

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

TESLA, INC.,
Petitioner

v.

iQAR INC.,
Patent Owner

Case IPR2024-00543
U.S. Patent No. 10,882,399

PETITIONER'S REQUEST FOR REHEARING

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I. INTRODUCTION AND STATEMENT OF RELIEF REQUESTED

Petitioner Tesla Inc. (“Tesla”) requests rehearing under 37 CFR § 42.71(d) with respect to findings in the majority opinion of the Final Written Decision (“FWD”) issued in IPR2024-00543. As discussed below, the majority opinion’s conclusion that “Petitioner has not shown, by a preponderance of the evidence, that claims 8 and 18 would have been obvious in view of Hongo, Obradovich, Niki, and Newstrom” is based on misapprehensions of Tesla’s positions that then resulted in the FWD overlooking key aspects of the IPR record.

More specifically, the FWD’s conclusions for claims 8 and 18 rest on a two-part misapprehension that hinges on the word “solely.” First, the Panel misapprehended the Tesla’s positions by narrowing them to a single paragraph of the prior art disclosure. Second, the Panel compounded this misapprehension by interpreting a statement from counsel during the oral hearing as confirmation of this narrow view, when it was not. This two-step misapprehension is evident in both the question posed to counsel and the FWD’s subsequent characterization of the answer:

- **Hearing Question:** “[Y]ou rely, I think, solely on the disclosure of a wireless connection to the server at column 8, lines 28 to 29...of the Newstrom reference. Is that correct?” (Pap. 22, 19:16-18) (emphasis added)
- **FWD:** “During the hearing, counsel for Petitioner confirmed that it

relied **solely** on Newstrom’s disclosure of the database using a ‘wireless connection’...” (FWD, 42) (emphasis added)

In answering the question during the oral hearing, counsel stated that Petitioner relied on “disclosure [] cited in column 8...,” confirming that the specific text in Newstrom referenced in the question (column 8, lines 28 to 29) was one of the disclosures being relied upon by Petitioner. Pap. 22, 19:19-20. The statement was not, however, suggesting that Petitioner’s unpatentability positions are “solely” based on this portion. This is clear from additional statements noting that “the Petition cites **not only** to the [initialization] [*sic*] **but also** to the subsequent communications that may occur with the database as the vehicle is being driven.” *Id.*, 19:19-22 (emphasis added). This crucial clarification, referencing the arguments and evidence for ongoing communication, was never addressed in the FWD.

The FWD’s misapprehensions are important because the part of the record not specifically addressed in the FWD (i.e., Page 29 of the Reply, Paragraph 99 of TESLA-1053 (“Supplemental Declaration”),¹ and column 8, lines 15 to 25 of

¹ Paragraph 99 of the Supplemental Declaration is not cited in either of the majority opinion or the dissenting opinion of the FWD. iQar also did not to depose Dr. Morellas with respect this testimony.

TESLA-1012 (“Newstrom”) (collectively “Overlooked Record”) specifically addresses the divergence in factual findings between the majority and dissenting opinions within the FWD.² That is, as explained in the Reply (and further elaborated in expert testimony), the Overlooked Record addresses Newstrom’s disclosure as it pertains to the *remote database* element recited in claims 8 and 18.

More specifically, as explained in the Reply, a remote database configuration in Newstrom “would have naturally flowed from Newstrom’s disclosure given ‘the system’s ability to dynamically load and unload portions of the geospatial database 20 implies that it could interact with an external server to fetch new tiles or updated geospatial data as needed’.” Reply, 29 (citing TESLA-1053, ¶¶99). The Reply also observed that such a configuration “improve[s] accuracy of the information specified in the geospatial database 20, addressing the challenge that ‘information previously retrieved from geospatial database 20 is no longer valid[]’ during vehicle operation.” *Id.*, (citing TESLA-1012, 8:15-25).

² Indeed, this factual finding is the very divergence between the majority and dissenting opinion in the FWD. *See* FWD, at 45 (“I agree with Petitioner’s expert that those disclosures [from Newstrom] **teach a database remote from the vehicle.**”) (emphasis added) (citing TESLA-1003, ¶197).

