. Edge Networking Sys., LLC*, IPR2025-00617, Paper 12 at 2 (PTAB July 31, 2025). Critically, the ’004 Patent only issued in July 2024. Given its recent issuance and the Director’s clear directive to parties to bring their invalidity challenges to patents early, Patent Owner should have expected Tesla’s IPR challenge. Indeed, the Director has repeatedly found early challenges like Tesla’s “weigh against discretionary denial.” *See, e.g., MIM Software Inc. v. Progenics Pharms., Inc.*, IPR2025-00630, Paper 13 at 2 (PTAB July 24, 2025) (emphasizing that “early challenges favor robust, predictable patent rights and weigh against discretionary denial” and denying requests for discretionary denial of IPRs against patents that issued between 2020 and 2024); *Microsoft*, Paper 12 at 2 (denying discretionary denial request for IPRs against patents that issued between 2020 and 2023 and do not have strong settled expectations).

Patent Owner concedes that it has not developed strong settled expectations in the ’004 Patent. Paper 8, 37–38. Instead, Patent Owner contends that “the deficiencies of the Petition and the weakness of the merits tilt Factor 6 heavily in favor of discretionary denial and outweigh the age of the ’004 Patent.” *Id.*, 38. As demonstrated *infra*, however, Patent Owner’s arguments against the merits of the Petition are unavailing. Accordingly, Patent Owner’s lack of settled expectations in the ’004 Patent favors institution.

III. PO'S REMAINING *FINTIV* ARGUMENTS ARE MERITLESS

A. The Final Written Decisions Will Likely Issue Before or Around the Time of The Trial in the Parallel Litigation

The underlying litigation is pending before Judge Gilstrap in the Eastern District of Texas. The USPTO's March 24, 2025, Guidance on the Recission of the Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation states that "in applying *Fintiv*, the Board may consider any evidence that the parties make of record that bears on the proximity of the district court's trial date[.]" *Guidance*, at 3. Here, two points bear on the proximity of the district court's trial date and demonstrate that the final written decision in this case will almost certainly issue before trial takes place in the parallel litigation.

1. *Judge Gilstrap's Patent Cases Are Regularly Rescheduled and Typically Go to Trial ~24 Months After a Case Is Filed*

The Final Written Decision in this proceeding is scheduled to issue before December 24, 2026. On April 10, 2025, Judge Gilstrap entered a scheduling order setting trial for August 3, 2026. EX2003, 1. However, Judge Gilstrap's history of managing his busy docket by rescheduling trials in the patent cases filed before him in the last three years is strong evidence that the trial in the Parallel Litigation will be postponed.

Across the patent cases filed before Judge Gilstrap in the last three years, eighteen of them went to trial. EX1064 (*Summary of Judge Gilstrap’s Recent Patent Trials and Their Dockets*). Of those, only **three** were held on the originally scheduled trial date. *Id.* As explained below, it is unlikely the Parallel Litigation will join this minority of cases that goes to trial as scheduled. *See infra* Section III.A.2 (identifying seven other cases scheduled for trial the same day as the Parallel Litigation). And in the 15 cases that did not go to trial as scheduled, the average delay from the originally scheduled trial date was 109 days, or almost 4 months. *Id.*, 1. Moreover, across those 15 postponed cases, Judge Gilstrap rescheduled the trial date an average of three times. *Id.* Ultimately, as a consequence of rescheduling and the resulting delay, the median time to trial was ~25 months from filing to trial in those 15 cases, consistent with the median time from filing to trial in civil cases filed in the Eastern District of Texas. *Compare id. with* EX1065 (*National Judicial Caseload Profile*), 35. Accordingly, based on Judge Gilstrap’s and the Eastern District’s recent median time to trial statistics, the trial in the Parallel Litigation is projected to occur around December 2026 or January 2027—three to four months **after** the currently scheduled trial date and consistent with the average amount of time Judge Gilstrap’s recent patent trials were postponed. EX1064, 1. Thus, there is “a high likelihood” that the final written decision in this proceeding will likely issue

at, or just before, the trial in the Parallel Litigation. *See iRhythm*, Paper 10 at 2 (finding a high likelihood of a stay where the Petitioner cited specific, recent cases from its Judge regularly granting stays under similar circumstances).

Additionally, Tesla filed this IPR on May 28, 2025, but the PTAB did not issue the Notice of Filing Date Accorded until June 24, 2025. Paper 1; Paper 6. Had the Acting Director's recent guidance requiring all NFDAs to be issued within two weeks of filing of the Petition been in place when this IPR was filed,⁴ the NFDA would have issued earlier, and the time difference between the FWD in this IPR and any trial in the Parallel Litigation would have been further compressed. Accordingly, Tesla should not be prejudiced by the time that passed between its filing of the Petition and the issuance of the NFDA.

2. *Judge Gilstrap Currently Has Eight Cases Scheduled for Trial on the Scheduled Trial Date in the Parallel Litigation*

Judge Gilstrap's current trial calendar is further evidence that the trial in the Parallel Litigation will likely be postponed. There are currently seven other cases scheduled for trial before Judge Gilstrap on the same day the parallel litigation is

⁴ *See* <https://www.uspto.gov/subscription-center/2025/ptab-practice-change-ai-petition-notice-filing-date-accorded>.

scheduled for trial, four of which are patent cases. EX1066 (*Summary of Judge Gilstrap's Scheduled Trials and Their DCOs*). Moreover, all four of those patent cases were filed *before* the Parallel Litigation. *Id.* It is unlikely the Parallel Litigation will go to trial as scheduled, because seven of the eight cases scheduled to go to trial on August 3, 2026, will ultimately need to be rescheduled absent earlier case resolution, and the four other patent cases scheduled for trial that day were filed before the Parallel Litigation. Instead, as was the case in nearly all of the patent cases that went to trial before Judge Gilstrap that were filed in the last three years, there is a high probability that the Parallel Litigation's trial date will be postponed until, or shortly after, the final decision in this proceeding will issue.

Thus, *Fintiv* Factor 2 is neutral. Consequently, *Fintiv* Factor 5 is also neutral. *See, e.g., BOE Tech. Grp. Co., Ltd. v. Optronix Scis. LLC*, IPR2024-01130, Paper 16 at 13 (PTAB Jan. 27, 2025) (Factor 5's weight for or against denial follows Factor 2).

