

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

TOYOTA MOTOR CORP. AND KIA CORPORATION,
Petitioners,

v.

EMERGING AUTOMOTIVE LLC,
Patent Owner

Case IPR2024-00785
U.S. Patent No. 10,407,026

**PATENT OWNER'S
PRELIMINARY RESPONSE
UNDER 37 C.F.R. §42.107**

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EX2001	Declaration of Dr. Sam Malek
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EX2005	VentureBeat, <i>Toyota is testing a Smart Key Box that makes it easier to share your car with strangers</i> (Oct. 31, 2016)
EX2006	Judicial Caseload Profile (March 31, 2024): Table C-5, <i>U.S. District Courts—Civil Federal Judicial Caseload Statistics</i> ; Table T-3, <i>U.S. District Courts—Median Time from Filings to Trial for Civil Cases in which Trials were Completed</i>
EX2007	Civil Docket Report for <i>Emerging Automotive LLC v. Kia Corporation, et. al., and Toyota Motor Corp. et al.</i> , No. 2:23-cv-0437-JRG (lead case)
EX2008	Civil Docket Report for <i>Emerging Automotive LLC v. Toyota Motor Corp. et al.</i> , No. 2:23-cv-0434-JRG (member case)
EX2009	U.S. Patent No. 11,295,564
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EX2011	Related Applications Search results for US Patent 11,295,564 from United States Patent Office Global Dossier Public Access Portal
EX2012	U.S. Patent No. 10,493,953
EX2013	U.S. Patent No. 10,614,644
EX2014	U.S. Patent No. 11,094,149
EX2015	Reply to communication, File History, European Patent Application 18 196 300.0

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EX2016	Docket Navigator Median Time-to-Trial Statistics for Judge Rodney Gilstrap (excluding transfers), August 26, 2019 through August 26, 2024

I. Introduction

The Board should deny institution of *inter partes* review of U.S. Patent No. 10,407,026 because (1) of discretionary considerations under both §§ 325(d) and 314(a); (2) Petitioners fail to demonstrate any reasonable likelihood that any challenged claim is anticipated or obvious; and (3) § 311(b) of the AIA and the Supreme Court’s ruling in *SAS* prevent institution.

Should the Board consider the merits, the Petition fails for numerous distinct reasons, as Zaid fails to teach or suggest numerous limitations of the challenged independent claim. As one example, the Office already determined in a related patent that Zaid fails to teach or suggest the claimed unique coded data that includes privilege settings. Again here, Zaid fails to teach or suggest the substantially similarly claimed “unique access code.” Indeed, the claim here requires that “privileges are defined for the unique access code.” Zaid does not teach this, and, other than repeating the claim element, Petitioners and their expert fail to address this requirement entirely, providing no explanation how Zaid discloses this claimed feature. Further demonstrating the novelty of the ’026 patent, Petitioner Toyota and its affiliates have filed patent applications with claims that are eerily similar to the claims of the ’026 patent, touting their novelty, years after what Petitioners allege is the priority date.

But the Board need not consider the merits. Applying the *Advanced Bionics* framework, the Board should deny the Petition under § 325(d). During prosecution, the applicants submitted Zaid, the primary reference of the Petition, via an IDS. The Examiner noted that he considered Zaid before issuing the challenged claims. Moreover, in the prosecution of a related '659 patent, the Examiner explicitly determined that Zaid failed to teach unique coded data before issuing the claims of that patent. The Office has twice considered Zaid and Petitioners present no allegation of Office error in either instance. While Petitioners add references for certain dependent claims, they offer no argument that the additional references cure Zaid's deficiencies with respect to the challenged independent claim.

The Board should likewise exercise its discretion to deny institution under *Fintiv*. In the parallel district court proceedings, both Petitioners seek to allege that the same references here invalidate the asserted claims. Yet Petitioners have declined to present a *Sotera* or any other stipulation. And the district court will resolve the issues long before the Board will issue a final written decision, as demonstrated by both the scheduling order entered in the parallel matter and the time to trial statistics at the district court. Especially considering the substantial resources devoted by the district court—including an in-person hearing to discuss

a flurry of technical motions—the Board should decline to expend additional resources and risk inconsistent holdings.

Lastly, an IPR can only be instituted on “prior art consisting of patents or printed publications.” The Kleve reference of ground 4 is neither. Thus, the Board cannot institute ground 4 and, under the Supreme Court’s ruling in *SAS*, cannot institute on any ground.

II. The ’026 patent

U.S. Patent No. 10,407,026 issued on September 10, 2019. EX1001, Face Page. The ’026 patent was invented by brothers Angel and Albert Penilla and issued to their company, Patent Owner Emerging Automotive LLC, a family-owned automotive innovation company. *Id.* The ’026 patent is titled “Vehicles and Cloud Systems for Assigning Temporary E-Keys to Access Use of a Vehicle” and “relates to systems and methods for generating and sharing electronic keys (e-Keys) with users and cloud-based processing systems.” *Id.* at 1:1-3, 1:54-57.

The ’026 patent describes providing vehicle access to individuals, including an owner or “guest driver,” e.g., a friend, service person, or valet. *Id.* 10:11-22. This access can be provided by an electronic key, or e-key, which allows the holder of the e-key to use the vehicle. *Id.* 10:23-25. An e-key may be sent from a vehicle owner to another person, such as a guest. *Id.* 23-34. The e-key allows use of the

vehicle, and can further include privileges for the user, including speed limits, geographic restrictions, amount of time, etc. *Id.* As an example, “the vehicle can be loaned to a child of driving age ... and the child can be provided with restricted use of the vehicle.” *Id.* at 14:35-37. The ’026 patent describes creating profiles for users that have privileges set by an administrator. *Id.* at 16:56-65. For example, accounts for a driver may be created with “defined roles,” which can “include a set of privileges,” such as speed limit or geographic privileges. *Id.* at 38:39-49. In this way, logins of user profiles can be dynamically controlled. For example, “[a]dministrators can decide which settings are locked for specific logins or roles, which are open for the login user to toggle and which settings are to be enforced.” *Id.* at 17:3-11. “[U]se of the vehicle can be restricted to predefined rules,” including those based on the user profile. *Id.* at 22:13-16.

A vehicle owner or administrator may initiate transfer of e-keys to a user’s device, such as a smartphone. *Id.* at 42:4-16, 34:656-44:6. The e-key may provide access to the vehicle, but otherwise have a “set[] level of privileges for the vehicle during the use of the electronic keys.” *Id.* Via the privileges, “specific vehicle aspects are enabled for the vehicle.” *Id.* at 42:24-26. The user can “then use the electronic Keys to use the vehicle in accordance with the privileges.” *Id.* at 43:3-5.

