

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

TOYOTA MOTOR CORP.,
Petitioner,

v.

EMERGING AUTOMOTIVE LLC,
Patent Owner.

IPR2024-00814
Patent 11,396,244 B2

Before GEORGIANNA W. BRADEN, BARBARA A. PARVIS, and
FRANCES L. IPPOLITO, *Administrative Patent Judges*.

IPPOLITO, *Administrative Patent Judge*.

DECISION
Granting Institution of *Inter Partes* Review
35 U.S.C. § 314

I. INTRODUCTION

Toyota Motor Corp. (“Petitioner”) filed a Petition (Paper 1, “Pet.”) requesting *inter partes* review of claims 1, 2 and 4–20¹ of U.S. Patent No. 11,396,244 B2 (Ex. 1001, “the ’244 patent”). Emerging Automotive LLC (“Patent Owner”) filed a Preliminary Response (Paper 6, “Prelim. Resp.”). With our authorization, Petitioner filed a Preliminary Reply (Paper 7, “Prelim. Reply”) and Patent Owner filed a Preliminary Sur-reply (Paper 10, “Prelim. Sur-reply”).

The ’244 patent issued with claims 1–20. Ex. 1001, 33:9–36:29. On January 17, 2024, Patent Owner filed a Request for a Certificate of Correction (“COC”). Ex. 1002, 627, 631–636. Patent Owner’s COC included amendments to independent claims 1 and 17, amendments to dependent claim 11, and further added claims 21 and 22 to the ’244 patent. *See* Ex. 1002, 631–637; *see* Pet. 1, n1 (citing Ex. 1002, 620–660). Patent Owner’s COC was denied on September 23, 2024. Ex. 1027. On October 15, 2024, Patent Owner filed a Reconsideration of the Certificate of Correction. Ex. 3001. That Reconsideration is pending review. As such, at this stage of the proceeding, claims 1, 2, and 4–20 of the ’244 patent are the claims at issue.

Nonetheless, we note that both parties have addressed the “corrected” claims in addition to the issued claims. Specifically, Petitioner has addressed the limitations of issued claims 1, 2, and 4–20, as well as the “corrected” claim set in the COC that includes additional limitations and

¹ The ’244 patent issued with claims 1–20. In the Petition, Petitioner includes claims 21 and 22 that Patent Owner seeks to add in its Request for a Certificate of Correction (“COC”). *See* Pet. 1, n.1 (citing Ex. 1002, 620–660).

claims 21 and 22. *See* Pet. 11 (“Whether a Certificate of Correction (‘COC’) issues or not, the challenged claims are unpatentable because the prior art discloses all claimed features, including the omitted limitations that Patent Owner added to overcome art cited in prosecution.”); *see* Prelim. Resp. 19 n.1 (citing Ex. 1002, 633–634, corrected claims 17 and 21); Ex. 2001, 14 n. 1 (Patent Owner’s declarant, Dr. Malek states: “[l]ike the Petition, this Declaration treats the corrected claims of the Certificate of Correction, such as independent claim 21, as though they are issued claims. *See, e.g.*, Pet. 11, 21, 26; EX1002, 632-34. However, my opinions expressed in this declaration fully apply irrespective of the Certificate of Correction or whether it is entered.”)

Under 35 U.S.C. § 314(a), an *inter partes* review may not be instituted unless the information presented in the Petition and any response thereto shows “there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.” Considering the arguments presented, we conclude that there is a reasonable likelihood that Petitioner would prevail in challenging at least one of claims 1, 2 and 4–20 of the ’244 patent as unpatentable under the challenges presented in the Petition. Pursuant to § 314, we hereby institute an *inter partes* review as to these claims of the ’244 patent.²

A. Real Parties in Interest

Petitioner identifies Toyota Motor Corp., Toyota Motor North America, Inc., and Toyota Motor Sales, U.S.A., Inc. as the real parties-in-

² A conference call with the parties will be scheduled after entry of this Decision to confirm whether the parties will continue to address the “corrected” claim limitations and claims 21 and 22 in this proceeding after institution.

interest. Pet. 82. Patent Owner identifies Emerging Automotive LLC as the real party-in-interest. Paper 3 (Patent Owner’s Mandatory Notices), 2.

B. Related Matters

The parties indicate that the ’244 patent has been asserted in the following district court litigation: *Emerging Automotive LLC v. Toyota Motor Corp., et al.*, 2:23-cv-00434 (E.D. Tex.). Pet. 83; Paper 3, 2. Petitioner further indicates that this case has been consolidated for pretrial issues with: *Emerging Automotive LLC v. Kia Corp.*, No. 2:23-cv-00437-JRG (E.D. Tex.). Pet. 83. Since the filing of the Petition and the Patent Owner’s Preliminary Response, the ’244 patent has been removed from the related district court litigation. Prelim. Reply 1; *see generally* Ex. 1029 (Second Amended Complaint).

C. The ’244 patent

The ’244 patent “relates to systems and methods for managing user profiles for vehicles and exchange of information with cloud-based processing systems.” Ex. 1001, 1:37–39. The ’244 patent discloses that a “user profile defines one or more settings that are preferred to be set in vehicles if the vehicles support the settings.” *Id.* at 3:1–3. Furthermore, “applicable settings [are] those settings that are preferred to be set as identified from the user profile and are settable in the selected vehicle.” *Id.* at 3:7–9. Figure 1, reproduced below, is a diagram showing how roles are associated with profiles settings for a vehicle. *Id.* at 6:15–16.

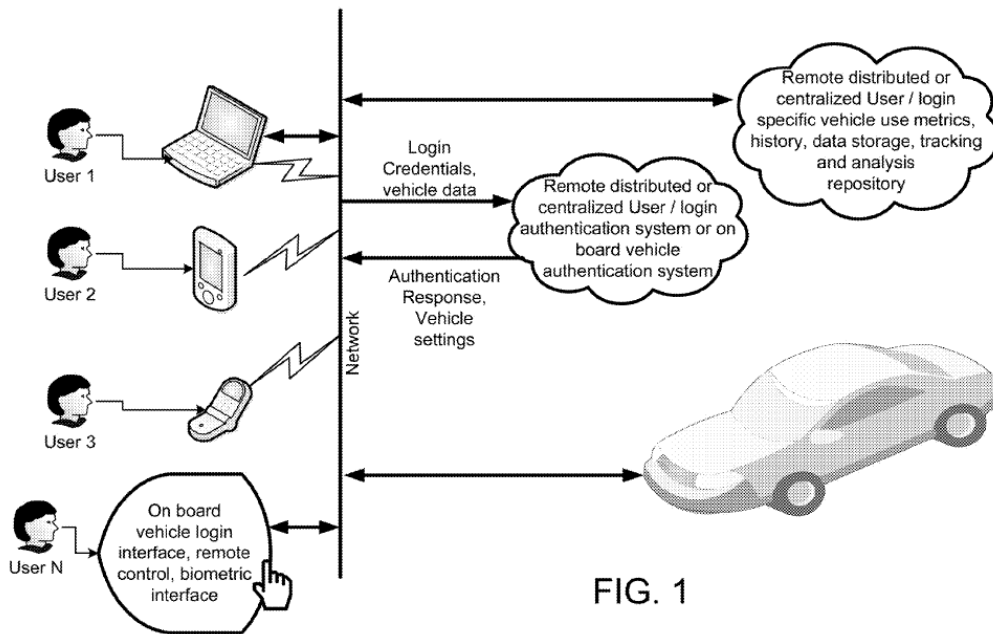


Figure 1 above shows that different users can use different methods to interact with a vehicle login system. *Id.* at 15:62–63. After successful authentication or login, the user is allowed to operate the vehicle in which the vehicle “has [the user’s] vehicle settings applied to it.” *Id.* at 16:7–9.

The ’244 patent further discloses that “the functions of the specific applications illustrated in the [vehicle] display will be monitored and restricted depending on safety considerations while driving.” *Id.* at 9:66–10:1. For instance, “if a particular application requires entry of text, navigation of controls, or other activities that would distract the driver during operation of the vehicle, such vehicle controls or application controls for application interfaces can be temporarily disabled.” *Id.* at 12:3–7. Also, “[e]ach login can be configured to provide or restrict access based on the user logged into the vehicle.” *Id.* at 14:44–46.

D. Challenged Claims

Petitioner challenges issued claims 1, 2, and 4–20. Pet. 1. Issued claims 1 and 17 are independent. Both parties have additionally addressed

the changes to the issued claims proposed in the COC. Of added claims 21 and 22, claim 21 is independent. Pet. 11; Prelim. Resp. 19 n.1; Ex. 2001, 14 n.1.

Issued independent claim 1 is reproduced below:

1. A method executed by a server of a cloud services system that is configured to interface with vehicles, comprising:

receiving, by the server, a request from electronics of a vehicle to access a profile for a user account, the request identifies user information for a user to use the vehicle;

processing, by the server, at least part of the user information to verify the user for accessing the profile associated with the user account, the profile having a plurality of settings of the user for the vehicle, at least part of the plurality of settings for the profile being stored on storage accessible to the cloud services system; and

transferring, by the server, upon verifying the user information, one or more settings of the plurality of settings to the vehicle,

the transferring is configured to instruct software and/or hardware associated with said electronics of the vehicle to apply said one or more settings to the vehicle for customizing said vehicle to use said one or more settings associated with the profile,

wherein the vehicle uses wireless communication for exchanging data with the cloud services system and for receiving said one or more settings for the profile.