II. LEGAL STANDARD

A request for rehearing “must specifically identify all matters the party believes the Board misapprehended or overlooked, and the place where each matter was previously addressed in a motion, an opposition, or a reply.” 37 CFR § 42.71(d). “When rehearing a decision on petition, a panel will review the decision for an abuse of discretion.” 37 CFR § 42.71(c). “An abuse of discretion is found if the decision: (1) is clearly unreasonable, arbitrary, or fanciful; (2) is based on an erroneous conclusion of law; (3) rests on clearly erroneous fact finding; or (4) involves a record that contains no evidence on which the Board could rationally base its decision.” *Intelligent Bio-Systems, Inc. v. Illumina Cambridge Ltd.*, 821 F.3d 1359, 1367 (Fed. Cir. 2016); *Koninklijke Philips Electronics N.V. v. Cardiac Science Operating Co.*, 590 F.3d 1326, 1334 (Fed. Cir. 2010).

III. BASIS FOR RELIEF REQUESTED

As explained below, the FWD misapprehended statements from Tesla’s counsel during the oral hearing in this proceeding. Based on this misapprehension, the FWD did not consider the Overlooked Record in reaching its findings with respect to the unpatentability of claims 8 and 18 of the ’399 patent. Tesla respectfully requests the Panel to consider the full record, including the Overlooked Record based on the information specified within this request.

A. The FWD Misapprehended (1) Tesla’s Unpatentability Positions And (2) Statements From Counsel During The Oral Hearing

As explained above, the majority opinion’s findings for claims 8 and 18 is premised on (a) a misapprehension of Petitioner’s unpatentability positions, and (b) a further misapprehension of a statement made by counsel during the oral hearing as confirming the misapprehension of Petitioner’s unpatentability positions.

The first misapprehension was reflected in a question provided to counsel during the oral hearing suggesting that Tesla’s invalidity positions for claims 8 and 18 are “solely” limited to Newstrom’s disclosure in column 8, lines 28 to 29. *See* Pap. 22, 19:14-18 (“...you rely, I think, solely on the disclosure of a wireless connection to the server at column 8, lines 28 to 29, I believe, of the Newstrom reference. Is that correct?”). This reflects a misapprehension because Tesla’s papers apply not only the disclosure referenced in column 8, lines 28 to 29 of Newstrom, but also (1) expert testimony (TESLA-1003; TESLA-1053) and (2) other disclosures from Newstrom (TESLA-1012). *See* Pet., 83 (citing TESLA-1003, ¶197 and TESLA-1012, 8:26-38); *see also* Reply, 29 (citing TESLA-1053, ¶99 and TESLA-1012, 8:15-25).

The second misapprehension is of the statement provided by counsel of Tesla’s unpatentability positions regarding claims 8 and 18 being “solely” limited to column 8, lines 28 to 29 of Newstrom. Upon confirming that Tesla’s

unpatentability positions rely on the “disclosure cited in column 8,” counsel further stated that “the Petition cites **not only** to the [initialization] [*sic*] but also to the **subsequent communications that may occur with the database as the vehicle is being driven.**” *Id.*, 19:19-22 (emphasis added); *see* Pet., 83 (citing TESLA-1012, 8:26-38, and TESLA-1003, ¶197). Reference to “subsequent communications” within the statement was to arguments and record evidence in page 29 of the Reply addressing claims 8 and 18. *See* Rep., 29 (citing TESLA-1053, ¶99, and TESLA-1012, 8:15-25).

Tesla’s papers within this proceeding consistently demonstrate that its unpatentability position for claims 8 and 18 apply not only to the express teachings of Newstrom, but also rely on expert testimony explaining what these express teachings would have suggested to a person of ordinary skill in the art (“POSITA”). *See* Pet., 83 (citing TESLA-1003, ¶197); *see also* Reply, 29 (citing TESLA-1053, ¶99). Again, Tesla’s unpatentability positions for claims 8 and 18 are not “solely” based on the express teachings of Newstrom.