An owner of a vehicle can assign e-keys to “any number of users,” each having “various privilege settings.” *Id.* at 43:23-26. As such, “[e]ach e-key ... will include a unique access code.” *Id.* at 43:38-39. “The unique generation of access codes enables each electronic key[] to be different for each user,” allowing for the identification of privileges associated with each respective key. *Id.* at 43:38-58; *see also id.* at 46:4-6 (“Each unique code can then be used to associate those e-keys with the same vehicle, but assigned to different devices/people with different privileges.”). As claimed, the “unique access code is associated with privileges for use of the vehicle” and “the privileges are defined for the unique access code.” *Id.* at claim 1. In an embodiment, “each unique access code is associated with a user account having respective privileges.” *Id.* at claim 2. The access code, associated metadata, privileges, and communication data and codes are sent to the user’s device. *Id.* at 45:57-61.

1. File History of the ’026 Patent

During prosecution, the Examiner issued a Section 103 rejection over the Ehrman reference, which taught “providing a user wishing to rent a car a unique vehicle identifier (VID) and a password.” EX1002, 206. As Emerging Auto explained, the VID of Ehrman did not disclose or suggest the “unique access code,” as claimed. *Id.* at 206-207. In Ehrman, “the VID is unique to the car, not something

that is unique to access.” *Id.* at 207. A user could identify a car using a VID, but Ehrman “does not teach that privileges are defined for the unique access code.” *Id.* After reviewing the Applicant’s explanation, and also the same Zaid reference asserted in this IPR, the Examiner allowed the claims, noting that “[t]he closest prior art [is] Ehrman.” *Id.* at 218.

During prosecution of a related application, the Examiner also considered the Zaid reference, the primary reference and only reference asserted against the independent claim here, which Petitioners ask the Board to reconsider. *See* Section IV. As discussed below, Zaid, like Ehrman, is also directed to a rental car. Zaid likewise does not disclose the claimed unique access code. Indeed, while the independent claim of the ’026 patent recites that “the unique access code is associated with privileges for use of the vehicle, the privileges are defined for the unique access code,” Zaid’s alleged “unique access code” has nothing to do with any “privileges” at all. *See* Section IV.

2. POSITA

Petitioners’ expert opines that “a person of ordinary skill in the art pertinent to the ’026 patent would have had at least a four-year undergraduate degree in electrical engineering, automotive engineering, or a closely related field and at least two years of experience in the fields of access control systems, vehicle electronics,

and/or cryptography. Additional education could substitute for professional experience and vice versa.” EX1004, ¶ 72; *see also* Pet., 16.

For purposes of this POPR, Patent Owner and its expert apply this definition, as the Petition fails under any definition of a POSITA. *See* EX2001, “Malek Dec.,” ¶¶ 33-37.

3. Toyota’s Recognition of the Importance and Novelty of the ’026 patent.

Toyota and its affiliates’ representations to the Office demonstrate the importance and novelty of the ’026 patent and the challenged claims. Years after the latest possible priority date of the ’026 patent and indeed, after its issuance, Toyota and its affiliates filed patent applications seeking claims parallel to those of the ’026 patent.

For example, in 2020, Toyota filed an application that issued as U.S. Patent No. 11,295,564. Claim 1 of Toyota’s patent recites “key information” “for unlocking the vehicle.” EX2009, claim 1. It also discusses “permissions for a user of the vehicle to use a predetermined service using the vehicle” and “register[ing] the permission further in association with unique information corresponding to an owner user of the vehicle.” *Id.* In addition to the ’564 patent filed in the United States, Toyota filed counterpart applications throughout the world including in South Korea, Europe, China, Japan, Brazil, Russia, and Singapore. EX2011.

Toyota's later sought, but strikingly similar claims, demonstrate that Emerging Auto's technological disclosures in the '026 patent are cutting edge.

Similarly, Tokai Rika, a Toyota affiliate, in 2018 filed an application that issued as U.S. Patent No. 10,493,953. This patent claims "an electronic key system" which uses an "ID verification" and, based thereon, determining whether to "permit actuation of a smart function." EX2012, claim 1. This claimed functionality is very similar to the '026 patent's requirement of using a "unique access code" associated with "privileges" for use of the vehicle.

Yet again, a Toyota company filed an application in 2018 that issued as U.S. Patent No. 10,614,644. Similar to the '026 patent, claim 1 of the '644 patent recites "key information" for "unlocking the vehicle" and "starting the vehicle." EX2013, claim 1. The claims further recite "permission for a user of the vehicle to use a predetermined service suing the vehicle." *Id.*

Toyota in 2017 filed an application that issued as U.S. Patent 11,094,149. Much like the claims of the '026 patent, claim 1 of the '149 patent recites "a transmitter configured to transmit ... [a] signal requesting the locking or unlocking" of a vehicle, including "authentication information being uniquely matched with the key unit," to provide reservation information. EX2014, claim 1.

Similarly, in the European counterpart to Toyota's '644 patent, Toyota argued that the prior art did not disclose that identified "unique information" "is associated with a permission." EX2015, 2. As discussed below, the alleged art here fails to disclose a "unique access code ... associated with privileges," as claimed in the challenged patent.

Through these later-filed applications, Toyota and its affiliates demonstrated an implicit belief that the early-filed inventions of the '026 patent were novel technology at the time.

III. The Zaid Reference (EX1005)

U.S. Pub. No. 2011/0112969 by Zaid (EX1005) is a patent publication titled "Vehicle Access Control Services and Platform." Zaid was filed on October 28, 2010 and assigned to Getaround Inc. EX1005, face page items. Getaround is a car sharing company that developed a Smart Key Box. EX2005, 1-2. Even before filing its own patent applications, Petitioner Toyota was well aware of Getaround and the Smart Key Box, as Toyota "teamed up with Getaround" and used the Smart Key Box in its vehicles to "conduct a pilot program and study Smart Key Box." *Id.* at 2. Despite knowing of Getaround and its technology, Toyota later filed its own patent applications, representing that claims substantially similar to the challenged claims were novel (*see* Section II.3), without identifying Zaid. In other words, Toyota

demonstrated its belief in the inapplicability of Zaid by not submitting it in connection with its own later-filed patent applications.

The inapplicability of Zaid is manifest in the reference itself. Zaid is not directed to privileges or allowing various levels of access to vehicles. Nor does Zaid disclose a unique access code associated with privileges. Zaid provides a “vehicle reservation,” which allows a user to reserve a vehicle. EX1005, Abstract. In Zaid, a user reserves a vehicle using a server. *Id.* at ¶ 80. “[T]he vehicle reservation is communicated to a wireless communication device of the user, “and the wireless communication device receives and caches the reservation.” *Id.* at ¶ 126.

After decrypting the reservation, the wireless communication device forwards the decrypted reservation to a “vehicle access kit” of the vehicle. *Id.* at ¶¶ 127-128. Then, unfettered “vehicle access is provided based on the received reservation.” *Id.* at 124. For example, *after* the vehicle receives and confirms a reservation, “the user can send commands from the wireless communication device to a vehicle access control component coupled to the vehicle to [actuate] various vehicle functionalities, such as open the vehicle door, turn on the engine, and/or otherwise allow the user to use the vehicle.” *Id.*

As described above, Zaid’s system communicates multiple messages, including messages from the server to the mobile device, reservation messages

from the mobile device to the vehicle, and command messages from the phone to the vehicle to, e.g., open the doors. Zaid discloses that “each message” may “include a unique increment,” such as a counter or timestamp, to “avoid repeat message attack.” *Id.* at ¶ 130. This unique increment allows a receiving device (such as a mobile communication device or the vehicle) to determine if a message is a “repeat message” that was intercepted and sent from an unauthorized device. Malek Dec., ¶ 43.