Ex. 1001, 33:9–32.

Proposed corrected claim 1 is reproduced below with proposed corrections in underline and with Petitioner's identifiers in brackets, which do not impact our analysis. Pet. 18–32, 42–47.

1. A method executed by a server of a cloud services system that is configured to interface with vehicles, comprising:

- [1a] receiving, by the server, a request from electronics of a vehicle to access a profile for a user account, the request identifies user information for a user to use the vehicle;
- [1b] processing, by the server, at least part of the user information to verify the user for accessing the profile associated with the user account, the profile having a plurality of settings of the user for the vehicle and at least one of said plurality of settings being restricted for use on the vehicle, wherein³ at least part of the plurality of settings for the profile being stored on storage accessible to the cloud services system; and
- [1c] transferring, by the server, upon verifying the user information, one or more settings of the plurality of settings to storage of the vehicle,⁴
- [1d] the transferring is configured to instruct software and/or hardware associated with said electronics of the vehicle to apply said one or more settings to the vehicle for customizing said vehicle to use said one or more settings associated with the profile,
- [1e] wherein the vehicle uses wireless communication for exchanging data with the cloud services system and for receiving said one or more settings for the profile.

Id.; Ex. 1002, 631–636.

E. Prior Art and Asserted Challenges to Patentability

Petitioner asserts that the issued claims 1, 2 and 4–20, and proposed corrected claims 1, 2, and 4–20, would have been unpatentable on the following challenges:

³ The COC adds “and at least one of said plurality of settings being restricted for use on the vehicle, wherein.” *See* Pet. 21 n.5 (citing Ex. 1002, 636).

⁴ The COC adds “storage of.” *See* Pet. 27, n.6 (citing Ex. 1002, 636).

Claim(s) Challenged	35 U.S.C. §	Reference(s)/Basis
1, 9, 11–17, 19, 20	103	Rector, ⁵ Kleve ⁶
2, 4, 10, 18	103	Rector, Kleve, Yassin ⁷
5–7	103	Rector, Kleve, Yassin, Patenaude ⁸
8, 21	103	Rector, Kleve, Faenger ⁹
22	103	Rector, Kleve, Faenger, Yassin

Pet. 3. Petitioner also relies on the Declaration of Kevin C. Almeroth, Ph.D. (Ex. 1005). Patent Owner relies on the Declaration of Sam Malek, Ph.D. (Ex. 2001).

II. PRINCIPLES OF LAW

A. Priority of Filing Date

“[A] patent application is entitled to the benefit of the filing date of an earlier filed application only if the disclosure of the earlier application provides support for the claims of the later application, as required by 35 U.S.C. § 112.” *PowerOasis, Inc. v. T-Mobile USA, Inc.*, 522 F.3d 1299, 1306 (Fed. Cir. 2008). “To satisfy the written description requirement [in § 112,] the disclosure of the prior application must ‘convey with reasonable clarity to those skilled in the art that, as of the filing date sought, [the inventor] was in possession of the invention.’” *Id.* (alteration in original)

⁵ U.S. Patent Application Publication No. 2011/0137520 A1, published June 9, 2011 (Ex. 1006) (“Rector”).

⁶ U.S. Patent Application Publication No. 2014/0129053 A1, published May 8, 2014 (Ex. 1007) (“Kleve”).

⁷ U.S. Patent No. 6,505,780 B1, issued Jan. 14, 2003 (Ex. 1008) (“Yassin”).

⁸ U.S. Patent Application Publication No. 2006/0136106 A1, published June 22, 2006 (Ex. 1009) (“Patenaude”).

⁹ U.S. Patent Application Publication No. 2011/0035031 A1, published Feb. 10, 2011 (Ex. 1010) (“Faenger”).

(quoting *Vas-Cath Inc. v. Mahurkar*, 935 F.2d 1555, 1563–64 (Fed. Cir. 1991)).

Although the burden of proof for showing unpatentability remains on a petitioner, the patent owner may have a burden of production. A patent owner has the burden for showing it is entitled to priority. *Dynamic Drinkware, LLC v. Nat’l Graphics, Inc.*, 800 F.3d 1375, 1379 (Fed. Cir. 2015) (discussing *Tech. Licensing Corp. v. Videotek, Inc.*, 545 F.3d 1316, 1326–27 (Fed. Cir. 2008)); see also *In re Magnum Oil Tools Int’l, Ltd.*, 829 F.3d 1364, 1376 (Fed. Cir. 2016) (“[A] patentee bears the burden of establishing that its claimed invention is entitled to an earlier priority date than an asserted prior art reference.”).

B. Obviousness

In *Graham v. John Deere Co. of Kansas City*, 383 U.S. 1 (1966), the Supreme Court set out a framework for assessing obviousness under § 103 that requires consideration of four factors: (1) the “level of ordinary skill in the pertinent art,” (2) the “scope and content of the prior art,” (3) the “differences between the prior art and the claims at issue,” and (4) “secondary considerations” of non-obviousness such as “commercial success, long-felt but unsolved needs, failure of others, etc.” *Id.* at 17–18. “While the sequence of these questions might be reordered in any particular case,” *KSR Int’l Co. v. Teleflex Inc.*, 550 U.S. 398, 407 (2007), the Federal Circuit has “repeatedly emphasized that an obviousness inquiry requires examination of all four Graham factors and that an obviousness determination can be made only after consideration of each factor.” *Nike, Inc. v. Adidas AG*, 812 F.3d 1326, 1335 (Fed. Cir. 2016).

We note that, with respect to the fourth *Graham* factor, the current record in this proceeding does not include any argument or evidence directed

to objective indicia of nonobviousness. Therefore, the analysis below addresses the first three *Graham* factors.

III. LEVEL OF ORDINARY SKILL IN THE ART

In determining the level of skill in the art, we consider the type of problems encountered in the art, the prior art solutions to those problems, the rapidity with which innovations are made, the sophistication of the technology, and the educational level of active workers in the field. *Custom Accessories, Inc. v. Jeffrey-Allan Indus. Inc.*, 807 F.2d 955, 962 (Fed. Cir. 1986); *Orthopedic Equip. Co. v. U.S.*, 702 F.2d 1005, 1011 (Fed. Cir. 1983).

Petitioner contends that a person of ordinary skill in the art (“POSITA” or “POSA”) at the time of the invention of the ’244 patent “would have had at least a Bachelor’s degree in electrical engineering, computer science, or closely related field, with at least two-to-four years’ experience in cloud services for settings customization” and that “[a]dditional education (e.g., Master’s degree in electrical engineering, computer science, or equivalent) could substitute for professional experience and vice-versa.” Pet. 12 (citing Ex. 1005 ¶ 82).

Patent Owner does not address the level of ordinary skill in the art at this preliminary stage of the proceeding. *See* Prelim. Resp.

For purposes of this Decision, we adopt Petitioner’s proposal as it is reasonable and consistent with the prior art. *See Okajima v. Bourdeau*, 261 F.3d 1350, 1355 (Fed. Cir. 2001) (the prior art may reflect an appropriate level of skill in the art).

IV. CLAIM CONSTRUCTION

We apply the same claim construction standard “used in the federal courts, in other words, the claim construction standard that would be used to

construe the claim in a civil action under 35 U.S.C. [§] 282(b),” which is articulated in *Phillips v. AWH Corp.*, 415 F.3d 1303 (Fed. Cir. 2005) (en banc). 83 Fed. Reg. 51,340, 51,358 (Oct. 11, 2018) (amending 37 C.F.R. § 42.100(b) effective November 13, 2018) (now codified at 37 C.F.R. § 42.100(b) (2019)). Under the *Phillips* standard, the “words of a claim are generally given their ordinary and customary meaning,” which is “the meaning that the term would have to a person of ordinary skill in the art in question at the time of the invention, i.e., as of the effective filing date of the patent application.” *Phillips*, 415 F.3d at 1312–13.

According to Petitioner, “[n]o terms of the patent need construction for the purposes of IPR because the claims read on the prior art below under any construction consistent with *Phillips*.” Pet. 12.

Patent Owner contends that “the Petition abuses and distorts the plain language of the claims to arrive at its conclusory ‘read on the prior art’ argument.” Prelim. Resp. 32. Patent Owner contends that Petitioner disregards “server” limitations recited in the challenged claims. *Id.* at 32–35. Patent Owner, however, does not proffer construction of any claim terms. *Id.*

We do not need to construe any terms expressly to reach our decision. *See Realtime Data LLC v. Iancu*, 912 F.3d 1368, 1375 (Fed. Cir. 2019) (“The Board is required to construe ‘only those terms . . . that are in controversy, and only to the extent necessary to resolve the controversy.’” (quoting *Vivid Techs., Inc. v. Am. Sci. & Eng’g, Inc.*, 200 F.3d 795, 803 (Fed. Cir. 1999))).