B. The Investment in the Parallel Litigation is Unremarkable—But It Would Have Been Even Lower Had PO Not Delayed in Disclaiming Challenged Claims

The parties' investment in the Parallel Litigation is nothing out of the ordinary. By the Board's deadline to resolve institution in this proceeding, December 24, 2025, the parties will still be weeks away from even filing their respective

opening claim construction briefs and roughly two months from the scheduled Claim Construction Hearing. *Id.*; EX2004 at 3. For this reason alone, Factor 3 “weighs against exercising discretion to deny institution[.]” *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 at 10 (PTAB Mar. 20, 2020) (“If, at the time of the institution decision, the district court has not issued orders related to the patent at issue in the petition, this fact weighs against exercising discretion to deny institution under *NHK.*”).

The “substantial” investment Patent Owner alleges the parties have made in the Parallel Litigation is anything but. To be sure, like most cases nine months in, the parties have engaged in fact discovery. Paper 8, 18–19. But the activities mentioned by Patent Owner relate in large part to venue discovery arising out of Tesla’s motion to transfer venue filed in the Parallel Litigation, rather than the merits of the case. Patent Owner cites the production of 187,000 pages of documents. *Id.*, 18. But that pales in comparison to the average number of pages produced in a typical civil case broadly, at least by one e-Discovery platform’s estimate. *See Eon-Net LP v. Flagstar Bancorp*, 653 F.3d 1314, 1327 (Fed. Cir. 2011) (“[I]t is not uncommon for an accused infringer to produce millions of pages of documents.”); EX1067 (*Logikcull Article*) (estimating the average number of pages produced to be 6.5M). Patent Owner notes that a collective 41 interrogatories and ten depositions

have been taken. Paper 8, 18. These numbers, too, are unremarkable and still well below the limits the parties agreed to in the Parallel Litigation. EX1068 (*Discovery Order*), 4 (agreeing to 25 interrogatories and 70 hours, or ten 7-hour depositions, per side).

More critically, however, much of this discovery to date was limited to venue transfer issues, not the merits, minimizing its relevance. *See Fintiv*, Paper 11 at 9–10 (explaining that *Fintiv* Factor 3 is centered on substantive issues relating to the patent(s)-in-suit). The *Fintiv* Factors are intended to analyze whether the Board will be duplicating substantive work already performed in the Parallel Litigation. *Id.* But in the Parallel Litigation, none of the depositions taken related to the merits, and many of the interrogatories served focused on, and much of Patent Owner’s document production related solely to, transfer. Consequently, Patent Owner cannot demonstrate duplication of work based on document productions, depositions, and interrogatories that are not germane to the substantive issues presented in this IPR.

Beyond fact discovery, Patent Owner points only to the parties’ purported “considerable time and resources [invested] in the development of their infringement and invalidity contentions.” Paper 8, 18–19. However, Patent Owner relies primarily on Tesla’s investment in its invalidity contentions as evidence of this claim. *Id.*, 19. Patent Owner’s reliance primarily on Tesla’s work is a perverse application of *Fintiv*

Factor 3. The *Fintiv* factors are meant to relate “to whether efficiency, fairness, and the merits support the exercise of authority to deny institution[.]” *Fintiv*, Paper 11 at 6 (emphasis added). Punishing Tesla for investing in its invalidity case does not ensure fairness; it does the opposite. And Tesla has demonstrated its commitment to pursuing its invalidity case through this IPR by filing its Broadened *Sotera+* Stipulation.

As a threshold matter, Tesla’s investment was not entirely attributable to the three patents asserted in the Parallel Litigation, as much of Tesla’s investment in its invalidity cases was done in furtherance of its IPR Petitions. When Patent Owner filed its Complaint in the Parallel Litigation, Patent Owner identified just one claim from the ’402 Patent—Claim 4. EX2001, 12–23. Moreover, in each of Patent Owner’s infringement counts, Patent Owner alleged infringement of “claim 1 *et seq.*” of each of the ’402, ’765, and ’004 Patents. *Id.*, 23–30. So, until Patent Owner served its infringement contentions four months later, Tesla had to assume that Patent Owner could assert every claim in the ’402, ’765, and ’004 Patents. At the same time, Tesla could not wait for Patent Owner’s infringement contentions to begin preparing its IPR Petitions, lest it risk its Petitions being discretionarily denied. *See, e.g., Fintiv*, Paper 11 at 11–12. Consequently, Tesla began preparing its IPR Petitions to challenge most of the claims in the ’402, ’765, and ’004 Patents before

Patent Owner identified the more-limited claim sets it was asserting against Tesla. And by the time Tesla began work on its invalidity contentions, much legwork underpinning its invalidity theories—prior art searching and charting, development of invalidity theories—had already been done in service of its IPR Petitions.

Moreover, to the extent that Tesla’s investment in its own invalidity case can be considered “substantial,” Patent Owner bears much of the blame for that investment. As noted above, Patent Owner mapped just one claim from the ’402 Patent in its Complaint, while alleging infringement of “claim 1 *et seq.*” of each of the ’402, ’765, and ’004 Patents, forcing Tesla to prepare an invalidity case against most of the claims of the ’402, ’765, and ’004 Patents. EX2001, 12–30. Now, more than eight months later, Patent Owner has decided to statutorily disclaim a large share of the ’402, ’765, and ’004 Patents’ claims to improve its odds of securing denials of Tesla’s IPRs. EX2013; *see also* IPR2025-00943, EX2013 (’402 Patent disclaimer), IPR2025-00944, EX2013 (’765 Patent disclaimer). If Patent Owner did not intend to assert the disclaimed claims or had concerns over their validity—and was apparently so concerned with the resources asserting those claims against Tesla in litigation would require—it should have notified Tesla of that fact earlier. Had it done so, Tesla would not have had to invest as many resources into preparing its invalidity case, and Tesla could have gotten its Petitions on file even sooner, and the

parties would not have been forced to invest as much time and resources in their respective contentions. Instead, Patent Owner waited until it filed its discretionary denial briefs to file its statutory disclaimers. To the extent the parties' investment in their respective contentions weighs on the Director's discretionary denial decision, it weighs against, not for, discretionary denial.

Fintiv Factor 3 favors institution.