For example, if a mobile device receives two separate messages with the same timestamp, it may determine there has been a security breach. *Id.* As such, every message, regardless of any underlying content, includes a unique increment, which has no connection to the underlying content of the message. *Id.* In Zaid, each message, regardless of any alleged privileges in the message—or whether the message has any alleged privileges at all—has a “unique increment.” As demonstrated by the Office’s findings in a related application, Zaid’s “unique increment” does not disclose or suggest the “unique access code” described in the ’026 patent, which can be used to identify and map user privileges to corresponding e-keys. *See* Section IV; EX1009, 344.

IV. The Petition should be denied under § 325(d) because the Office already determined that Zaid fails to teach or suggest the claimed functionality.

1. *Advanced Bionics* § 325(d) Legal Framework

Section 325(d) grants the Director discretion to deny institution where “the same or substantially the same prior art or arguments previously were presented to the Office.” 35 U.S.C. § 325(d). The Board’s precedential decision in *Advanced Bionics*, “restat[ed] the framework in [§ 325(d)’s] statutory language” as a “two-part framework.” *Advanced Bionics, LLC v. Med-El Elektromedizinische Geräte GMBH*, IPR2019-01469, Paper 6 at 7-11 (P.T.A.B. Feb. 13, 2020) (precedential). The policy undergirding “this framework reflects a commitment to defer to previous Office evaluations of the evidence of record unless material error is shown.” *Id.* at 9.

The first part of the *Advanced Bionics* framework considers “whether the same or substantially the same art previously was presented to the Office or whether the same or substantially the same arguments previously were presented to the Office.” *Id.* at 8. “The proceedings in which the art was previously presented include, for example: examination of the underlying patent application, reexamination of the challenged patent, a reissue application for the challenged patent, and AIA post-grant proceedings involving the challenged patent.” *Id.* (emphasis added). Moreover, the Board found that “[t]he factors set forth in *Becton*,

Dickinson should be read broadly, however, to apply to any situation in which a petition relies on the same or substantially the same art or arguments previously presented to the Office during a proceeding pertaining to the challenged patent.” *Id.* at 10. Thus, while “*Becton, Dickinson* factors (a) and (b) pertain to art evaluated ‘during examination,’ these factors more broadly provide guidance as to whether the art presented in the petition is the ‘same or substantially the same’ as the prior art previously presented to the Office during *any* proceeding.” *Id.* Indeed, the Office has recognized the prudence of deferring to the Office’s previous evaluations of familial patents where the Office considered the same art and arguments. *See* Fed. Reg. 24,512 (Apr. 21, 2023) (“The Office seeks to clarify that 35 U.S.C. 325(d) applies to art or arguments that were previously addressed during proceedings pertaining to ... other family member application of a challenged patent ... if the claims of the parent application or other family member application contain or contained substantially the same limitations as those at issue in the challenged claims”). At bottom, it is prejudicial to Patent Owners and a waste of Office resources for multiple, serial, and duplicative evaluations of the same prior art reference.

Under the second part of the *Advanced Bionics* framework, “if either condition of [the] first part of the framework is satisfied, [the Board determines]

whether the petitioner has demonstrated that the Office erred in a manner material to the patentability of challenged claims.” *Advanced Bionics*, Paper 6 at 8. Examples of material error include “misapprehending or overlooking specific teachings of the relevant prior art where those teachings impact patentability of the challenged claims” and “an error of law, such as misconstruing a claim term, where the construction impacts patentability of the challenged claims.” *Id.* at 8-9, n.9. The Petitioners carry the burden of demonstrating material error: “[i]f a condition in the first part of the framework is satisfied and the petitioner fails to make a showing of material error, the Director generally will exercise discretion not to institute *inter partes* review.” *Id.* at 8-9; *see also Becton, Dickinson & Co. v. B. Braun Melsungen AG*, IPR2017-01586, Paper 8 at 17-18 (P.T.A.B. Dec. 15, 2017) (factor (e) asks “whether Petitioner has pointed out sufficiently how the Examiner erred in its evaluation of the asserted prior art.”). Notably, “[i]f reasonable minds can disagree regarding the purported treatment of the art or arguments, it cannot be said that the Office erred in a manner material to patentability. At bottom, this framework reflects a commitment to defer to previous Office evaluations of the evidence of record unless material error is shown.” *Advanced Bionics*, IPR2019-01469, Paper 6 at 9 (emphasis added). Accordingly, Petitioners have the burden to point out how the Office erred in order to avoid discretionary denial.

2. Petitioners advance the same or substantially the same art that was previously presented to the Office Twice.

Part 1 of the *Advanced Bionics* framework is satisfied, as the Office has already considered the same art *and* same arguments—indeed, the Office already assessed the meaning and disclosure of the same portion of the Zaid reference that Petitioners again rely upon here. For grounds 1a and 1b, Petitioners rely on the Zaid reference. However, Zaid was considered during prosecution of the '026 patent and substantively discussed in the prosecution of U.S. Patent 11,738,659 (the “'659 patent”). The '659 patent is a related patent to the '026 patent, linked by continuations—and thus sharing a common specification—and by terminal disclaimer—sharing relevant claim limitations that the Office already determined are not taught or suggested by Zaid. EX1009, 8 ('659 patent is related to '026 patent via two continuations); *id.* at 495 (terminal disclaimer filed). As such, the Office has twice evaluated the same art and arguments.

First, Zaid was considered in the prosecution of the '026 patent and is listed on its face. EX1001, 4. During prosecution, the Applicants submitted an IDS, and Primary Examiner Brushaber stated that he considered Zaid, signing his name to that effect. EX1002, at 189 (identifying Zaid with no strikethrough), 196 (signing name that references without strikethrough were considered). As the Board recognized in the precedential *Advanced Bionics* decision, the listing of Zaid and

the Examiner’s notation that the reference was considered satisfies the first step regardless of whether it was used as a basis for rejection. *Advanced Bionics*, IPR2019-01469, Paper 6 at 7-8 (precedential) (“[p]reviously presented art includes art made of record . . . such as on an Information Disclosure Statement (IDS).”). Curiously, Petitioners rely on *Nintendo Co., Ltd. et al. v. Gamevice, Inc.*, IPR2023-00643, Paper 11 at 18-19 (PTAB Nov. 6, 2023) to argue that “there is no evidence that the Examiner considered Zaid.” Pet., 71. However, the *Nintendo* case, like *Advanced Bionics*, explicitly holds the opposite: there, the Board found that “the first part of the *Advanced Bionics* framework [was] satisfied” because “the Examiner acknowledged ... and indicated that he had considered” the reference submitted in an IDS.¹ Under the precedential *Advanced Bionics* decision—and as confirmed by the *Nintendo* decision on which Petitioners rely—the exact same art was considered during prosecution.