V. ANALYSIS

A. Summary of References

1. Rector (Ex. 1006)

Rector is a U.S. patent application publication titled “Devices, Systems and Methods for Controlling Permitted Settings on a Vehicle.” Ex. 1006, code (54). Rector’s Figure 1 is a diagram “show[ing] a system for controlling a driver’s settings” and is reproduced below. *Id.* ¶ 12.

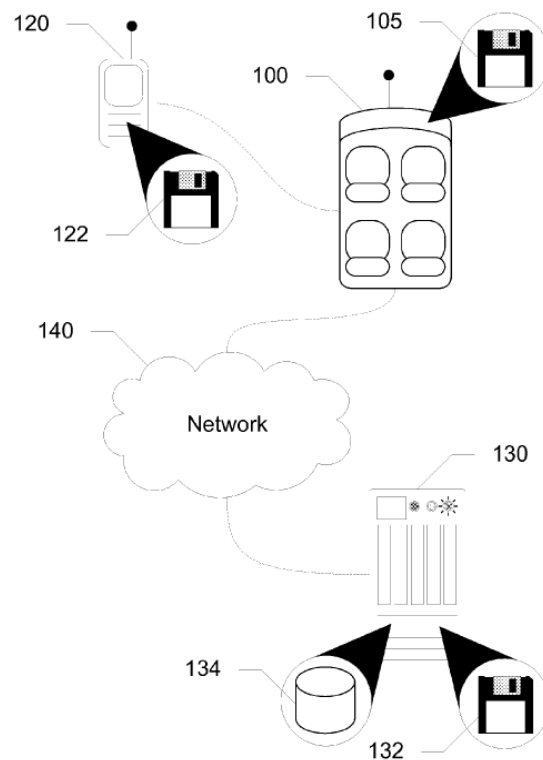


Figure 1

Figure 1 above shows a system including smart vehicle 100 with client logic 105, wireless communication device 120 with wireless logic 122, network 140, and settings server 130 with server logic 132 and data base 134. *Id.* ¶ 30. Smart vehicle 100 is in communication with wireless communication device 120, and with settings server 130 via network 140. *Id.* Smart vehicle 100 can transmit a request to wireless communication device 120, and then wireless logic 122 may respond with a unique identifier

of wireless communication device 120. *Id.* Client logic 105, on smart vehicle 100, may receive the unique identifier and determine the identity of the driver. *Id.* Client logic 105 then transmits the unique identifier through network 140 to settings server 130, which has settings for the driver that is associated with the unique identifier. *Id.* ¶ 31. “The settings, at least in part, are set by a controlling authority, such as a parent or superior of the driver.” *Id.* Server logic 132 is used to match the driver’s identity with corresponding settings from database 134. *Id.* “The settings may include driver created settings as well as controlling authority settings, such as parental controls, based upon the driver’s identity.” *Id.* For example, the controlling authority settings “may include a maximum speed of smart vehicle 100, radio controls, wireless communication device controls, passenger based controls, etc.” *Id.*

Rector’s Figure 3 is a flow chart “show[ing] a method of controlling a driver’s settings on a smart vehicle” and is reproduced below. *Id.* ¶ 14.

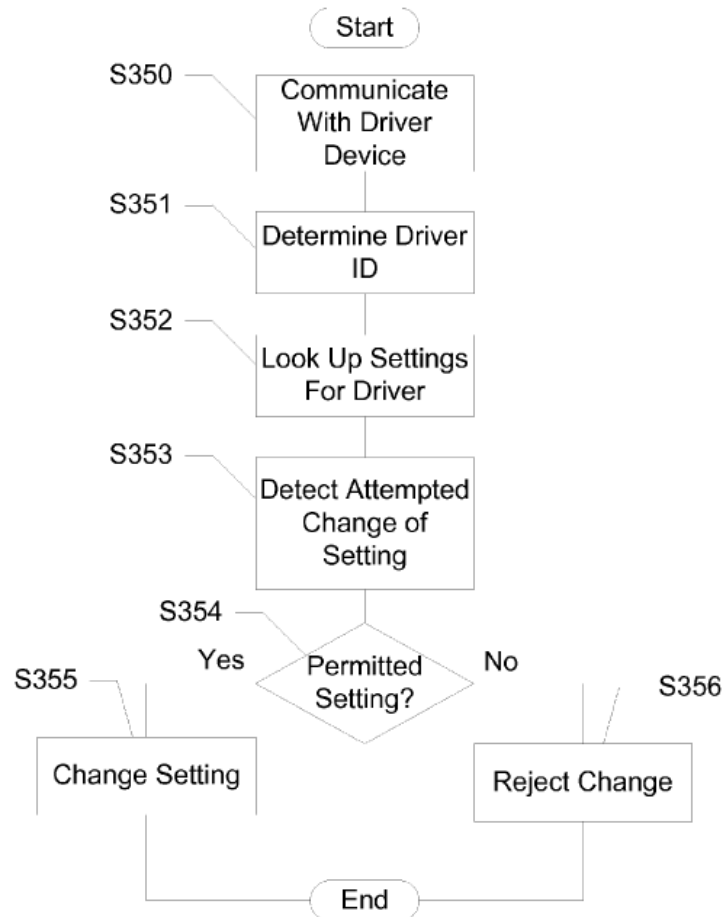


Figure 3

Figure 3 above shows a method that starts at step S350 in which the smart vehicle communicates with a driver's device such as a wireless communications device when the driver enters or starts the smart vehicle. *Id.* ¶ 43. The smart vehicle requests a unique identifier for the driver's wireless communication device to determine the identity of the driver at step S351. *Id.* “[T]he unique identifier may be compared with a set of unique identifiers on a server on a network.” *Id.* At step S352, with the identity of the driver determined, the smart vehicle looks up settings for the driver. *Id.*

2. *Kleve (Ex. 1007)*

Kleve is a U.S. patent application publication titled “Credential Check and Authorization Solution for Personal Vehicle Rental.” Ex. 1007,

code (54). Kleve “relate[s] to a method and system for authorizing a vehicle rental microbusiness.” *Id.* ¶ 2.

Kleve discloses that a Temporary User may use vehicle rental services after setting up their user identity through a website. Ex. 1007 ¶ 47.

Through the website, the Temporary User may agree to rental terms with a vehicle Owner. *Id.* Once this occurs, the Temporary User is provided with a virtual key that allows the Temporary User access to the Owner’s vehicle.

Id. ¶ 48. “The Temporary User may enter a virtual key outside or inside the vehicle, while credential authorization may be processed by the VCS [vehicle based computing system], a server and/or the vehicle Owner.” *Id.*

The virtual key can provide “additional security by requiring remote credential verification at the vehicle.” *Id.* ¶ 49. “The remote credential verification may be done by the VCS, using a server, or allowing the Owner to verify the Temporary User’s request.” *Id.* Additionally, Kleve discloses that “the Temporary User may have vehicle preset settings applied when renting a vehicle.” *Id.* ¶ 50.

Kleve’s Figure 6, reproduced below, “is a flow-chart illustrating an example method of the authorization process between a vehicle owner and temporary user.” *Id.* ¶ 16.