C. PO's Arguments Against the Merits of Tesla's Petition Are Unfounded

Tesla's Petition establishes a strong case that the Challenged Claims are likely invalid. Each ground in the Petition specifies, with supporting expert testimony, where each element of each claim is found in the prior art. *See generally* Paper 1, 6–87, EX1003. When a combination of references is relied on to establish the obviousness of a particular limitation, the Petition presents detailed, specific reasons, again with supporting expert testimony, showing why a POSITA would have been motivated to combine the prior art as proposed and would have had a reasonable expectation of success in making the proposed combinations. Paper 1, 11–13, 16–18, 22–24, 25–27, 29–32, 40–43, 49–51, 53–54, 58–60, 65–66, 68–69, 71–72, 74–76, 79–80, 82–83; EX1003, 70–71, 72–74, 79–81, 87–89, 92–94, 97–102, 113–17, 124–28, 132–33, 138–44, 150–53, 155–57, 159–61, 165–65, 167–68, 172–73, 177–

79. In sum, Tesla’s unpatentability challenges, supported with extensive expert testimony that is, itself, supported by objective evidence, are quite strong. *See Tesla, Inc. v. Charge Fusion Techs., LLC*, IPR2025-00032, Paper 11 at 39 (PTAB May 19, 2025) (“[A]pplaud[ing]” Petitioner and the expert for “leav[ing] virtually none of the substance of his testimony unsupported by objective evidence” by supporting its Petition with a 278 page expert declaration containing extensive explanations “with citations to dozens of pieces of objective evidence”).

Patent Owner does not identify any limitations missing from Tesla’s cited prior art, nor does Patent Owner contend that any of the proposed combinations are missing motivations to combine. Nonetheless, Patent Owner argues the merits of Tesla’s Petition are weak for three reasons: (1) Tesla relies on too many references; (2) Tesla’s explanations for its proposed combinations to arrive at the claimed invention are inadequate; and (3) Tesla relies on, but fails to identify, an implicit, incorrect construction for *active learning data*. As demonstrated below, Patent Owner’s contentions are factually and legally flawed and do not undermine the merits of Tesla’s invalidity grounds.

Fintiv Factor 6 strongly favors institution.

1. ***The Number of References Relied Upon Has No Relevance to the Obviousness Analysis***

First, Patent Owner argues that the Petition relies on a “remarkably high number of references[,]” which “underscores the remarkable weakness of the Petition.” Paper 8, 22. Patent Owner misunderstands the law and overgeneralizes and mischaracterizes the Petition’s grounds and the prior art’s teachings. It is well established that “a large number of references in a rejection does not, without more, weigh against the obviousness of the claimed invention.” *In re Gatabi*, No. 2022-1580, 2023 WL 3477285, at *3 (Fed. Cir. May 16, 2023) (quoting *In re Gorman*, 933 F.2d 982, 986 (Fed. Cir. 1991)); *Gorman*, 933 F.2d at 986 (collecting cases where obviousness rejections based on the combinations of between six and eight prior art references were upheld). Instead, the obviousness of the Challenged Claims requires showing only that all claim limitations are disclosed in the prior art and that a POSITA would have been motivated to combine or modify the teachings in the prior art to arrive at the claimed invention. *See Univ. of Strathclyde v. Clear-Vu Lighting LLC*, 17 F.4th 155, 160 (Fed. Cir. 2021); *Honeywell Int’l Inc. v. 3G Licensing, S.A.*, 124 F.4th 1345, 1353 (Fed. Cir. 2025). The Board has likewise rejected Patent Owner’s 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 *Gorman*, 933 F.2d at 987). By myopically focusing on the number of relied-upon references, Patent Owner fails to fully consider the merits of Tesla’s Petition.

The thrust of Patent Owner’s argument is that the Petition’s reliance on the combinations of between seven and eleven references implies the Petition’s merits are weak or that the combinations are improperly the result of hindsight. Paper 8, 23–24. However, Patent Owner fails to mention *how* the Petition’s grounds use those references. Tesla relies on just one reference, *Hampiholi*, to teach the majority of the independent claims’ limitations. *See generally*, Paper 1, 6–44 (Claim 10 mapping). While all five of Tesla’s grounds rely on the same three base references—*Hampiholi*, *Attard*, *McNew* (*id.*, 2–3)—Tesla only relies on *Attard* and *McNew* to address *Hampiholi*’s lack of an express disclosure of an SDV. *See, e.g., id.*, 11–13, 40–42.

While each of the Petition’s grounds relies on additional prior art references, those references are mapped for extraneous limitations which, not surprisingly, the Applicant did not include in every Challenged Claim. *See generally*, EX1001, 24:15–28:42. However, the presence of these extraneous limitations alone does not render the Challenged Claims non-obvious. *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). In other words, the number of references required in Tesla’s grounds reflects the unusually large number of disparate limitations the Applicant mixed and matched among the Challenged Claims, resulting in convoluted permutations of the claimed invention. The fact that the Challenged Claims include several such convoluted permutations actually makes “the Board better suited to review” Tesla’s invalidity challenges. *See Tesla, Inc. v. Intellectual Ventures II LLC*, IPR2025-00217, Paper 9, 2–3 (PTAB June 13, 2025) (“The large number and vast scope of the patents asserted in the district court litigation...weighs against discretionary denial”).

2. *The Petition Expressly Articulates the Bases for Tesla’s Unpatentability Grounds*

Second, Patent Owner alleges “the Petition fails to articulate the bases for the asserted Grounds” and “how or why [a POSITA] would have combined” the prior art references as proposed. Paper 8, 22. Patent Owner identifies two such alleged failings.

The first alleged failing is that “the Petition fails to identify how or why [the Petition’s proffered] motivations would result in the particular combination of elements recited in the challenged claims.” *Id.*, 26. This is contradicted by the record, as explained above. *See supra* Section III.C. Further, Patent Owner identifies only one such alleged failure to explain a motivation to combine the references to arrive at the claimed invention—Claim 10. *Id.*, 26–29. Patent Owner argues that “[t]he Petition falls short of explaining why and how the proposed combination of references would result in” the limitations of Claim 10. *Id.*, 27. According to Patent Owner,⁵ “[t]he Petition does not identify any reason for combining references such that *Grimm’s* property p^i_j (the alleged *second input*) is received from *Attard’s* alleged *second camera* or *Hampiholi’s speedometer*, as the claims recite.” *Id.* at 28. Instead,

⁵ Patent Owner also summarily contends that the Petition’s mapping for Claim 10 does not “address[] the way the claims require the various elements to work together.” Paper 8, 27. However, beyond the limited examples Patent Owner provides (which Tesla refutes in the remainder of this section), Patent Owner does not identify any specific flaws in the Petition’s mapping. *Id.* Nor could it. As Tesla demonstrates at the start of Section III.C, Tesla’s obviousness mappings are well-supported.