¹ In *Nintendo*, the Board found that the Examiner erred under the second part of the framework because the Examiner overlooked a relevant combination that was presented in the Petition. *Id.* at 19. As the Petitioners rely only on Zaid alone for each independent claim, *Nintendo* is also inapplicable under part two of the *Advanced Bionics* framework.

Second, as Petitioners concede, “*Zaid* was cited and discussed by the Examiner during prosecution of a descendant continuation application from the ’026 patent,” which issued over *Zaid* as the ’659 patent. Pet. 14-15. The ’026 and ’659 patents thus share a common specification. Moreover, the claims of the two patents share relevant similarities, and, indeed, the ’659 patent overcame a double patenting rejection over the ’026 patent via terminal disclaimer. *See, e.g.*, EX1009, 347, 495; *see also* Fed. Reg. 24,512 (Apr. 21, 2023) (identifying a terminal disclaimer as an example showing that the Examiner’s analysis in a familial application is relevant to Section 325(d)). Of relevance here, both the challenged claims and the claims in the ’659 patent recite “a unique access code” or “unique” “coded data that “includes/is associated with privilege[s].” *Compare* ’026 Pat., claim 1 *with* ’659 Pat., claim 18. *Zaid* fails to disclose this aspect of the claims.

During prosecution of the familial ’659 patent, the Examiner determined that *Zaid* fails to teach or suggest functionality recited in both the ’026 and ’659 patents. In an Office Action, the Examiner rejected each then-pending independent claim of the ’659 patent using *Zaid* as a single reference. EX1009, 178. Particularly, then-pending claim 18 recited “coded data [that] is unique.” *Id.* at 185. For this requirement, the Examiner relied on *Zaid*’s disclosure of a “counter and/or time stamp” used to “avoid a repeat message attack.” *Id.* In response, the Applicants

amended the then-pending independent claims to recite the claimed unique “coded data” “includes privilege settings set for additionally limiting types of use of the vehicle when using the ekey with the vehicle.” *Id.* at 333, 336. The Applicants then explained that Zaid fails to disclose or suggest any unique code that includes privilege settings. *Id.* at 339. As explained, Zaid merely discloses:

a type of counter or time stamp to avoid repeat message attacks, i.e., to control security of the communication channel. ¶ 128. In fact, nothing is discussed by Zaid regarding a unique access code that includes privilege settings set for additionally limiting types of use of the vehicle when using the ekey with the vehicle.

Id. The Examiner agreed and withdrew the rejection. *Id.* at 344.

Like the '659 patent that the Examiner allowed over Zaid, the challenged claims of the '026 patent recite a “unique access code [that] is associated with privileges for use of the vehicle, the privileges are defined for the unique access code.” '026 Pat., claim 1. And just like in the prosecution of the '659 patent, Petitioners rely on Zaid’s counter and/or timestamp as the purported unique access code. First, Petitioners identify Zaid’s disclosure of “a unique increment” citing Zaid’s Paragraph 81 and 130. Pet., 29. These paragraphs describe “a counter and/or time stamp” as a “unique increment.” EX1005, ¶¶ 81, 103. Next the Petition alleges that “the unique increment in *Zaid* is a unique access code.” Pet., 29. But the Office

already determined that the same disclosure from the same reference **does not** teach or suggest substantially the same claim elements.

Petitioners argue that the unique access codes of the '026 and '659 patents are different because in the '659 prosecution, the Applicants “distinguished a privilege setting a period of time for vehicle use,” focusing on the word “additionally” of claim 1. Pet., 15. However, there is no support for Petitioners’ argument, and the prosecution history of the '659 patent confirms it is incorrect. The Applicants’ amendments and arguments make no mention of a “period of time for vehicle use,” as evidenced in the arguments quoted above. EX1009, 339. Rather than limiting the claims to exclude “time”—which is mentioned in neither the Examiner’s rejection, the amendment, or the argument— Applicants amended the claim to recite **privileges** for the first time. *Id.* at 5. Instead of being limited to avoid “time,” Applicants’ argument makes clear that Zaid’s counter/timestamp is to “avoid repeat message attacks” and has nothing to do with any privileges at all. *Id.* at 339.

Indeed, Petitioners’ argument that the amendment to add “privileges” to the claims excluded “time for vehicle use” is demonstrably incorrect for two separate reasons. First, the Examiner issued claims over Zaid **without** the “additionally” language. '659 Pat., issued claim 18. Moreover, the issued dependent claim 10

(then-pending claim 15) recites a “violation” of a “time limit.” EX1009, 335-336. If a “time limit” was not a “privilege,” as Petitioners argue, then there could be no violation.

At bottom, Petitioners’ attempt to distinguish their repeat of the same argument that was already considered by the Office fails. The prosecution history of the ’659 patent makes clear that the Examiner already determined that Zaid’s unique counter for avoiding repeat message attacks is not associated with privileges for use of the vehicle, as required by the ’026 patent.

The Office twice considered the Zaid reference as applied to the challenged claims or substantially similar limitations of the claims. And as the Office has twice found, Zaid does not teach or suggest the claimed functionality. The Office should decline to expend resources to consider the issue for a third time.

3. *Advanced Bionics* Part 2: Petitioners fail to demonstrate how the Examiner or Office erred in a manner material to patentability.

Petitioners cannot satisfy their burden to demonstrate that the Office materially erred in its consideration of the Zaid reference. *Advanced Bionics*, Paper 6 at 8. The Examiner did not “misapprehend[] or overlook[] specific teachings of” Zaid. *See id.* at 8-9, n.9. Indeed, Petitioners did not advance such an argument, nor could they; the Examiner reviewed the same disclosure of the same reference.

EX1009, 339. At best, Petitioners disagree with each of the Office’s previous considerations; however, this cannot demonstrate material error. *Becton, Dickinson*, IPR2017-01586, Paper 8 at 17-18.

The only argument made in the Petition is that *Nintendo*, IPR2023-00643, Paper 11 at 18-19, demonstrates that “there is no evidence that the Examiner considered *Zaid* [in the prosecution of the ’026 patent], and the arguments presented here are non-cumulative of those in prosecution.” But that’s wrong. As discussed above, the Board in *Nintendo* determined that the Examiner *did* consider the reference when indicating such by signing an IDS (the same facts as here). Moreover, *Nintendo* is inapplicable under part two because there the Board found that the Examiner overlooked a particular obviousness combination. *Nintendo*, Paper 11 at 19. *Nintendo* is thus entirely inapplicable since Petitioners are not relying on a combination for the only challenged independent claim, claim 1. Pet., 3. Indeed, Petitioners do not advance any obviousness theory at all for the “unique access code” and “privilege” functionality that the Examiner found missing in the prior art during the prosecution of the ’659 patent. *Id.* at 31-32.

Zaid was presented to the Office during examination of the ’026 patent and listed on its face. EX1001. The Examiner considered it and issued the claims.