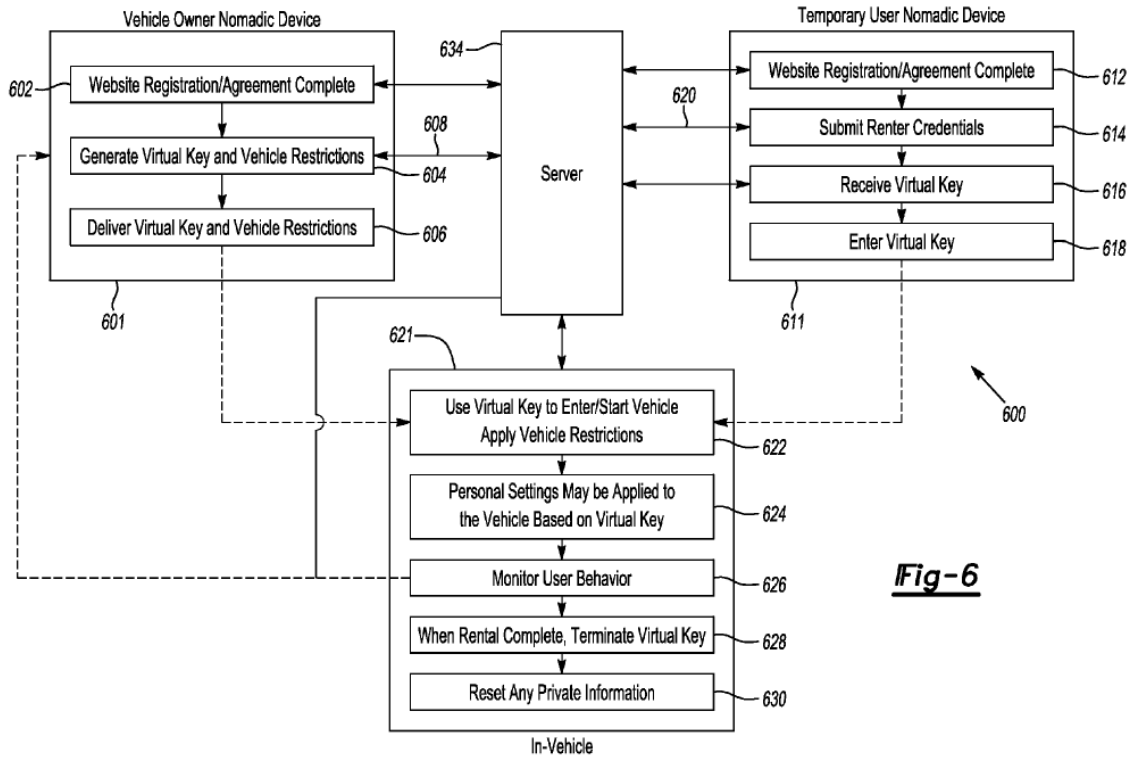


Fig-6

Figure 6 above shows communication between server 634, vehicle owner nomadic device 601, Temporary User nomadic device 611, and vehicle computing system 621. *Id.* ¶ 69. To receive a virtual key at step 616, a Temporary User’s credential is used which can include “fingerprint recognition, photos of credit cards, photo of forms of ID, facial recognition, Voice print recognition, phrase for speech recognition, temporary mobile web login IDs and password, or other type of unique Temporary User identification at step 614” via two-way communication 620 between Temporary User nomadic device 611 and server 634 as shown in Figure 6. *Id.*, Fig. 6. “At step 624, the Temporary User’s nomadic device may be paired with the VCS and may send personal settings to the vehicle including, but not limited to, radio station presets, navigation routes, and/or preferred climate control settings.” *Id.* ¶ 72. Klevé also discloses that “the Owner and Temporary User may set up a user profile using a website or a nomadic

device communicating with the site that is stored in a database” in order to carry out some of the above-described steps. *Id.* ¶ 37.

3. *Yassin (Ex. 1008)*

Yassin is a U.S. patent titled “Personalize Vehicle Settings Using RF Tags.” Ex. 1008, code (54). Yassin discloses “[a] method of and system for programming one or more personalized settings of a user for adjustable components of a vehicle, by using a communication device capable of communicating data to the vehicle.” *Id.*, code (57). Yassin’s Figure 4, reproduced below, “is a flowchart of the process of reading [a] RFID device and using its contents to retrieve driver vehicle preferences from a profile database over a communications network.” *Id.* at 4:22–25.

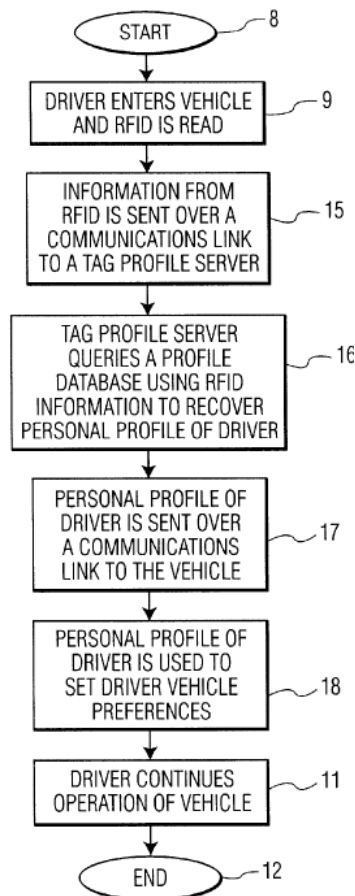


FIG. 4

Figure 4 above shows a process that starts at steps 8 and 9 in which the driver enters a vehicle and an RFID tag is read. *Id.* at 6:36–41. At the next step 15, information identifying the driver is read from the RFID tag to send over a communication link to a tag profile server. *Id.* at 6:42–51. Then at step 16, the tag profile server queries a profile database to recover a personal profile of the driver. *Id.* at 6:52–59. Finally, at steps 17 and 18, the personal profile is sent to the vehicle and is used to set driver vehicle preferences, respectively. *Id.* at 6:60–64.

4. *Patenaude (Ex. 1009)*

Patenaude is a U.S. patent application publication titled “Method of Determining and Predicting Entertainment Selections for Telematics Units.” Ex. 1009, code (54). Patenaude “relates to providing entertainment in a vehicle by determining an entertainment selection profile.” *Id.* ¶ 1. Patenaude’s method includes using telematics unit 120 to monitor entertainment selections in a mobile vehicle communication system (MVCS) 100. *Id.* ¶¶ 18, 42. For example, an “algorithm searches the acquired data to determine if the FM radio is tuned to the same received FM frequency signal within a specified time frame each weekday for the specific user.” *Id.* ¶ 70.

5. *Faenger (Ex. 1010)*

Faenger is a U.S. patent application publication titled “Personalized Entertainment System.” Ex. 1010, code (54). Faenger’s Figure 1 is a block diagram of a personalized entertainment system arrangement and is reproduced below. *Id.* ¶ 19.

FIG. 1

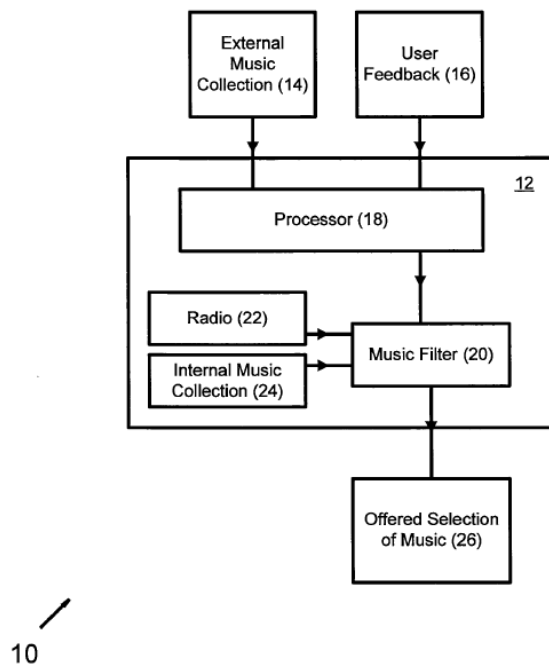


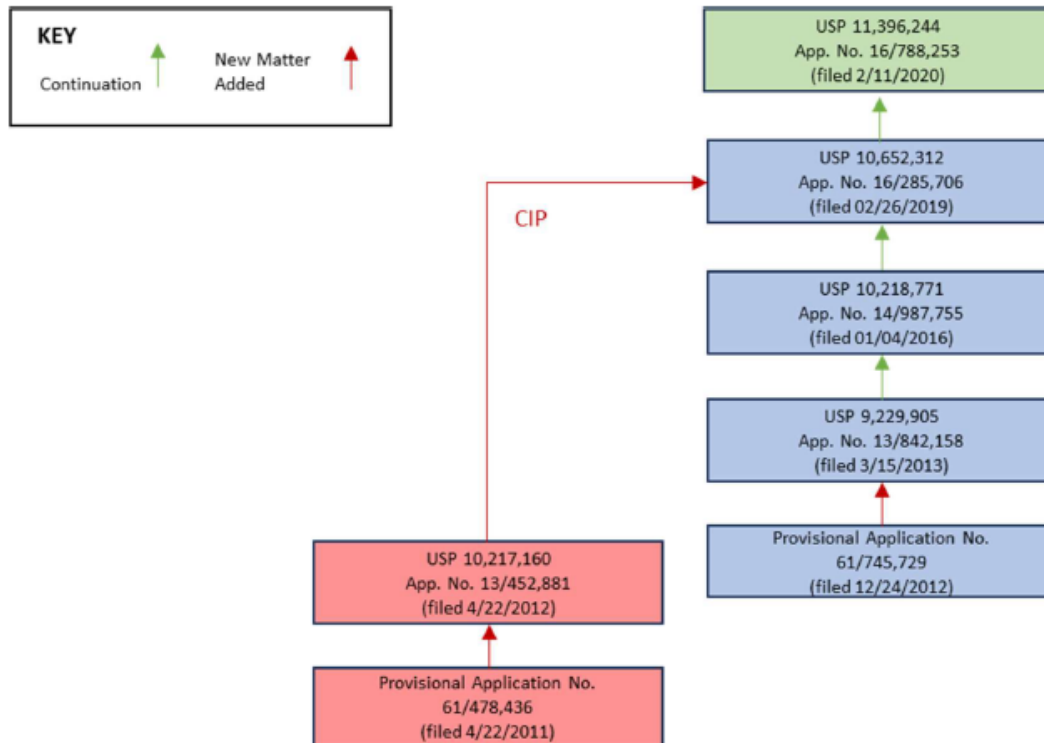
Figure 1 above shows arrangement 10 including entertainment system 12 coupled to a user's external music collection 14 in which system 12 may be "disposed within a vehicle." *Id.* ¶ 26. "System 12 may also actively or passively receive user feedback 16 regarding the user's musical likes and/or dislikes" as "information about the contents of collection 14 as well as user feedback 16 are received by an electronic processor 18 of system 12." *Id.* "Processor 18 may run one or more algorithms for creating a music filter 20 based on information gathered from collection 14 and/or from feedback 16" to offer a selection of music 26, which can also come from radio 22 or internal music collection 24. *Id.* ¶ 28.