Patent Owner contends, “Petitioner relies on the fact that property p^i_j comes from other vehicles, not from the alleged SDV of the claim, for its *active learning data* argument.” *Id.* Patent Owner mischaracterizes Claim 10’s requirements and the Petition’s mapping.

As Patent Owner acknowledges, the Petition relies on *Grimm* for the *second plurality of weights*. Paper 8, 27. Patent Owner then criticizes the Petition because “the recited *second plurality of inputs* comprises inputs from the *second camera* and the *speedometer*.” *Id.*, 27–28. But Claim 10’s *second plurality of weights* is a **separate limitation** from the *second plurality of inputs*. EX1001, 24:15–25:2. The Petition **does not** rely on *Grimm* for the *second plurality of inputs* (it relies on *Hampiholi-Attard*, Paper 1, 37), so of course the Petition does not present a reason to combine *Grimm*’s property p^i_j with either *Attard*’s *second camera* or *Hampiholi*’s *speedometer*—Claim 10 does not require that combination, nor does the Petition present that mapping. For the same reason, of course the Petition “relies on the fact that property p^i_j comes from other vehicles[.]” Paper 8, 28. **That is what the limitation recites.** Paper 1, 24 (stating that Claim 10(e)(i) recites *a second plurality of weights, and the second plurality of weights comprising second active learning data from the first cohort of other SDVs*). Patent Owner’s mischaracterization of the

plain language of Claim 10 and the Petition's mapping says nothing about the merit of the Petition's unpatentability challenge to Claim 10.

Patent Owner next contends that the Petition "fails to explain how and why [a POSITA] would have been motivated to use the alleged *weighted voting* teachings of *Grimm* to achieve the claimed 'autonomously maintaining a buffer of space from other vehicles around the SDV.'" *Id.* Specifically, Patent Owner points to Claim 10's requirement that the claimed *computer system* must be *capable of performing* the *autonomously maintaining a buffer space* limitation. *Id.* According to Patent Owner, the Petition fails to explain why *Grimm's* teaching of a warning report received from a server would have motivated the proposed combination. *Id.*

Again, Patent Owner mischaracterizes or misunderstands the Petition's mapping. Contrary to Patent Owner's claim, the Petition does not rely on the *Grimm's* server or the fact that *Grimm's* warning report comes from a server. Paper 1, 41. As a threshold matter, the Petition relies on *Hampiholi's* in-vehicle computing system 200 for the *computer system* and the combination of *Hampiholi-Attard*, specifically *Attard's* teaching of "maintain[ing] a distance from other vehicles," for the *computer system...capable of performing* the *autonomously maintaining a buffer space using the vehicle controls* limitation. *Id.*, 35, 40. Thus, *Grimm* is relied on only to establish that *autonomously maintaining a buffer space* is accomplished using the

second weighted voting result, namely using *Grimm's* threat level equation and resulting warning report. *Id.*, 41–42. Patent Owner's focus on aspects of *Grimm's* teachings not relevant to the Petition's mapping, therefore, is irrelevant. And as to the Petition's actual mapping, the Petition provides multiple reasons that a POSITA would have been motivated to use *Grimm's* threat level equation and warning report in *Hampiholi's* computing system 200, as modified by *Attard*: (1) to enable the *Hampiholi-Attard* SDV to “maintain a distance from other vehicles’ based on the data from those vehicles,” (2) “to enable the *Hampiholi-Attard* SDV to, for example, attribute relatively more importance to very critical data from other SDVs,” and *Grimm's* explicit teaching of “several advantages” to using its report “including improved vehicle safety[.]” *Id.*, 41–42.

The second alleged failure by Patent Owner is that “the Petition relies extensively on unexplained cross-references to arguments” which “involv[e] different claim language and different combinations of art[]” and “imposes an undue burden on the merits panel of the PTAB[.]” Paper 8, 29–30. Patent Owner is wrong on the facts and the law. On the facts, Patent Owner points to the Petition's arguments against Claim 15. *Id.* Specifically, that 15 of Claim 15's 23 subsections “consist of cross-references to claim 10 with no explanation[.]”. *Id.*, 29. What Patent Owner fails to mention, however, is that the cross-referenced limitations from Claim

10 for **all fifteen** of the subsections identified are either **identical to** (twelve subsections) **or encompass the entirety of** (three subsections) the corresponding Claim 15 subsection's requirements. Paper 1, 61–72, 90–93 (claim appendix for Claims 10 and 15 showing their respective limitations). Patent Owner cites no authority to suggest Tesla's cross-references to identical limitations are improper and, more importantly, requiring petitioners to repeat identical mappings for substantively identical limitations would be a waste of the Board's resources.

Patent Owner also alleges that the Petition's "cross-references make it impossible to determine the actual basis for the Ground[,]" citing Claims 15(c)(iii)(1)–(6) and Claim 15(d)(vii). Paper 8, 29–30. The Petition relies on *Frazer* for Claim 15(c)(iii)(1)–(6). Paper 1, 62–63. For Claim 15(d)(vii), the Petition cross-references to **identical** limitation 10(g)(viii). *Id.* 72. While Patent Owner is correct that 10(g)(viii) relies on *Hampiholi*, that is, unsurprisingly, because the Petition is relying exclusively on *Hampiholi* for that limitation. More importantly, *Frazer* is irrelevant to 10(g)(viii), as *Frazer's* teachings are mapped for the *fault table* limitations in Claim 15—**exactly the same way *Frazer* is used for Claim 10.** *Id.*, 27 –32 (mapping *Frazer* to Claim 10(f)'s *fault remediation table* limitation and providing a motivation to combine with *Hampiholi-Attard*). Thus, Patent Owner's contention belies common sense. Claim 15's cross-referencing to Claim 10 for

mappings of the same prior art and for identical limitations plainly sets forth the Petition's basis for the Ground.