Petitioners do not, and cannot, identify any Examiner error and thus cannot meet their burden under part 2 of the *Advanced Bionics* framework.

Moreover, in the prosecution history of the '659 patent, the Office specifically determined that Zaid does not disclose or suggest the claimed functionality. Petitioners' attempt to distinguish the claims fails, as discussed in relation to part 1, and Petitioners are left with no argument or allegation of Office error. For both of these two separate reasons, the Petition should be denied under Section 325(d).

V. Institution should be denied on the merits because there is no reasonable likelihood of success on any challenged claim.

The Petition fails to demonstrate any reasonable likelihood of success on any ground. For claim 1, the only independent claim of the '026 patent, the Petition relies only on the Zaid reference. Pet., 3. First, Petitioners argue that Zaid anticipates claim 1. *Id.* Hedging, Petitioners next argue that Zaid, alone, renders claim 1 obvious. Zaid, however, fails to disclose numerous elements of the '026 patent, including claimed functionality for which the Office already found Zaid deficient. Moreover, Petitioners' only obviousness argument for claim 1—that the vehicle of Zaid could be modified to directly communicate with a server (Pet., 25, 33)—does not cure any of Zaid's deficiencies identified below. The Petition has no reasonable likelihood of success for any claim.

- 1. Petitioners cannot show that Zaid discloses or suggests “a request ... for unlocking of the vehicle” that “include[s] a unique access code,” as required by elements 1[e] and 1[f].**

Claim 1[e] recites “wherein the communications circuitry of the vehicle is configured to receive a request from the mobile device for unlocking of the vehicle,” and claim 1[f] recites that the request “includ[es] a unique access code.” Petitioners conflate Zaid’s “reservation,” which authorizes a user to thereafter unlock a vehicle, with an actual request for unlocking of the vehicle.

The Petition relies only on Zaid’s “vehicle reservation” as the claimed “request ... for unlocking of the vehicle,” citing Zaid’s paragraph 124 and Fig. 4. Pet., 27-28. However, as Zaid makes clear, a “reservation” is just that—it reserves the vehicle, authorizing a user to thereafter control the vehicle. Malek Dec., ¶¶ 45-46. EX1005, ¶ 124.

Zaid discloses that a user may book a reservation for a vehicle at a central server. *Id.* at ¶ 125. As the central server does not have direct communication with the vehicle, the reservation information is provided to the vehicle via a wireless communication device. *Id.* at ¶¶ 126-128. As Petitioners note, “[t]he server generates and transmits a vehicle reservation to the wireless communication device ... which passes the request to a ‘vehicle access component’ in the vehicle to enable access.” Pet., 18.

Passing of reservation information, is not “a request ... for unlocking of the vehicle,” as required by the challenged claims. Zaid makes clear throughout that any request for unlocking would, naturally, occur after a vehicle is reserved. Malek Dec., ¶ 48. As described in paragraph 124 for example—the very paragraph on which Petitioners rely—first, “a reservation for a vehicle is received from a wireless communication device.” EX1005, ¶ 124. Then, “vehicle access is provided based on the reservation.” *Id.* Only “once vehicle access is provided, the user can send commands from the wireless communication device to a vehicle access control component coupled to the vehicle to accurate [*sic*, actuate] various vehicle functionalities.” *Id.*; *see also id.* at abstract (“a vehicle reservation from a wireless communication device is received [by a vehicle], the vehicle reservation is authenticated, and access to the vehicle is provided *after* authenticating the vehicle reservation”) (emphasis added). As such, a reservation merely provides a user access to the vehicle for sending control commands for e.g., unlocking the vehicle. Malek Dec., ¶ 49. Zaid further confirms that instructions for the car function, such as unlocking doors, is received through direct commands, not merely passing through reservation requests. EX1005, ¶ 100. As such, Zaid’s “reservation” fails to teach or suggest any “request ... for unlocking of the vehicle,” as required by element 1[e].

Indeed, it would make no sense for Zaid to include a command to unlock a vehicle's doors as part of passing the reservation information. Malek Dec., ¶ 50. Unlocking a car in response to receiving a reservation would result in safety and security concerns. *Id.* For example, a reservation could be in the future and immediate unlocking would allow the holder of the reservation unauthorized (early) access. *Id.* Further, a user may reserve a vehicle to make it available for his or her use but may not immediately enter and use the vehicle (e.g., a user may reserve the vehicle before grabbing a cup of coffee). *Id.* Unlocking the door while the user steps away would present opportunities for theft. *Id.* A POSITA would not modify Zaid's reservation to include a request for unlocking of a vehicle. Petitioners make no argument to the contrary, and for good reason: it would not have been obvious to make such a modification.

Zaid does disclose a separate command for unlocking the doors, occurring after the vehicle is reserved. EX1005, ¶ 124. However, Petitioners do not identify this as the claimed "request." Petitioners offer no argument that the separate command contains any claimed unique access code. *See* Pet., 29-31.

As Zaid's alleged "reservation" is not "a request ... for unlocking of the vehicle," the Petition fails.

2. Petitioners cannot show that Zaid discloses or suggests the “request from the mobile device including a unique access code obtained by the mobile device from the server,” as required by element 1[f].

Petitioners fail to show that Zaid discloses or suggests “a request from the mobile device including a unique access code *obtained by the mobile device from the server*,” as recited in claim 1. As required, a mobile device must obtain a unique access code from a server and that access code must also be included in “the request from the mobile device.” Petitioners rely on Zaid’s “incremental number” as the purported “unique access code.” Pet. 29. However, nothing in Zaid discloses that the “unique increment” sent from the mobile device was “obtained ... from the server.” Malek Dec., ¶ 51.

Zaid only discusses the “unique increment” in paragraphs 81 and 130 and claims 21-22. Malek Dec., ¶ 53; *See also generally* EX1005. In paragraph 81, Zaid states the following:

In various embodiments, communications, including vehicle reservation communications, received from the wireless communication device by the vehicle access control system for vehicle access control includes a unique increment for each message to avoid repeat message attack. In various embodiments, the unique increment is in the form of a counter and/or time stamp that indicate the uniqueness of the message to avoid a repeat message attack.

EX1005, ¶ 81. This statement does not disclose or suggest a server providing a unique increment to the mobile device. Malek Dec., ¶ 53. Similarly, for ¶ 130:

In various embodiments, each message for exchanging information such as vehicle reservation and updates include a unique increment for each message to avoid repeat message attack. In various embodiments, the unique increment may be in the form of a counter and/or time stamp that indicate the uniqueness of the message to avoid a repeat message attack.

Id. at ¶ 130. This statement likewise does not disclose or suggest a server providing a unique increment to the mobile device. Malek Dec., ¶ 54.

With respect to the disclosure in Zaid's claims, they do not recite a server, and instead recite "receiving a vehicle reservation from the wireless communication device" and that the "reservation includes a unique increment ... selected from the group consisting of a counter and time stamp." EX1005, claims 1, 21-22.