B. Priority of the '244 Patent Claims

The '244 patent was filed on February 11, 2020 as a continuation of U.S. Patent Application No. 16/285,706 ("the '706 Application"). The

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'706 patent application was filed on February 26, 2019, and later issued as U.S. Patent No. 10,652,312 B2. *See* Ex. 1001, code (63). The '706 Application is a continuation of U.S. Patent Application No. 14/987,755 ("the '755 Application"), filed on January 4, 2016, and later issued as U.S. Patent No. 10,218,771 B2. *Id.* The '755 Application is a continuation of U.S. Patent Application No. 13/842,158 ("the '158 Application"), filed on March 15, 2013, and later issued as U.S. Patent No. 9,229,905 B2. *Id.* Additionally, the '244 patent claims priority as a continuation-in-part application of U.S. Patent Application No. 13/452,881 ("the '881 Application"), filed on April 22, 2012, later issued as U.S. Patent No. 10,217,160 B2. *Id.* The '244 patent further claims priority to U.S. Provisional Patent Application No. 61/478,436 ("the '436 Provisional") filed on April 22, 2011. *Id.* The '244 patent also claims priority to U.S. Provisional Patent Application No. 61/745,729 ("the '729 Provisional") filed on December 24, 2012. *Id.* For convenience, Petitioner's priority chart is provided below.



Pet. 10. Petitioner’s priority chart on page 10 of the Petition shows the priority applications listed on the face of the ’244 patent and marks, with a red arrow, applications that Petitioner alleges added new matter. *Id.*

Petitioner argues that the challenged claims are entitled only to the ’244 patent’s effective filing dates of March 15, 2013 or December 24, 2012. Pet. 10. Patent Owner contests the substance of Petitioner’s arguments (Prelim. Resp. 50 n.3), but at this stage, Patent Owner does not assert that any of Petitioner’s references (Rector, Kleve, Yassin, Patenaude, or Faenger) fail to qualify as prior art due to the ’244 patent’s priority claim.

At this stage, we do not need to resolve this dispute. Petitioner has met its initial burden of production to show that its references are prior art. *See* Pet. 3 (identifying filing and publication dates as well as bases). As such, the burden of production shifted to Patent Owner to refute Petitioner's argument by either showing the prior art does not actually qualify as prior

art. *See Dynamic Drinkware*, 800 F.3d at 1380. Because Patent Owner did not do so, we are satisfied that Petitioner has sufficiently shown that its asserted references qualify as prior art. Nevertheless, the parties are invited to further develop this record after institution if needed.

C. Patent Owner’s Contention that Kleve is not Available as Prior Art under 35 U.S.C. § 311(b)

Patent Owner contends that “Kleve is not ‘prior art consisting of patents or printed publications’ as required by § 311(b) because Kleve is a patent application (not a patent) and was published May 8, 2014. Prelim. Resp. 50. Patent Owner notes Petitioner asserts that the latest effective filing date of the ’244 patent is March 15, 2013. *Id.* Even presuming an effective filing date of March 15, 2013, Patent Owner contends that Kleve was not published as a printed publication until after that date. *Id.* Essentially, Patent Owner contests whether Kleve, as §102(e) prior art, may support an invalidity challenge in an *inter partes* review. Furthermore, Patent Owner “recognizes and notes that this issue is currently on appeal before the Federal Circuit in *Lynk Labs, Inc. v. Samsung Electronics Co.*, No. 2023-2346 (Fed. Cir.)” Prelim. Resp. 51 n. 4; Prelim. Sur-reply 5.

Petitioner asserts we should allow Kleve according to current Board practice. Prelim. Reply 5 (citing *Patent Quality Assurance, LLC v. VLSI Tech. LLC*, IPR2021-01229-129, at 27–29 (PTAB June 13, 2023)).

At this juncture, the Federal Circuit has not issued a decision in *Lynk Labs*. Moreover, the Board has instituted trials and determined claims to be unpatentable based on patent application publications under § 102(e). *See, e.g., Patent Qual. Assurance, LLC v. VLSI Tech. LLC*, IPR2021-01229, Paper 129 at 27–29 (PTAB June 13, 2023) (determining challenged claims unpatentable based, in part, on patent application publication available as

prior art under § 102(e)); *Idle Free Sys., Inc. v. Bergstrom, Inc.*, IPR2012-00027, Paper 14 at 27 (PTAB Jan. 31, 2013) (instituting trial on § 102(e) challenge based on a patent application publication). Although not precedential, these decisions are persuasive. Indeed, in our view, § 311’s reference generally to § 102 indicates that applicable “printed publications” include published applications under § 102(e)(1). Furthermore, Petitioner relies on Kleve being a printed publication having an effective date determined by its filing date under § 102(e)(1) rather than its publication date.

Nevertheless, the parties are invited to further develop the record on this issue as needed after institution by, for example, notifying the panel when the Federal Circuit issues a decision in *Lynk Labs*.

D. Claims 1, 9, 11–17, 19, and 20 as Allegedly Obvious over Rector and Kleve

Petitioner contends that the combination of Rector and Kleve renders obvious claims 1, 9, 11–17, 19, and 20. Pet. 12–47. Patent Owner disagrees. Prelim. Resp. 35–50.

1. Analysis of Claim 1

Petitioner contends that the combination of Rector and Kleve teaches or suggests every limitation of issued claim 1 and proposed corrected claim 1. Pet. 18–33.

a) receiving, by the server, a request from electronics of a vehicle to access a profile for a user account, the request identifies user information for a user to use the vehicle

Claim 1 recites a method executed by a server of a cloud services system that is configured to interface with vehicles. Ex. 1001, 33:9–11. This method includes the step of:

receiving, by the server, a request from electronics of a vehicle to access a profile for a user account, the request identifies user information for a user to use the vehicle[.]

Ex. 1001, 33:12–15.

For these limitations, Petitioner contends that Rector teaches a cloud system with a server that transmits driver settings, causing them to be implemented by a smart vehicle. Pet. 18–19 (citing Ex. 1006 ¶¶ 9, 11, 31, 38, 43, 57, claim 1). Petitioner further explains that Rector’s server (e.g., settings server 130) may receive a request from the electronics of a vehicle (e.g., smart vehicle 100) over network 140. Pet. 19–20 (citing Ex. 1006 ¶¶ 30–31). Petitioner asserts that the communication between Rector’s smart vehicle “may occur as the driver enters the smart vehicle, as the driver starts the smart vehicle, etc.” *Id.* at 20 (quoting Ex. 1006 ¶ 43). According to Petitioner, the smart vehicle’s client logic 105 may transmit a unique identifier to settings server 130 via network 140. *Id.* (citing Ex. 1006 ¶ 31). These unique identifiers, according to Petitioner, are associated with a driver (e.g., his/her device, smart card) detected by electronics (e.g., transceiver, smart card reader) of the smart vehicle, and then transmitted to a server in order to retrieve and implement driver settings on the vehicle. *Id.* at 20–21 (citing Ex. 1006 ¶¶ 31, 55, 57).

Patent Owner does not provide arguments specific to limitation [1a]. *See generally*, Prelim. Resp.; *see generally* Prelim. Sur-reply. Nonetheless, the burden remains on Petitioner to demonstrate unpatentability. *See Dynamic Drinkware*, 800 F.3d at 1378.

Based on the preliminary record, Petitioner has provided sufficient explanation and supporting evidence that Rector discloses these limitations for the purposes of institution. *See* Pet. 18–21.

b) processing, by the server, at least part of the user information to verify the user for accessing the profile associated with the user account, the profile having a plurality of settings of the user for the vehicle, at least part of the plurality of settings for the profile being stored on storage accessible to the cloud services system

Claim 1 further recites the step:

processing, by the server, at least part of the user information to verify the user for accessing the profile associated with the user account, the profile having a plurality of settings of the user for the vehicle, at least part of the plurality of settings for the profile being stored on storage accessible to the cloud services system[.]

Ex. 1001, 33:16–22.

(1) Petitioner’s Contentions

Referring to step S351 “Determine Driver ID” shown in Rector’s Figure 3, Petitioner contends that Rector’s smart vehicle determines the driver identity, which may be done by comparing the unique identifier “with a set of unique identifiers on a server.” Pet. 23 (quoting Ex. 1006 ¶ 43).

Petitioner acknowledges that the claim limitation may require verification by the server. *Id.* As such, Petitioner asserts that “it would have been obvious to [a POSITA to] modify Rector such that verification is performed by the server, as in Kleve.” *Id.* at 24 (citing Ex. 1007 ¶ 49; Ex. 1005 ¶¶ 120–125). Petitioner contends that

Kleve teaches processing, by the server, (e.g., server 401, 506, or 634) at least part of the user information (e.g., credentials) to verify the user (e.g., performing remote credential verification) for accessing the profile associated with the user account, the profile having a plurality of settings (e.g., personal settings/radio presets) of the user for the vehicle.

Id. Petitioner directs us to Kleve’s Figure 6 and steps 614/620 where renter credentials (e.g., login ID and password, fingerprint/facial recognition) are

submitted to server 634. *Id.* at 25 (citing Ex. 1007 ¶ 69, Fig. 6). Petitioner contends that Kleve teaches a process of remote credential verification whereby the Temporary User enters a credential verification password and the server compares and verifies authorization. *Id.* at 24–25 (citing Ex. 1007 ¶ 49). Petitioner further argues that “[i]t would have been obvious to modify Rector’s method of controlling driver settings to include server-side verification, as in Kleve, for additional security.” Pet. 25 (citing Ex. 1005 ¶ 122; Ex. 1006 ¶ 49). Petitioner adds that a POSITA

would have a reasonable expectation of success combining Rector and Kleve because both explain that the processing capabilities of servers can be used for various processes of connected systems; that is, implementing Kleve’s server verification would have been within the capability of Rector’s server.