Finally, Patent Owner is incorrect that the Petition's cross-references unduly burden the Board. Paper 8, 30–31. There is nothing inherently improper about relying on cross-references. And, as used in the Petition, Tesla's cross-referencing is proper under the law. The decisions cited by Patent Owner primarily address the impropriety of cross-referencing to *other documents* in violation of 37 C.F.R. § 42.6(a)(3)'s express prohibition against incorporating arguments “from one document *into another document*.” 37 C.F.R. § 42.6(a)(3) (emphasis added); *Parus*, 70 F.4th at 1370 (“Parus does not dispute that it incorporated arguments by reference and therefore violated 37 C.F.R. § 42.6(a)(3).”); *Gen. Access Sols., Ltd. v. Sprint Spectrum L.P.*, 811 F. App'x 654, 656 (Fed. Cir. 2020) (discussing 37 C.F.R. § 42.6(a)(3)); *Cisco Sys., Inc. v. C-Cation Techs., LLC*, IPR2014-00454, Paper 12 at 8 (PTAB Aug. 29, 2014)(noting the impropriety of citing large portions of other documents in footnotes). The only case Patent Owner cites to suggest Tesla's intra-Petition cross-references are improper is *In re Magnum Oil Tools Int'l, Ltd.*, 829 F.3d 1364, 1378 (Fed. Cir. 2016); Paper 8, 34. However, *Magnum Oil* stands only for the proposition that a Petitioner must explain “why borrowing the rationale for

combining the first set of references equally applies to the second set of references.”

Id. (quoting *Magnum Oil*, 82 F.3d at 1378). The Petition does so here.

3. *The Petition Does Not Rely on an Implicit Construction of the Active Learning Data Limitation*

Third, Patent Owner contends that the Petition’s merits are not compelling because the Petition purportedly “relies on an implicit and incorrect construction of ‘active learning data’ that (among other things) reads out the word ‘learning.’” Paper 8, 23. Patent Owner oversimplifies the Petition’s discussion of *active learning data*.

Patent Owner’s contention rests on a mischaracterization and/or misunderstanding of the Petition’s mapping. Patent Owner points to the Petition’s statement that “*Grimm’s* weights ‘are derived from different properties reported from the other vehicles’ and therefore ‘the weights *compris[e]* *second active learning data from the first cohort of other SDVS.*”” *Id.*, 34 (quoting Paper 1, 25). First, Patent Owner claims that “[t]he Petition does not identify anywhere in *Grimm’s* disclosure that it teaches how its weights are derived, let alone that they are derived from the ‘different properties reported from the other vehicles.’” Paper 8, 34 (citing Paper 1, 25). Patent Owner’s argument is refuted by the Petition’s explicit mapping on the very page cited. Paper 1, 25 (explaining that *Grimm’s* weighting

value w_j is “associated with a specific property j , and p_j^i is the property (such as braking, acceleration, or speed) for the vehicle i ,” which is a different vehicle).

Next, Patent Owner concludes that the Petition’s mapping for *active learning data* that “encompasses essentially any data that is obtained from other vehicles.” *Id.* Patent Owner mischaracterizes the Petition. The Petition’s mapping of *active learning data* for *Grimm* has two components: (1) it is a specific type of data (i.e., weights associated with a property (such as braking, acceleration, or speed) used to compute a threat level of a particular vehicle i); and (2) that data comes from other SDVs. Paper 1, 24–25. Patent Owner ignores the former component of the Petition’s mappings. And, as the Petition and its supporting expert declaration show, the specific type of data mapped in *Grimm* is a “learning” type of data, as interpreted by Patent Owner. *Id.*; EX1003, 89–91.

Moreover, while the merits of Tesla’s mappings for the *active learning data* limitations should be left for the merits panel,⁶ it is worth noting that the Petition’s

⁶ Notably, in Tesla’s IPR2025-00943 and IPR2025-00944, Patent Owner raised a claim construction argument for *active learning data* in its Patent Owner Preliminary Response, and Tesla will be submitting a Preliminary Reply to respond to Patent

mappings align with Patent Owner’s understanding of *active learning data*. Patent Owner defines the scope of *active learning data* using its claimed uses. Namely, that it must at least be “capable of being used as the basis for the ‘plurality of weights’ for use in ‘weighted voting[,]’” as recited in Claim 10. Paper 8, 34–36. Regarding the former, that is exactly what the Petition relies on *Grimm*’s weights for. Paper 1, 24–26 (explaining that the resulting combination of *Hampiholi-Attard-Grimm* would “yield of the predictable result of...storing *Grimm*’s weights in memory for computing *second weighted voting result*”). Thus, the Petition’s application of the plain and ordinary meaning of *active learning data* is consistent with Patent Owner’s own understanding of *active learning data*.

Owner’s arguments. Because Patent Owner’s *active learning data* argument in this proceeding is identical to those Patent Owner presented in Tesla’s other IPRs, additional briefing on this argument will likely be submitted in this proceeding, and this claim construction issue should be left to the merits panel to decide after the argument has been fully briefed.

IV. FAULTING PARTIES FOR NOT SEEKING IPR BEFORE LITIGATION WOULD UNDERMINE THE AIMS OF THE INTERIM PROCESSES AND HARM THE PATENT SYSTEM

In support of considering settled expectations in the discretionary denial analysis, the Director has indicated that “early challenges favor robust, predictable patent rights[.]” *MIM Software Inc. v. Progenics Pharms., Inc.*, IPR2025-00630, Paper 13 at 2 (PTAB July 24, 2025). However, requiring companies to preemptively challenge every patent that issues in their technology space, or that a PO could construe to allege infringement, would frustrate the Interim Processes’ aims of “improv[ing] PTAB efficiency, maintain[ing] PTAB capacity to conduct AIA proceedings, [and] reduc[ing] pendency of in *ex parte* appeals[.]” *Interim Memo*, at 3. If Tesla were to preemptively challenge any patent that is either (1) in Tesla’s technology space, or (2) includes claims that a patent owner could conceivably interpret to allege that any of Tesla’s products or services infringe, Tesla’s preemptive filings alone would likely create a significant burden on the PTAB’s capacity and resources. And if every major company were to interpret the Director’s directive in this way, the PTAB would almost certainly grind to a halt. Indeed, the Director has acknowledged that instituting IPR challenges to claims “that will not be further addressed in [a] district court trial” “is an **inefficient use** of board resources[.]” *Roche Diabetes Care, Inc. v. Trividia Health, Inc.*, IPR2025-00553,

Paper 10 at 2 PTAB (July 29, 2025) (emphasis added); *see also SAP Am., Inc. v. Valtrus Innovations Ltd.*, IPR2025-00414, Paper 12 at 2–3 (PTAB July 10, 2025) (“[I]t is an inefficient use of Board resources to review these challenged patents that have been dismissed from the litigation”); *Ericsson Inc. v. Procomm Int’l Pte. Ltd.*, IPR2024-01452, Paper 16 at 2–3 (PTAB June 25, 2025) (same).