For example, the Petition noted that Newstrom’s disclosure suggested that the database “may be hosted on a server that is remote” and then supported this statement with expert testimony. *See* Pet., 83 (citing TESLA-1003, ¶197). The Reply further elaborated on this, explaining that a remote database configuration would have “naturally flowed from Newstrom’s disclosure” and provided an

option to the problem of outdated data that Newstrom identified within column 8, lines 15 to 25. Reply, 29 (citing TESLA-1053, ¶99, and TESLA-1012, 8:15-25). Counsel's reference to "subsequent communications" during the oral hearing was a specific reference to the fully-developed record post institution. For example, as discussed below, Tesla's Reply addresses arguments and evidence that a POSITA would have understood Newstrom's disclosure of challenges associated with using outdated data within column 8, lines 15 to 25 as suggesting a configuration that involves communications with a remote server. *Id.*

B. Record Evidence Overlooked By The FWD Is Unrebutted And Addresses Divergence Between The Majority And Dissenting Opinion

The Overlooked Record is significant because its analysis stands largely unrebutted. Patent Owner iQar, Inc. ("iQar") never cross-examined Dr. Morellas on his testimony in paragraph 99 of his supplemental declaration. Nor does iQar's papers directly address this testimony or the cited portion from Newstrom. iQar's Sur-Reply does not cite to any of (1) page 29 of the Reply, (2) paragraph 99 of the Supplemental Declaration, or (3) column 8, lines 15 to 25 of Newstrom. Analysis regarding the Overlooked Record is therefore absent within the FWD as well as iQar's papers.

The Overlooked Record also helps resolve divergence between the majority and dissenting opinions as to a statement in the Petition that "[Newstrom's

geospatial database 20 may be hosted on a server that is remote from a vehicle, and implemented as *a remote database*” (“Petition Statement”). Pet., 83. As to the majority opinion, the Overlooked Record helps resolve and directly contradicts criticism of the Petition Statement that “Petitioner does not identify disclosure in Newstrom stating or suggesting that the server is not located on the vehicle.” FWD, 40. But on page 29 of the Reply, Tesla identified expert testimony explaining that (1) column 8, lines 15-25 of Newstrom identifies a challenge associated with retrieval of valid information, and (2) a remote-server configuration “improve[s] accuracy of the information specified in the geospatial database 20,” thereby addressing this challenge. Reply, 29 (citing TESLA-1053, ¶99). This part of the record was ignored.

The Overlooked Record also confirms the rationale in the dissenting opinion for diverging from the majority opinion. See FWD, 45-46. The dissenting opinion stated that the Petition Statement “relates to Newstrom’s disclosure of multiple possible configurations and does not undermine Petitioner’s reliance on the remote-server configuration.” FWD, 46 (emphasis added). This statement is consistent with testimony from Dr. Morellas in paragraph 99 of his supplemental declaration noting that “[Newstrom’s] system architecture does not preclude communication with an external server for additional data or updates.” TESLA-1053, ¶99 (emphasis added).

Finally, the Overlooked Record also provides evidentiary support for findings in the dissenting opinion with respect to Newstrom's disclosure. The dissenting opinion found that "Newstrom discloses a remote database as one option." FWD, 45-46 (citing TESLA-1012, 8:27-29). The cited portion of Newstrom describes that "[w]hen database manager 22 is first initialized, it loads database 20 (from **a CD, DVD, hard disk, wireless connection to server, etc.**) into solid state memory." TESLA-1012, 8:27-29 (emphasis added). Thus, according to the dissent and the record, Newstrom's identification of a "wireless connection server" is "one option" amongst "multiple possible configurations" (e.g., CD, DVD, hard disk). FWD, 46.

The Overlooked Record supports the dissenting opinion's finding that "Newstrom discloses a remote database as one option" because it includes expert testimony reflecting a POSITA's understanding that Newstrom contemplates its system as having the "ability to dynamically load and unload portions of the geospatial database 20," which "implies that it could interact with an external server to fetch new tiles or updated geospatial data as needed." TESLA-1053, ¶99. Thus, while the dissenting opinion found "that Newstrom satisfies claim 8 and 18's requirement for 'communicating with a remote database'," based on column 8:27-29 of Newstrom and paragraph 197 of Dr. Morellas' original declaration (TESLA-1003), reconsideration of the Overlooked Record provides unrebutted expert

testimony that resolves the central factual disagreement between the majority and dissent in favor of unpatentability.

IV. CONCLUSION

For the foregoing reasons, Tesla requests that the Board reconsider its FWD based upon the full record, and respectfully submits that the Board should find claims 8 and 18 unpatentable based on this reconsideration.

Respectfully submitted,

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CERTIFICATE OF SERVICE

Pursuant to 37 C.F.R. §§42.6(e), the undersigned certifies that on August 20, 2025, a complete and entire copy of this Petitioner's Request for Rehearing were provided via email to the Patent Owner by serving the correspondence email address of record as follows:

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