Id. at 25–26 (citing Ex. 1005 ¶ 122).

Petitioner also contends that Rector discloses “at least part of the plurality of settings for the profile is stored on storage accessible to the cloud services system (e.g., database 134 on settings server 130).” Pet. 26 (citing Ex. 1006 ¶ 31). Petitioner contends that Rector discloses that settings may be stored on the smart vehicle’s memory, which the cloud services system can access. *Id.* (citing Ex. 1006 ¶ 38).

With regard to the limitations added in the COC, Petitioner contends that Rector teaches placing restrictions on settings for a driver that include blocking radio stations, preventing calls or text messages, and limiting services offered. *Id.* at 26–27 (citing Ex. 1006 ¶¶ 7, 43, 59, Fig. 11).

(2) *Patent Owner’s Contentions*

Patent Owner asserts that neither Rector nor Kleve, or Petitioner’s asserted combination, teaches or suggests “processing, by the server, at least

part of the user information to verify the user.” Prelim. Resp. 35–36 (citing Ex. 1007 ¶ 49). First, Patent Owner contends that

Rector never mentions or suggests a server performing any user verification operation, let alone the claimed server verification for accessing the user profile. EX1006. The Petition identifies Rector’s “comparing the unique identifier with a set of unique identifiers on a server on a network” (Pet. 23), but no alleged server in Rector performs this “comparing,” verifies a user, or otherwise processes user information to verify a user. EX2001, ¶¶ 59-60, 53-54. Instead, Rector discloses that a “smart vehicle,” not any alleged server, performs this “comparing” function. *Id.*; EX1006, ¶ [0043].

Prelim. Resp. 39; *see* Prelim. Sur-reply 1 (“Rector’s smart vehicle, not any server, performs the relied-upon operations.”). Patent Owner adds that “Rector only identif[ies] one component of the ‘settings control system’—the ‘smart vehicle’—‘to verify that the correct party is determined to be the driver.’” Prelim. Resp. 42 (citing Ex. 1006 ¶¶ 9, 30, 40, 43, 47, 48; Ex. 2001 ¶ 64). Second, Patent Owner contends that Kleve’s server allows vehicle access, but not access to any user profile. Prelim. Resp. 46 (“the Petition’s reliance on Kleve is misplaced, for its alleged server only verifies credentials for accessing a vehicle, not verifying the user for accessing a user profile having settings, as required by all challenged claims.”) (citing Ex. 1007 ¶¶ 48, 49; Ex. 2001 ¶¶ 67, 68); Prelim. Sur-reply 2–4. Third, Patent Owner contends that the “Petition has not shown that a POSITA would have been motivated to modify Rector’s more secure client-side verification with a less secure server-side verification.” Prelim. Resp. 43 (citing Ex. 1005 ¶ 122). Patent Owner contends that a local software system is commonly understood to be more secure than the server authentication. *Id.* (citing Ex. 2001 ¶¶ 65–66).

(3) Discussion

Based on the preliminary record, Petitioner has the better position for institution.

Turning to Rector, Figure 1 is reproduced below for convenience:

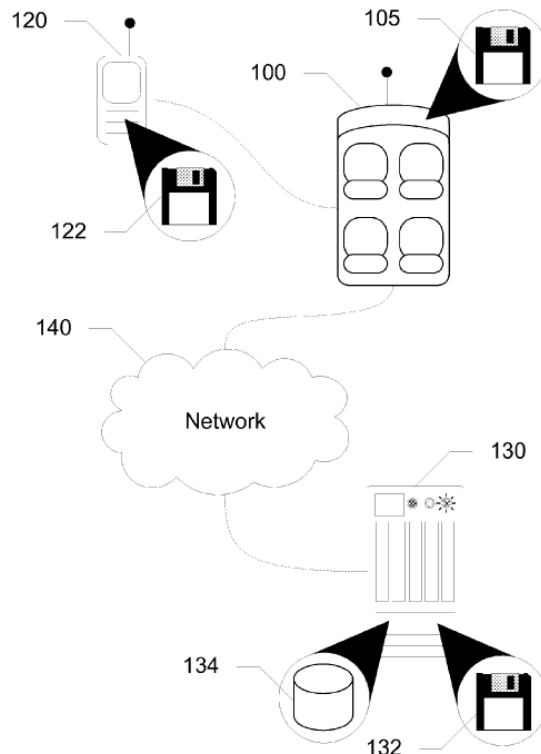


Figure 1

Figure 1 shows a system including smart vehicle 100 with client logic 105, wireless communication device 120 with wireless logic 122, network 140, and settings server 130 with server logic 132 and data base 134. Ex. 1006 ¶ 30. Smart vehicle 100 is in communication with wireless communication device 120, and with settings server 130 via network 140. *Id.* Rector teaches expressly that smart vehicle 100 can transmit a request to wireless communication device 120, and then wireless logic 122 can respond with a unique identifier of wireless communication device 120. *Id.* *Client logic 105, on smart vehicle 100, can receive the unique identifier and determine the identity of the driver. Id.* (emphases added). Client logic 105

then transmits the unique identifier through network 140 to settings server 130 which has settings for the driver that is associated with the unique identifier. *Id.* ¶ 31. Server logic 132 at settings server 130 matches the driver's identity with corresponding settings from database 134 on server 130. *Id.*

Based on at least this disclosure, we preliminarily agree with Petitioner that Rector teaches the smart vehicle may process user information (e.g., unique identifier) to identify the user for accessing the user's profile that contains user settings. *See* Ex. 1006 ¶¶ 30–31. Furthermore, Rector teaches that the unique identifier (e.g., user information) may be used by server 130 to access user settings stored on server 130. *Id.* ¶ 31. Rector's server then matches settings to a driver's identity. *Id.*

To Patent Owner's point, Rector teaches that the *smart vehicle* processes the unique identifier to identify the user before Rector's server 130 matches user settings to the driver's identity. *See* Prelim. Resp. 35; *see* Ex. 1006 ¶¶ 30–31. Nonetheless, Petitioner does not solely on Rector, but also directs us to Kleve's teaching that a verification step may take place on the server-side prior to accessing settings. Pet. 24.

In this way, we observe Kleve teaches that a Temporary User may use vehicle rental services after setting up their user identity through a website. Ex. 1007 ¶ 47. Through the website, the Temporary User may agree to rental terms with a vehicle Owner. *Id.* Once this occurs, the Temporary User is provided with a virtual key that allows the Temporary User access to the Owner's vehicle. *Id.* ¶ 48. "The Temporary User may enter a virtual key outside or inside the vehicle, while credential authorization may be processed by the VCS, a server and/or the vehicle Owner." *Id.*

We further observe that Kleve's Figure 6, reproduced below, provides a flow-chart illustrating the authorization process between a vehicle owner and temporary user. Ex. 1007 ¶ 16.