Preemptive challenges like these would also harm the patent system overall. Parties, especially individuals and small companies, would be disincentivized from seeking patent protection if a post-grant challenge were essentially guaranteed. The significant resources required to defend the post-grant challenge, with no guarantee of a valid patent in the end, would likely persuade many inventors to forego patent protection altogether.

Accordingly, Tesla respectfully requests that the Director decline to consider settled expectations in her discretionary denial determination.

V. THE DIRECTOR MUST MAKE A MERITS DETERMINATION

Assuming *arguendo* the Director has the discretion to consider the factors outlined in the Interim Memo in deciding whether to institute an IPR, she must nonetheless comply with 35 U.S.C. § 314’s mandate to notify the parties, in writing, of the merits determination set forth in § 314(a).

Section 314(a) is not ambiguous. Only one determination is mentioned—whether there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the challenged claims. 35 U.S.C. 314(a) (“The Director may not authorize an inter partes review to be instituted unless the Director *determines*...there is a reasonable likelihood” of success) (emphasis added). Section 314(c) is likewise unambiguous: “The Director *shall* notify the petitioner and patent owner, in writing, of the Director’s *determination under subsection (a)*[.]” 35 U.S.C. § 314(c) (emphasis added). Thus, read together, the plain language of §§ 314(a) and 314(c) requires the Director to both make a merits determination and notify the parties of that determination. While 314(c)’s reference to the “determination under subsection (a)” is clear on its face, 314(d)’s reference to “[t]he determination by the Director whether to institute an inter partes review under this section” is further confirmation that 314(c) is referencing the merits determination, not the determination whether to institute. 35 U.S.C. § 314(d). “Where Congress uses certain language in one part of a statute and different language in another, it is generally presumed that Congress acts intentionally.” *Nat’l Fed’n of Indep. Bus. V. Sebelius*, 567 U.S. 519, 544 (2012) (citing *Russello v. United States*, 464 U.S. 16, 23 (1983)). Thus, if Congress intended 314(c) to require notice of the institution determination, 314(d) evidences that Congress knew exactly how to say that. *See*

also Dep't of Homeland Sec. v. MacLean, 574 U.S. 383, 394 (2015) (“Congress knew how to distinguish between regulations that had the force and effect of law and those that did not, but chose not to do so in Section 2302(b)(8)(A).”)

Accordingly, if the Director discretionarily denies Tesla’s IPR, Tesla respectfully requests that the Director must make a merits determination for Tesla’s Petition and notify the parties of that determination.

VI. THE PATENT OFFICE SHOULD RECONSIDER WHETHER SETTLED EXPECTATIONS SHOULD BE A DISCRETIONARY DENIAL FACTOR

The Supreme Court has recognized that the Patent Office’s “decision to deny a petition is a matter committed to the Patent Office’s discretion.” *Cuozzo Speed Techs., LLC v. Lee*, 579 U.S. 261, 273 (2016). But that discretion must be read in light of the statute as a whole. Section 314(a)’s use of “may” “leaves a ‘gap’” and therefore “grant[s] the agency leeway to enact [reasonable] rules[,]” *Cuozzo Speed Techs. v. Com. For Intell. Prop.*, 579 U.S. 261, 276–77 (2016), §314(a)’s general “grant[] of authority must be read alongside the express limits contained within the statute” and “in connection with . . . the statute as a whole.” *Dep't of Homeland Sec. v. Regents of Univ. of California*, 591 U.S. 1, 51 (2020) (Thomas, J., concurring); *Dada v. Mukasey*, 554 U.S. 1, 16 (2008) (quoting *Kokoszka v. Belford*, 417 U.S. 642, 650 (1974)).

Relevant here are the statute’s other standards for instituting review (e.g., 35 U.S.C. §§ 312(a), 315(a)(1), 315(b), and 325(d)) and the Director’s charge “to consider the efficiency of the Patent Office in conducting IPR proceedings” in prescribing regulations⁷ “setting forth the standards for showing of sufficient grounds to institute[.]”. 35 U.S.C. §§ 316(a)(2), 316(b); *BioDelivery Scis. Int’l, Inc. v. Aquestive Therapeutics, Inc.*, 935 F.3d 1362, 1367 (Fed. Cir. 2019). The former evidences that § 314(a)’s discretion is limited to empowering the PTAB to deny otherwise meritorious petitions that fall short of the statute’s other standards. For example, Congress demonstrated in § 315(b) that when it wished to create categorial time-based bars on institution, it did so expressly; no such time-in-force bar exists in the statute. The latter demonstrates that while the Director must consider the considerations identified in § 316(b) in prescribing regulations setting the standards for showing a reasonable likelihood of prevailing under § 314(a), the Director is not

⁷ The Patent Office’s implementation of the Interim Processes is also improper because it effected “a change in existing law or policy” and “affect[ed] individual rights and obligations[.]” making it a substantive rule subject to the notice and comment requirements of 5 U.S.C. § 533(b). *Paralyzed Veterans of Am. V. West*, 138 F.3d 1434, 1436 (Fed. Cir. 1998).

empowered to prescribe *new* substantive standards for denying institution or to alter the existing substantive standards for instituting IPRs.