Thus, there is no explicit disclosure of Zaid that the request from the mobile device includes any unique increment provided by the server. Nor is the disclosure inherent. Malek Dec., ¶ 56. As Dr. Malek explains, Zaid's "unique increment" is not necessarily "obtained ... from the server." *Id.* Instead, the mobile device could generate a "unique increment" on its own. *Id.* As such, Zaid fails to disclose that the alleged "request from the mobile device includ[es] a unique access code

obtained by the mobile device from the server,” as required by claim 1. *See, e.g., SmithKline Beecham Corp. v. Apotex Corp.*, 403 F.3d 1331, 1343 (Fed. Cir. 2005) (disclosure must be express or inherent).

Indeed, far from disclosing obtaining Zaid’s “unique increment” from the server, a POSITA would understand that the request from a mobile device does *not* include a unique increment obtained from the server because the mobile device itself would generate any “unique increment” (a counter or timestamp) sent from the device. Malek Dec., ¶ 57. As Zaid explains, “each message” includes a “unique increment.” EX1005 ¶¶ 81, 130. The messages sent from the mobile device to the vehicle include, not only reservations, but also “commands (e.g., unlock doors, start engine, and/or other commands).” *Id.* at ¶ 100; *see also id.*, ¶ 124. These subsequent commands do not originate at the server, but at the mobile device itself. *Id.* at ¶ 124 (“once vehicle access is provided, the user can send commands from the wireless communication device to a vehicle.”). Thus, for these messages to include the “unique increment,” the mobile device itself must generate the “unique increment”—time stamp or counter—for the message. Malek Dec., ¶ 57.

A POSITA would also understand that the “unique increment” would not be obtained from the server because, as diametrically opposed to the disclosure of the ’026 patent, Zaid’s “unique increment” has nothing to do with the underlying

content of the messages. Malek Dec., ¶ 59. As claimed in the '026 patent, the “unique access code is associated with privileges” and “the privileges are defined for the unique access code.” '026 Pat., claim 1. As described in the '026 patent, the unique access code can be used to distinguish different users, and thus their respective privileges. '026 Pat., 43:46-50 (“unique generation of access codes enables each electronic key to be different for each user.”).

Zaid’s “unique increment,” on the other hand, has nothing to do with privileges or even specific users. Instead, it is used merely “to avoid repeat message attack.” EX1005, ¶¶ 81, 130. As Dr. Malek explains in more detail, a repeat message attack involves an attacker intercepting a message, saving the message, and then transmitting it at a later time to gain unauthorized access. Malek Dec., ¶ 59. To prevent this scenario, a “unique increment” such as a time stamp or counter can be appended to all messages. *Id.* The receiver of the message can then compare the “unique increment” to a previous counter or current time to determine whether the message might be a repeat message. *Id.* As an example, if an attacker intercepts an unlock command with a time stamp of 10:00 a.m., and then attempts to repeat the message for an unauthorized unlock at 1:00 p.m., the vehicle may recognize a discrepancy in the timestamp and may determine the message is an unauthorized repeat message.

Given this background, a “POSITA would have understood that such caching and forwarding could have an unknown delay, which would substantially eliminate the purpose of using a timestamp to defeat repeat message attacks.” Malek Dec., ¶ 59. A POSITA would thus understand that Zaid’s mobile device, and not the server, would need to generate the “unique increment” to avoid repeat message attacks.” *Id.* Indeed, Zaid discloses that the vehicle will synchronize with the counter of the *remote key*—not a server that sends a message reserving the vehicle. *Id.*, ¶ 53. Regardless, Zaid does not disclose (either expressly or inherently) this limitation, and Petitioners make no obviousness arguments related thereto. Pet., 28-31.

Petitioners’ “unique increment” theory fails. Petitioners therefore present a second theory that encrypting Zaid’s reservation satisfies the “unique access code” limitation. Pet., 29-31. Under Petitioners’ theory, a reservation message from the server may be encrypted, and the resulting message is “unique” because it is encrypted. *Id.* Petitioners then argue that because the ’026 patent describes that the access code can be encrypted, encrypting the message makes the access code unique. *Id.* at 30. This theory fails because in Zaid, the ***encrypted*** reservation from the server (what Petitioners argue makes it “unique”) is not sent by the mobile device to the vehicle. Malek Dec., ¶ 60. As Zaid explains, “decryption is required at each communication relay station to authenticate the vehicle reservation.”

EX1005, ¶¶ 70, 99, 125. The *wireless communication device* decrypts the message before sending the reservation to the vehicle. EX1005, ¶ 125. Thus, even if encrypting the message made it a “unique access code obtained by the mobile device from the server,” the Petition nevertheless fails because—since the *mobile device* performs decryption—that encrypted message is not sent “from the mobile device,” as required by claim 1. Malek Dec., ¶ 60. Petitioners thus likewise fail to present any reasonable likelihood of success under their second theory.

3. Petitioners cannot show that Zaid discloses or suggests the claimed “unique access code” required by element 1[g].

As highlighted by the Examiner’s finding during prosecution of the ’659 related patent, Zaid fails to disclose or suggest the ’026 patent’s claimed “unique access code.” See Section IV. Even if Zaid did disclose obtaining the alleged “unique access code” from a server and including it in a request from the mobile device (it does not, as discussed above), Zaid’s “unique increment” is nevertheless not a “unique access code,” as recited. Claim 1 of the ’026 patent recites a “unique access code” that “is associated with privileges for use of the vehicle” and where “privileges are defined for the unique access code.” However, Petitioners cannot show either. The Petition fails to show that Zaid’s “unique increment” is “associated with privileges.” Malek Dec. ¶ 61. Moreover, the Petition does not

address, and fails entirely to explain, how Zaid’s alleged “privileges” are defined for the unique increment, as required by claim 1. Pet., 31-32.

As described in the ’026 patent, the unique access code can be used to distinguish different users, and thus their respective privileges. ’026 Pat., 43:46-50 (“unique generation of access codes enables each electronic keyed to be different for each user.”). Zaid’s alleged “unique access code,” on the other hand, is wholly unrelated to privileges.

As discussed in Section IV.2, Petitioners rely on a request having an “incremental number” to satisfy the claimed “unique access code” requirement. *See also* Pet., 29. However, as described above in Section IV.2, Zaid’s “unique increment” has nothing to do with privileges and nothing to do with specific users. Indeed, as discussed above, the “unique increment” is included on all messages in the system, regardless of whether the message includes any of the alleged privileges.” *Id.*; Malek Dec. ¶ 63.