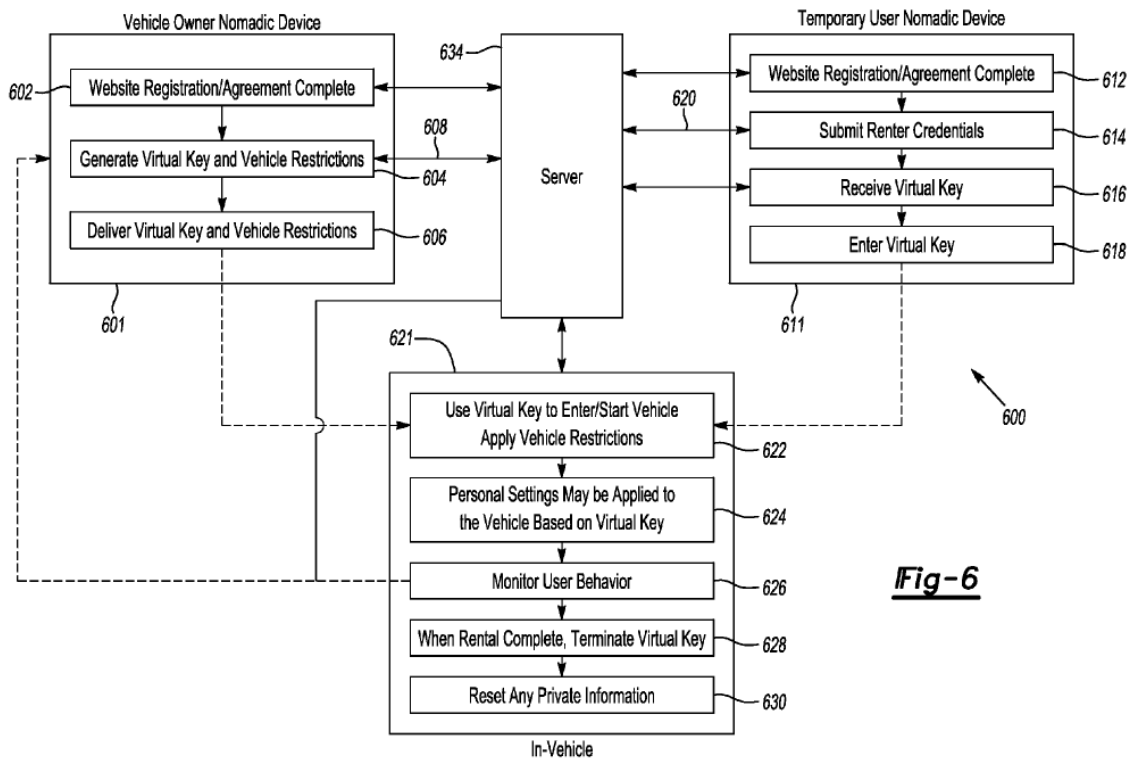


Fig-6

Figure 6 shows communication between server 634, vehicle Owner nomadic device 601, Temporary User nomadic device 611, and vehicle computing system 621. *Id.* ¶ 69. Referring to Figure 6, Kleve teaches that a Temporary User and vehicle Owner may set up user profiles and enter into an agreement for vehicle rental. *Id.* A virtual key may be generated and sent to the Temporary User for access to the rental vehicle. *Id.* Kleve further teaches explicitly that the server may authorize the Temporary User's access to the vehicle. *Id.* ¶ 70. In particular, Kleve teaches that

[a]t step 622, when the Temporary User arrives at the vehicle within the scheduled rental time, he or she may enter the virtual key using several methods. One method may include having the Temporary User scan their finger with the use of a fingerprint

scanner integrated with the VCS to validate authorization to access the vehicle. *The Temporary User's virtual key may be authorized several ways including, but not limited to, at the vehicle, communicated back to the vehicle rental authorization server using a telecommunications network, or by having the vehicle Owner verify access using their nomadic device.*

Id. (emphases added). Kleve further provides that

[t]he system may be further extended to facilitate the virtual key with *additional security* by requiring remote credential verification at the vehicle. . . . The remote credential verification may be done by the VCS, *using a server*, or allowing the Owner to verify the Temporary User's request. For example, but not limited to, the Temporary User entering a credential verification pass word at the vehicles touchscreen visual display while having the VCS, *server*, or owner compare and verify authorization.

Id. ¶ 49 (emphases added).

With these teachings in mind, the preliminary record better supports Petitioner's position that it would have been obvious to modify Rector's client-side (e.g., smart vehicle) user identification process with Kleve's server-side verification of user information to "facilitate...additional security by requiring remote credential verification." Pet. 22 ("[O]ne would have considered Kleve for improving security in Rector, and would have a reasonable expectation of success doing so."), 25; Ex. 1005 ¶¶ 114–126; *see* Ex. 1007 ¶ 49.

We note Patent Owner contends that Kleve only utilizes remote credential verification for vehicle access and that the profile in Kleve has no user settings. Prelim. Resp. 35–36. Petitioner asserts, however, that Rector discloses a user profile containing user settings. Pet. 26–27. Petitioner relies on Kleve for server-side verification that may be applied to Rector's client-side process that includes a server for matching a driver with user settings.

Patent Owner further contends that server-side verification over client-side verification would be disfavored by a POSITA. Prelim. Resp. 43 (citing Ex. 2001 ¶¶ 65–66). Patent Owner relies on the testimony of Dr. Malek who testifies “[i]t is common knowledge in computer science that distributed software systems are less secure than local software systems” and “[a] system in which authentication (verification) is performed locally on the client is typically more secure than a system in which the authentication is performed remotely on the server.” Ex. 2001 ¶ 65.

With regard to this testimony, we note that Dr. Malek does not provide an underlying basis for these statements to support his conclusion that it is “common knowledge” that distributed software systems are less secure than local software systems. *Id.* In fact, when viewed with Kleve, Dr. Malek’s testimony appears to contradict Kleve’s express teaching that the “system may be further extended to *facilitate the virtual key with additional security by requiring remote credential verification at the vehicle . . . by the VCS, using a server, or allowing the Owner to verify the Temporary User’s request.*” Ex. 1007 ¶ 49 (emphases added). Kleve teaches expressly that using a server provides additional security.

Additionally, Dr. Malek states that

[a] POSITA would understand that in Kleve credential authorization can be performed by: (1) VCS, (2) server, or (3) owner. *Id.* While Kleve discloses the verification can be performed by any of these entities, it states the client-side verification at the vehicle using VCS provides additional security. A POSITA would have not been motivated to modify Rector’s method of controlling driver settings to include server-side verification. Rector already uses the more secure client-side verification.

Ex. 2001 ¶ 66. Again, Dr. Malek’s testimony is inconsistent with Kleve’s express teaching. Kleve states that using a server also provides additional security without assigning a preference for any method (e.g., VCS) being more secure than others.

On the other hand, Dr. Almeroth testifies that “[t]he server-side verification may be done above and beyond any verification that takes place locally. The server-side verification could also be done as a check on local verification.” Ex. 1005 ¶ 122. At this stage, Dr. Almeroth’s testimony is better supported by and consistent with Kleve’s teaching that additional security may be provided by using a server. Ex. 1007 ¶ 49.

Based on the preliminary record, Petitioner has provided sufficient explanation and supporting evidence that the combination of Rector and Kleve discloses these limitations for the purposes of institution. Nevertheless, the parties may further develop the record on this issue after institution.

c) transferring, by the server, upon verifying the user information, one or more settings of the plurality of settings to the vehicle, the transferring is configured to instruct software and/or hardware associated with said electronics of the vehicle to apply said one or more settings to the vehicle for customizing said vehicle to use said one or more settings associated with the profile

Claim 1 further recites the step:

transferring, by the server, upon verifying the user information, one or more settings of the plurality of settings to the vehicle, the transferring is configured to instruct software and/or hardware associated with said electronics of the vehicle to apply said one or more settings to the vehicle for customizing said vehicle to use said one or more settings associated with the profile[.]

Ex. 1001, 33:23–29.

For these limitations, Petitioner explains that Rector’s server “transmit[s] the permitted settings to the client logic [on the smart vehicle], wherein the client logic limits functions of the smart vehicle based upon the permitted settings.” Pet. 27–28 (quoting Ex. 1006 ¶ 9). Petitioner further asserts that Rector only transmits the settings after the verification of the driver identity. Pet. 28 (citing Ex. 1006 ¶ 10, 43, 57).

Petitioner adds that to the extent Patent Owner may argue that Rector does not disclose the server verification of the user information, that it would be obvious to modify Rector in view of Kleve to meet this limitation. Referring to Kleve’s Figure 3B and Figure 6, Petitioner argues that Kleve teaches personal settings are applied after a user is verified in, for example, Step 624 “Personal Settings May be Applied to the Vehicle Based on Virtual Key”; or in Step 324 “Apply Enhancements” (e.g., personalization of settings) that takes place after remote credential verification in Step 304. Pet. 29 (citing Ex. 1007 ¶¶ 49–50, Figs. 3B, 6). Petitioner asserts that “[i]t would have been obvious to modify Rector’s method of controlling driver settings to transmit settings upon verifying user information by the server, as in Kleve, as it would be a natural consequence of adding security by including the server-side verification of Kleve.” *Id.* at 30 (citing Ex. 1005 ¶ 131).

Furthermore, Petitioner argues that Rector uses client logic to implement settings instructions via software, hardware, or both. Pet. 31 (citing Ex. 1006 ¶ 25). Petitioner asserts “Rector discloses numerous examples of the ways software or hardware of the smart vehicle is instructed to apply the settings for customizing a vehicle.” *Id.* (citing Ex. 1006 ¶¶ 31–34, 38, 43, 57, 59).

Separately, Petitioner addresses the language proposed in the COC, “storage of.” Pet. 30.

Patent Owner does not provide arguments specific to these limitations. *See generally*, Prelim. Resp.; *see generally* Prelim. Sur-reply. Nonetheless, the burden remains on Petitioner to demonstrate unpatentability. *See Dynamic Drinkware*, 800 F.3d at 1378.

Based on the preliminary record, Petitioner has provided sufficient explanation and supporting evidence that the combination of Rector and Kleve discloses these limitations for the purposes of institution. *See* Pet. 27–32.

d) wherein the vehicle uses wireless communication for exchanging data with the cloud services system and for receiving said one or more settings for the profile.

Claim 1 also recites the step:

wherein the vehicle uses wireless communication for exchanging data with the cloud services system and for receiving said one or more settings for the profile.

Ex. 1001, 33:30–32.

For this limitation, Petitioner asserts that in Rector “[s]mart vehicle 100 is in communication with wireless communication device 120 and with settings server 130 over network 140.” Pet. 32 (quoting Ex. 1006 ¶ 30). Petitioner contends that such communication is for, in part, transmitting the settings to the vehicle. *Id.* (citing Ex. 1006 ¶ 9).

Patent Owner does not provide arguments specific to limitation [1e]. *See generally*, Prelim. Resp.; *see generally*, Prelim. Sur-reply. Nonetheless, the burden remains on Petitioner to demonstrate unpatentability. *See Dynamic Drinkware*, 800 F.3d at 1378.