The context and history of the AIA support this conclusion. Recognizing that “not all issues of validity are obvious immediately upon issuance[,]” Congress retained through the IPR statutory framework the aspect of inter partes reexamination proceedings allowing “a challenge to a patent’s validity throughout the life of the patent.” S. REP. NO. 110-259, at 96 (2008); *see Kroy IP Holdings, LLC v. Groupon, Inc.*, No. 2023-01359, 2025 WL 2178321, at *3 (Fed. Cir. Aug. 1, 2025) (Dyk, J., dissenting) (“Congress recognized that the PTO process of initial examination was often inadequate to weed out poor-quality patents”) (citing *SAS*, 584 U.S. at 360–61 and *Thryv, Inc. v. Click-To-Call Techs., LP*, 590 U.S. 45, 54 (2020)). Consistent with that aim, since the AIA’s passage, parties have challenged—and the Patent Office has frequently invalidated—patents that have been in force for six or more years. EX1069 (*Law 360 Article, Data Undermines Settled Expectations*) (finding that more than 8,000 IPR petitions have been filed since 2012 against patents in force for more than six years, and of those proceedings that reached a final decision, finding the Patent Office cancelled at least one claim over 80% of the time).

The PTAB’s interpretation of § 314(a) also raises constitutional questions.

Two constitutional considerations counsel against the PTAB’s interpretation of § 314(a): the Patent Clause of the U.S. Constitution and separation-of-powers principles. The former requires that § 314(a) “be interpreted as a set of rules that ‘wee[d] out those inventions which would not be disclosed or devised but for the inducement of a patent[,]’” *Bilski*, 561 U.S. at 469 (quoting *Graham*, 383 U.S. at 11), and the latter requires that § 314(a) be interpreted in light of the non-delegation and major questions doctrines, which “prevent[] Congress from intentionally delegating its legislative powers to unelected officials” and “guard[] against unintentional, oblique, or otherwise unlikely delegations of legislative power.” *Nat’l Fed’n of Indep. Bus. V. Dep’t of Lab., Occupational Safety & Health Admin.*, 595 U.S. 109, 124–25 (2022). Considering a patent owner’s settled expectations in determining whether to institute an IPR runs afoul of both constitutional considerations.

Interpreted in light of the above considerations, Tesla respectfully requests reconsideration of the Interim Guidance and whether the PTAB’s discretion under § 314(a) empowers the Patent Office to deny a petition for IPR based on a patent owner’s settled expectations.

VII. THE PATENT OFFICE SHOULD RECONSIDER WHETHER § 314(A) EMPOWERS IT TO IMPLEMENT THE INTERIM PROCESSES FOR PTAB WORKLOAD MANAGEMENT

As explained *supra*, 35 U.S.C. § 314(a) does not empower the Patent Office with the discretion to deny petitions for IPR based on a patent owner's settled expectations. *Supra* Section VI. For the same reasons, Tesla respectfully requests reconsideration of whether § 314(a) and/or § 316 empower the Patent Office with the discretion to deny IPR petitions based on the Interim Memo's considerations. *Id.* By introducing *new* standards for institution, i.e., the "relevant considerations" at 2–3 of the *Interim Memo*, the Interim Memo impermissibly alters the existing substantive standards for instituting IPRs. Consequently, the Patent Office's implementation of the Interim Processes exceeds the statutory bounds of § 314(a). Accordingly, Tesla respectfully contends that denying Tesla's petition based on the Interim Processes' considerations is improper.

VIII. CONCLUSION

For at least these reasons, Tesla respectfully requests that the Board deny Patent Owner's request for discretionary denial.

IPR2025-01035

U.S. Patent No. 12,037,004

Respectfully submitted,

BY: /s/ Jennifer C. Bailey

Jennifer C. Bailey, Reg. No. 52,583

COUNSEL FOR PETITIONER

APPENDIX OF EXHIBITS

Exhibit 1001	U.S. Patent No. 12,037,004 (“ <i>the '004 Patent</i> ”)
Exhibit 1002	File History for U.S. Patent No. 12,037,004
Exhibit 1003	Declaration of Christopher Wilson
Exhibit 1004	U.S. Patent No. 9,406,177 to Attard et al. (“ <i>Attard</i> ”)
Exhibit 1005	U.S. Patent No. 9,494,926 to Frazer et al. (“ <i>Frazer</i> ”)
Exhibit 1006	U.S. Patent No. 10,377,303 to McNew et al. (“ <i>McNew</i> ”)
Exhibit 1007	U.S. Patent Application Publication No. 2016/0267335 to Hampiholi (“ <i>Hampiholi</i> ”)
Exhibit 1008	U.S. Patent No. 9,063,543 to An et al. (“ <i>An</i> ”)
Exhibit 1009	Intentionally Left Blank
Exhibit 1010	Intentionally Left Blank
Exhibit 1011	Intentionally Left Blank
Exhibit 1012	U.S. Patent Application Publication No. 2007/0268158 to Gunderson et al. (“ <i>Gunderson</i> ”)
Exhibit 1013	U.S. Patent Application Publication No. 2007/0219720 (“ <i>Trepagnier</i> ”)
Exhibit 1014	Gereon Meyer and Sven Beiker. <i>Road Vehicle Automation</i> . Springer. 2014. (“ <i>Meyer</i> ”)
Exhibit 1015	Jeff Wit et al. “Autonomous Ground Vehicle Path Tracking.” <i>Journal of Robotic Systems</i> 21(8), 439-449 (2004). (“ <i>Wit</i> ”)
Exhibit 1016	Keshav Bimbraw. “Autonomous Cars: Past, Present and Future.” Proceedings of the 12 th International Conference on Informatics in Control, Automation and Robotics (ICINCO-2015), pages 191-198, July 21-23, 2015. (“ <i>Bimbraw</i> ”)
Exhibit 1017	Xavier Mosquet et al. <i>Revolution in the Driver’s Seat</i> . The Boston Consulting Group. April 2015. (“ <i>Mosquet</i> ”)
Exhibit 1018	Steven E. Muldoon et al. “10.3: Vehicle Fault Diagnostics Using a Sensor Fusion Approach.” IEEE 2002. (“ <i>Muldoon</i> ”)
Exhibit 1019	U.S. Patent No. 8,825,258 (“ <i>Cullinane</i> ”)
Exhibit 1020	U.S. Patent No. 9,798,323 (“ <i>Tsimhoni-323</i> ”)
Exhibit 1021	U.S. Patent No. 9,884,631 (“ <i>James</i> ”)
Exhibit 1022	U.S. Patent No. 11,040,725 (“ <i>Scofield</i> ”)
Exhibit 1023	U.S. Patent No. 9,483,059 (“ <i>Caveney</i> ”)
Exhibit 1024	U.S. Patent No. 9,365,213 (“ <i>Stenneth</i> ”)