With respect to element 1[f], Petitioners state their theory that “the unique increment in *Zaid* is a unique access code.” Pet., 29. Attempting to show that Zaid’s “unique increment” is “associated with privileges” for element 1[g], Petitioners rely not on the alleged unique access code, but instead on Zaid’s “reservation,” the alleged “request,” as including alleged privileges (“specified time periods.”) Pet.,

31. Petitioners then argue that a reservation has a “unique access code” because a different reservation would result in a different unique access code. *Id.* Petitioners then make the leap that because the reservation includes an alleged privilege, and the reservation is a message that also includes a “unique increment,” then the “unique increment” is “associated” with alleged privileges. *Id.* Petitioners are incorrect: there is no “association” because the purported “unique access code” is agnostic to “privileges” or any underlying content of the message at all—it is used to distinguish repeat messages. Moreover, a chosen, predetermined “unique increment” is appended to a message regardless of any privilege. Malek Dec. ¶ 65. As Zaid discloses in its “unique increment” embodiments, every communication in the system, regardless of its underlying content, includes a “unique increment” to “avoid a repeat message attack.” EX1005, ¶¶ 81, 130.

As Dr. Malek explains in more detail, a repeat message attack generally involves an attacker who intercepts a message and then later transmits the message to impersonate the original sender. Malek Dec. ¶ 65. Adding a timestamp or unique increment (counter) prevents a message from being repeated or “replayed” because the recipient can check the timestamp against the current time or a counter against a previously received counter. The “unique increment” in Zaid is thus to ensure that an unscrupulous third party does not intercept and send a “repeated message”—

e.g., if a first message has a “unique increment” of “3” and a second message also has a “unique increment” of “3,” it signals that the second message may be an unauthorized “repeat message.” Malek Dec. ¶ 61. As such, the “unique increment” is associated with each “message” or “communication” in the system but is not associated or has anything to do with the underlying information of the message. *Id.* A POSITA would therefore understand that Zaid’s “unique increment” is not “associated with” the alleged privileges, as required by claim 1. *Id.*

Even more problematic for the Petition is that it fails to show—or even offer any explanation—that Zaid teaches or suggests that “the privileges are defined for the unique access code,” as required by claim 1. In its argument for element 1[g], the Petition includes the word “defined” only a single time, merely repeating the claim language:

Therefore, the unique access code is associated with privileges of use for the vehicle, and the privileges are defined for the unique access code.

Pet., 32. Petitioners’ expert offers no further insight. His explanation for element 1[g] (and indeed, most elements) is a near verbatim copy of the Petition. *Compare* Pet., 31-32 *with* EX1004, ¶¶ 119-121. The only time Petitioners’ expert mentions the word “defined” in his explanation of element 1[g] is repeating the exact conclusory sentence of the Petition. EX1004, ¶ 119. Even if the expert’s parroting

of the Petition did provide additional insight (it does not), it can nevertheless not be credited. *See Xerox Corp. v. Bytemark, Inc.*, IPR2022-00624, Paper 12 at 2 (P.T.A.B. Feb. 10, 2023) (Director review designating institutional denial decision as precedential, where institution was denied when declaration merely parroted petition, “was conclusory and added little to the assertions the testimony was offered to support.”). In fact, Zaid’s alleged privileges are not “defined for the unique access code,” as required by the claim. Malek Dec. ¶ 68. As explained above, the alleged requests have nothing to do with the alleged privileges. *Id.*

Petitioners’ alternative theory—that the “encrypted reservation” is a unique access code, also fails for multiple, distinct reasons. As an initial matter, Petitioners already alleged that the reservation, which in this embodiment is “encrypted,” is the claimed “request” of element 1[f]. Pet., 29. The encrypted reservation cannot be both the claimed request and the separately claimed “unique access code.” *See, e.g., Hopkins Mfg. Corp. v. Cequent Performance Prods., Inc.*, IPR2015-00613, Paper 9 at 12 (P.T.A.B. Aug. 7, 2015) (a disclosed accelerometer output signal in the art could not be applied to both a claimed “deceleration signal” and a claimed “inclination signal.”).

Moreover, merely encrypting the reservation does not necessarily transform it into being associated with underlying privileges of the message or make the

privileges defined for the encryption. Encryption merely converts the message from one form to another. Malek Dec. ¶ 69. And like the “unique increment” of Zaid, encryption is agnostic to the actual content of the underlying message—and not “associated with” it. *Id.* As Dr. Malek further explains, encryption of a message, alone, does not even make a reservation unique. *Id.* Recognizing this, Petitioners’ expert does not opine that there is an access code that is unique—instead, he opines only that the encrypted message is unique *to the reservation request*. *Id.* (discussing EX1004, ¶ 115). The claims, however, require something different: a request that includes a unique access code.

Attempting to account for Zaid’s deficiencies, the Petition attempts to mislead the Board about the disclosure of the challenged patent. Specifically, Petitioners argue that an “encrypted vehicle reservation also falls squarely within the ’026 Patent’s description,” relying on 45:56 and 45:26-29 of the specification. However, the specification does not disclose that encryption generates a unique access code; it discloses a unique access code, which can thereafter be encrypted. EX1001, 46:26-29. This mischaracterization of the disclosure of the ’026 patent only serves to highlight Zaid’s failures.

Moreover, Petitioners failed to address a requirement related to the “unique access code”: even if an encrypted message could somehow disclose the claimed

unique access code—it does not—Petitioners again offer no reason or explanation how the alleged privileges are “defined for” the encryption. Petitioners cannot demonstrate any likelihood of success for element 1[g].

4. Petitioners cannot show that Zaid discloses or suggests a “vehicle [that] is configured to receive information from the server to authenticate the request by the mobile device,” as required by element 1[h].

Claim 1 requires that the vehicle “be configured to receive information from the server to authenticate the request by the mobile device.” Under Petitioners’ theory, the vehicle in Zaid receives a “server update” which includes a private key. Pet., 33. This is wrong for multiple, distinct reasons.

First, Petitioners cannot show that the alleged “information,” Zaid’s “private key,” authenticates any request *by* the mobile device. Malek Dec., ¶ 70. Petitioners allege that the private keys “authenticate” the reservation, relying solely on Zaid’s disclosure in ¶ 126 that “decryption is used to ensure and authenticate that the intended wireless communication device is receiving the vehicle reservation rather than one that intercepts the vehicle reservation.” Pet., 33 (quoting EX1005, ¶ 126). The problem with Petitioners’ theory is that the identified “reservation” is not a request *by* the mobile device; it is instead a message from the server that is sent *to* the mobile device. As paragraph 126 of Zaid explains, “the vehicle reservation is communicated *to* a wireless communication device of the user.” EX1005, ¶ 126

(emphasis added). “[T]he wireless communication device receives and caches the reservation.” *Id.* The wireless communication device decrypts the reservation using “a locally stored private key of the wireless communication device.” *Id.* Zaid discloses that this authenticates that the correct mobile communication device **receives** the reservation. *Id.* However, Petitioners fail to identify or discuss how any public key authenticates any request **by** the mobile device. Malek Dec., ¶¶ 70-71.