Based on the preliminary record, Petitioner has provided sufficient explanation and supporting evidence that Rector discloses these limitations for the purposes of institution. *See* Pet. 32–33.

e) Conclusion

After review of the arguments and evidence, we determine that Petitioner has established a reasonable likelihood that it would prevail in showing that independent claim 1 is rendered obvious by Rector in combination with Kleve.

2. Analysis of Claim 17

Petitioner contends that the combination of Rector and Kleve teaches or suggests every limitation of claim 17. Pet. 41–46. Petitioner largely relies on arguments discussed with regard to claim 1. *See* Pet. 42–46.

Patent Owner relies on the same arguments presented for claim 1. *See* Prelim. Resp. 35–50.

For the reasons discussed above, Petitioner’s arguments are better supported at this juncture. After review of the arguments and evidence currently of record, we determine that Petitioner has established a reasonable likelihood that it would prevail in showing that Rector in combination with Kleve renders independent claim 17 obvious. *See* Pet. 42–45.

3. Analysis of Claims 9 and 11–16

Claims 9 and 11–16 depend from claim 1. Ex. 1001, 34:10–13, 34:16–65. Petitioner asserts that Rector in combination with Kleve teaches or suggests all the limitations recited in dependent claims 9 and 11–16. Pet. 33–41.

Patent Owner does not specifically address the challenged dependent claims. *See generally*, Prelim Resp.; *see generally*, Prelim. Sur-reply.

Nonetheless, the burden remains on Petitioner to demonstrate unpatentability. *See Dynamic Drinkware*, 800 F.3d at 1378.

For the reasons discussed above, Petitioner's arguments are better supported at this juncture. Furthermore, in the Petition, Petitioner has provided arguments and supporting evidence sufficient to establish a reasonable likelihood that Petitioner would prevail in showing that Rector in combination with Kleve renders claims 9 and 11–16 obvious. *See* Pet. 33–41. After institution, the parties may further develop the record on these issues.

4. *Analysis of Claims 19 and 20*

Claims 19 and 20 depend from claim 17. Ex. 1001, 35:27–36:29. Petitioner asserts that dependent claims 19 and 20 of the '244 patent are rendered obvious by Rector in combination with Kleve. Pet. 46–47.

Patent Owner does not specifically address the challenged dependent claims. *See generally*, Prelim Resp.; *see generally*, Prelim. Sur-reply. Nonetheless, the burden remains on Petitioner to demonstrate unpatentability. *See Dynamic Drinkware*, 800 F.3d at 1378.

For the reasons discussed above, Petitioner's arguments are better supported at this juncture. Furthermore, in the Petition, Petitioner has provided arguments and supporting evidence sufficient to establish a reasonable likelihood that Petitioner would prevail in showing that Rector in combination with Kleve renders claims 19 and 20 obvious. *See* Pet. 46–47. After institution, the parties may further develop the record on these issues.

E. *Claims 2, 4, 10, and 18 as Allegedly Obvious over Rector, Kleve, and Yassin*

Petitioner contends that the combination of Rector, Kleve, and Yassin renders obvious claims 2, 4, 10, and 18. Pet. 50–58.

Patent Owner does not specifically address the challenged dependent claims apart from the arguments presented for the independent claims discussed above. *See generally*, Prelim Resp.; *see generally*, Prelim. Sur-reply. Nonetheless, the burden remains on Petitioner to demonstrate unpatentability. *See Dynamic Drinkware*, 800 F.3d at 1378.

Based on the preliminary record, we determine that Petitioner has established a reasonable likelihood that it would prevail in showing that claims 2, 4, 10, and 18 are rendered obvious by Rector in combination with Kleve and Yassin. *See* Pet. 50–58.

The parties are encouraged to develop the record on these issues after institution.

F. Claims 5–7 as Allegedly Obvious over Rector, Kleve, Yassin, and Patenaude

Petitioner contends that the combination of Rector, Kleve, Yassin, and Patenaude renders obvious claims 5–7. Pet. 58–68.

Patent Owner does not specifically address the challenged dependent claims apart from the arguments presented for the independent claims discussed above. *See generally*, Prelim Resp.; *see generally*, Prelim. Sur-reply. Nonetheless, the burden remains on Petitioner to demonstrate unpatentability. *See Dynamic Drinkware*, 800 F.3d at 1378.

Based on the preliminary record, we determine that Petitioner has established a reasonable likelihood that it would prevail in showing that claims 5–7 are rendered obvious by Rector in combination with Kleve, Yassin, and Patenaude. *See* Pet. 50–58.

The parties are encouraged to develop the record on these issues after institution.

G. Claims 8 and 21 as Allegedly Obvious over Rector, Kleve, and Faenger

Petitioner contends that the combination of Rector, Kleve, and Faenger renders obvious claims 8 and 21. Pet. 68–78. At this time, claim 21 is not part of the issued claims for the '244 patent and is subject to the pending COC. Ex. 3001. We address claim 8, but note that both Petitioner and Patent Owner discuss claim 21 in their papers. See Pet. 75–78; Prelim. Resp. 1–5.

Patent Owner does not specifically address the challenged dependent claim 8 apart from the arguments presented for the independent claims discussed above. See generally, Prelim Resp.; see generally, Prelim. Sur-reply. Nonetheless, the burden remains on Petitioner to demonstrate unpatentability. See *Dynamic Drinkware*, 800 F.3d at 1378.

Based on the preliminary record, we determine that Petitioner has established a reasonable likelihood that it would prevail in showing that claim 8 is rendered obvious by Rector in combination with Kleve, and Faenger. Pet. 68–78.

The parties are encouraged to develop the record on these issues after institution.

H. Claim 22 as Allegedly Obvious over Rector, Kleve, Faenger, and Yassin

Petitioner contends that the combination of Rector, Kleve, Faenger, and Yassin renders obvious claim 22. Pet. 78–79. At this time, claim 22 is not part of the issued claims for the '244 patent and is subject to a pending Certificate of Correction. Ex. 3001. It is noted, however, that Petitioner discusses claim 22 in the Petition. See Pet. 78–79.

VI. 35 U.S.C. § 314(A) DISCRETION

In exercising the Director’s discretion under § 314(a), the Board may consider “events in other proceedings related to the same patent, either at the Office, in district court, or the ITC.” TPG at 58. *NHK Spring* explains that the Board may consider the advanced state of a related district court proceeding, among other considerations, as a “factor that weighs in favor of denying the Petition under § 314(a).” *NHK Spring Co. v. Intri-Plex Techs., Inc.*, IPR2018-00752, Paper 8 at 20 (PTAB Sept. 12, 2018) (precedential). Additionally, the Board’s precedential order in *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 at 5–66 (PTAB Mar. 20, 2020) (precedential) (“the Fintiv Order”) identifies several factors for analyzing issues related to the Director’s discretion to deny institution in view of related litigation, with the goal of balancing efficiency, fairness, and patent quality.

When considering related litigation, the Board evaluates the following factors (“*Fintiv* factors”):

1. whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted;
2. 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 in 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.

Fintiv Order at 5–6. In considering these factors, we apply the guidance set forth in a Memorandum regarding the “Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation” issued by the Director of the United States Patent and Trademark Office (hereinafter, “Guidance Memo”).¹⁰

After the Petition was filed, the ’244 patent was removed from the related litigation between the parties. Prelim. Reply 1; Ex. 1029. As such, there is no longer a related proceeding in the federal district court that involves the ’244 patent. Therefore, the *Fintiv* factors, to the extent applicable, do not weigh in favor of discretionary denial. For example, there is no trial date (factor 2), there is no related district court proceeding in which a stay may be filed (factor 1); and there is no overlap in issues or investment in a parallel proceeding because there is no parallel proceeding (factors 3 and 4). Accordingly, we decline to exercise discretion to deny the Petition under 35 U.S.C. § 314.

VII. CONCLUSION

After considering the Petition, Preliminary Response, Preliminary Reply, Preliminary Sur-reply, and accompanying exhibits and testimony, we determine that there is a reasonable likelihood that Petitioner would prevail in challenging at least one of claims 1, 2 and 4–20 of the ’244 patent as unpatentable under the challenges presented in the Petition.

Accordingly, we institute an *inter partes* review of claims 1, 2 and 4–20 on all challenges presented in the Petition with respect to these claims. See 37 C.F.R. § 42.108(a); Consolidated Trial Practice Guide 64.

¹⁰ Available at https://www.uspto.gov/sites/default/files/documents/interim_proc_discretionary_denials_aia_parallel_district_court_litigation_memo_20220621_.pdf.

At this preliminary stage, the Board has not made a final determination with respect to the patentability of the challenged claims or any underlying factual or legal issue. The Board's final determination will be based on the record as developed during the *inter partes* review.

VIII. ORDER

In consideration of the foregoing, it is hereby:

ORDERED that, pursuant to 35 U.S.C. §314(a), an *inter partes* review of claims 1, 2 and 4–20 of the '244 patent is instituted with respect to all challenges set forth in the Petition; and

FURTHER ORDERED that, pursuant to 35 U.S.C. §314(c) and 37 C.F.R. § 42.4(b), *inter partes* review of the '244 patent shall commence on the entry date of this Order, and notice is hereby given of the institution of a trial.

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