Exhibit 1025	International Publication No. WO 2006/047297 (“ <i>Allard</i> ”)
Exhibit 1026	Rajesh Rajamani et al. “A Complete Fault Diagnostic System for Automated Vehicles Operating in a Platoon.” IEEE Transactions on Control Systems Technology, Vol 9, No. 4, July 2001. (“ <i>Rajamani</i> ”)
Exhibit 1027	U.S. Patent Application Publication No. 2013/0063336 (“ <i>Sugimoto</i> ”)
Exhibit 1028	Matthew McNaughton et al. “Motion Planning for Autonomous Driving with a Conformal Spatiotemporal Lattice.” 2011 IEEE International Conference on Robotics and Automation. May 9-13, 2011, Shanghai, China. (“ <i>McNaughton</i> ”)
Exhibit 1029	A. de la Escalera. “Traffic sign recognition and analysis for intelligent vehicles.” Image and Vision Computing 21 (2003) 247-258. (“ <i>Escalera</i> ”)
Exhibit 1030	“Surface Vehicle Information Report J3016.” SAE International. January 2014. (“ <i>J3016</i> ”)
Exhibit 1031	U.S. Patent No. 9,430,944 to Grimm, et al. (“ <i>Grimm</i> ”)
Exhibit 1032	Intentionally Left Blank
Exhibit 1033	Intentionally Left Blank
Exhibit 1034	U.S. Patent No. 8,378,849 (“ <i>Chandra</i> ”)
Exhibit 1035	U.S. Patent No. 5,779,593 (“ <i>Takada</i> ”)
Exhibit 1036	U.S. Patent Application Publication No. 2013/0131907 (“ <i>Green</i> ”)
Exhibit 1037	Harding, J., Powell, G., R., Yoon, R., Fikentscher, J., Doyle, C., Sade, D., Lukuc, M., Simons, J., & Wang, J. (2014, August). “Vehicle-to-vehicle communications: Readiness of V2V technology for application.” (Report No. DOT HS 812 014). Washington, DC: National Highway Traffic Safety Administration. (“ <i>Harding</i> ”).
Exhibit 1038	Intentionally Left Blank
Exhibit 1039	Intentionally Left Blank
Exhibit 1040	U.S. Patent No. 10,139,824 to Sako et al. (“ <i>Sako</i> ”)
Exhibit 1041	Intentionally Left Blank
Exhibit 1042	Intentionally Left Blank
Exhibit 1043	U.S. Patent No. 8,305,444 to Hada (“ <i>Hada</i> ”)
Exhibit 1044	Intentionally Left Blank

Exhibit 1045	U.S. Patent Application Publication No. 2015/0158495 to Duncan et al. (“ <i>Duncan</i> ”)
Exhibit 1046	U.S. Patent No. 9,159,301 to Yamada et al. (“ <i>Yamada</i> ”)
Exhibit 1047	U.S. Patent Application Publication No. 2015/0166069 to Engelman et al. (“ <i>Engelman</i> ”)
Exhibit 1048	U.S. Patent No. 9,604,652 to Strauss (“ <i>Strauss</i> ”)
Exhibit 1049	U.S. Patent Application Publication No. 2016/0107655 (“ <i>Desnoyer</i> ”)
Exhibit 1050	Intentionally Left Blank
Exhibit 1051	California Vehicle Code 22108. https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=VEH&sectionNum=22108 . Enacted by Stats. 1959, Ch. 3. (“ <i>22108</i> ”)
Exhibit 1052	Gorelick Law Offices. https://www.gorelick-law.com/california-vehicle-code-22108-vc-failure-to-signal-and-dui-arrests . (“ <i>Gorelick</i> ”)
Exhibit 1053	Green Car Congress. https://web.archive.org/web/20121128045732/https://www.greencarcongress.com/2012/11/mb-20121122.html . 28 November 2012. (“ <i>GCC</i> ”)
Exhibit 1054	Tesla Model S Owner’s Manual (“ <i>Model S Manual</i> ”)
Exhibit 1055	Mercedes-Benz. https://web.archive.org/web/20121122040727/https://emercedesbenz.com/autos/mercedes-benz/s-class/top-20-mercedes-benz-assistance-programs/ . November 2012. (“ <i>Mercedes2013</i> ”)
Exhibit 1056	Lingyun Xiao & Feng Gao (2010) “A comprehensive review of the development of adaptive cruise control systems”, <i>Vehicle System Dynamics</i> , 48:10, 1167-1192, DOI: 10.1080/00423110903365910 (“ <i>Xiao</i> ”)
Exhibit 1057	Mercedes S-Class Operator’s Manual (“ <i>Mercedes S-Class Manual</i> ”)
Exhibit 1058	Disclosure of Asserted Claims <i>Granite Vehicle Ventures LLC v. Tesla, Inc.</i> , 2:24-cv-01007, No. 1 (E.D. Tex.)
Exhibit 1059	<i>Granite Vehicle Ventures LLC v. Tesla, Inc.</i> , 2:24-cv-01007, No. 97 (E.D. Tex. August 19, 2025), Notice of Broadened Sotera Plus Stipulation of Defendant Tesla, Inc.

Exhibit 1060	Notice of Allowance issued in 17/374,656
Exhibit 1061	Notice of Allowance issued in 16/997,202
Exhibit 1062	U.S. Patent No. 11,091,171 to Gordon, et al.
Exhibit 1063	U.S. Patent No. 11,738,765 to Gordon, et al.
Exhibit 1064	Summary of Gilstrap Rescheduled Trials
Exhibit 1065	Time to Trial Stats
Exhibit 1066	Gilstrap Trial Conflicts and DCOs
Exhibit 1067	Logikcull, <i>Infographic eDiscovery Opportunity Costs: What is the Most Efficient Approach?</i>
Exhibit 1068	Discovery Order, <i>Granite Vehicle Ventures LLC v. Tesla, Inc.</i> US Dist Ct, 2:24-cv-01007-JRG
Exhibit 1069	Defosse, et al., <i>Data Undermines USPTO's "Settled Expectations" Doctrine</i> , Law360, August 29, 2025

CERTIFICATE OF SERVICE ON PATENT OWNER

Pursuant to 37 C.F.R. § 42.6(e), the undersigned certifies that on September 24, 2025, the foregoing *Petitioner's Opposition To Patent Owner's Request For Discretionary Denial and Exhibits* 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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