Second, there is good reason Petitioners relied upon a message from the server, even though it does not disclose a request “by” the mobile device: Zaid’s public/private key scheme, at best, verifies the **receiver** of a message; it does not authenticate the sender or the request itself. Malek Dec., ¶¶ 72-74. As explained in more detail by Dr. Malek, the asymmetric cryptography scheme disclosed in Zaid includes two keys, a “private” key and a “public” key. “Private” keys are intended to be kept secret, while “public” keys are public and shared openly. *Id.*, ¶ 72. Any entity or person—whether authorized or not—can encrypt and transmit a message using a public key because the public key is publicly available. *Id.* However, only someone with the corresponding private key can decrypt the message. *Id.* Thus, encrypting and sending a message using a public key ensures the confidentiality of the message and that only authorized **receivers** may decrypt and access the message. *Id.*

Zaid discloses this public/private key scheme. Petitioners allege that “the vehicle access kit receives a *private* key from the server” for decrypting messages. Pet., 33. As such, the messages are encrypted using a *public* key. Malek Dec., ¶ 73; EX1005, ¶ 99 (encrypting messages using a public key). Zaid does not disclose using the asymmetric scheme to “authenticate *the request* by the mobile device,” as claimed, as any person could have used the public key to generate and send the request. Malek Dec., ¶¶ 73-74.

Instead, the scheme makes sure that only the vehicle (or other device having the private key) can decrypt the message—which maintains message confidentiality and, at best, authenticates that the intended recipient, the vehicle, is receiving the reservation, rather than one that intercepts it. *Id.* This is also what Zaid is describing in paragraph 126 on which Petitioners rely. *See* Pet., 33. In paragraph 126, Zaid explains that “the vehicle reservation is communicated to a wireless device” and then “decrypts the first layer of encryption encrypted using the public key” by using a private key. EX1005, ¶ 126. This “ensure[s] and authenticates that the intended *wireless communication device* is receiving the vehicle reservation rather than one that intercepts the vehicle reservation.” *Id.* (emphasis added). As such, Zaid makes clear what a POSITA would understand—decrypting using a private key maintains

confidentiality of the message and ensures it may only be decrypted by intended recipients.

Zaid's scheme, at most, authenticates that the *receiving device* may access the message. However, the claim requires "authenticat[ing] the request by the mobile device," not authenticating a receiving device. '026 Pat., claim 1. Zaid does not disclose this and, indeed, since any message from any device, authorized or not, can encrypt and send a message using a public key, a POSITA would understand that Zaid does not disclose or suggest this claim limitation. Malek Dec., ¶ 74.

Petitioners' proposed obviousness modification for this limitation does not cure the deficiencies discussed above. Petitioners argue that it would have been obvious to modify Zaid so that the vehicle is provided the private keys directly from the server. Pet., 33-35. Regardless of how the vehicle receives the private keys, the private keys cannot authenticate the alleged request as discussed above. Thus, Petitioners' obviousness theory does not cure Zaid's deficiencies for this limitation, and Petitioners offer no argument to the contrary.

5. Petitioners' "obviousness" arguments fail to account for any of the deficiencies described above and Petitioners offer no argument to the contrary.

As discussed, Zaid fails to disclose numerous elements of claim 1. Thus, ground 1 fails. For ground 1b, Petitioners argue that Zaid renders obvious claim 1.

However, with respect to claim 1, Petitioners argue only that it would have been obvious to modify Zaid for direct communication with a server. Pet., 25, 33. This argument fails to cure any of Zaid's deficiencies discussed above, and Petitioners offer no arguments to the contrary.

For grounds 2-4, Petitioners add the Patenaude, Gilbertson, and Kleve references only with respect to dependent claims 10, 13, and 15. However, these additional references do not cure any of the deficiencies of Zaid with respect to independent claim 1, and Petitioners offer no argument to the contrary. As such, no ground of the Petition has any reasonable likelihood of success, and the Petition should be denied.

VI. The Board Should Deny Institution Under *Fintiv*.

The Board should exercise its discretion to deny institution under § 314(a).

To do so, the Board balances six 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.

Apple Inc. v. Fintiv, Inc., IPR2020-00019, Paper 11 at 5-6 (P.T.A.B. Mar. 20, 2020).

“These factors relate to whether efficiency, fairness, and the merits support the exercise of authority to deny institution in view of an earlier trial date in the parallel proceeding.” *Id.* In evaluating these factors, the Board takes “a holistic view of whether efficiency and integrity of the system are best served by denying or instituting review.” *Id.*

In addition, the USPTO Director issued an “Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation” (“Interim *Fintiv* Procedure”) dated June 21, 2022, which is addressed below.

A balance of the *Fintiv* factors—in view of the Interim *Fintiv* Procedure—warrants denial of institution.

A. The Board need not address the merits of the Petition because the factors favor denial

1. Factor 1 Favors Denial (Likelihood of Stay)

Factor 1—which considers whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted—favors denial of institution.

Emerging Auto filed the parallel district court proceedings on September 20, 2023, which was assigned to Judge Rodney Gilstrap. EX2007; EX2008. Judge Gilstrap has since consolidated that lawsuit against Toyota with Emerging Auto's infringement action against Kia Corporation, also assigned to Judge Rodney Gilstrap. EX2007. Petitioners have not filed any motion to stay in the district court case. *Id.* Even if they were to request a stay pending the outcome of this IPR proceeding, the request would likely be denied.

Courts in the Eastern District of Texas, and Judge Gilstrap in particular, disfavor, and as a general rule, deny motions to stay pending IPRs. *See Scorpcast, LLC v. Boutique Media*, No. 2:20-cv-00193-JRG-RSP, 2021 WL 3514751, at *1 (E.D. Tex. June 8, 2021) (Judge Gilstrap reciting bases for denial of earlier motion to stay: "On October 27, 2020, the Defendants filed [their] original motion to stay pending resolution of the IPR. At the time the Defendants filed their original stay motion, the parties had served infringement and invalidity contentions, started the discovery process, and begun preparing for the claim construction hearing. The Court denied that motion.") (internal citations omitted); and *see, e.g., Force Mos Tech., Co. v. ASUSTek Comput., Inc.*, No. 2:22-CV-00469-JRG, 2024 WL 1586266 (E.D. Tex. Apr. 11, 2024) (Judge Gilstrap); *Koninklijke KPN N.V. v. Telefonaktiebolaget LM Ericsson*, No. 2:21-CV-00113-JRG, 2022 WL 17484264

(E.D. Tex. July 7, 2022) (Judge Gilstrap); *St. Lawrence Commc'ns LLC v. ZTE Corp.*, No. 2:15-CV-349-JRG, 2017 WL 3396399 (E.D. Tex. Jan. 17, 2017) (Judge Gilstrap).

The stay is even less likely here, given the significant case progression (discussed in factor 3) and the scheduled jury trial preceding any final written decision (discussed in factor 2). The first *Fintiv* factor supports denying institution. *See, e.g., Mylan Labs. Ltd. v. Janssen Pharmaceutica NV*, IPR2020-00440, Paper 17 at 13-14 (P.T.A.B. Sept. 16, 2020) (“We consequently conclude that the balance of facts in the two litigations indicate that no stay is likely to be entered in either, and therefore *Fintiv* factor 1 leans towards denial of institution.”).

2. Factor 2 Favors Denial (Timing of Trial)

Fintiv factor 2 weighs in favor of denying institution because the district court is set to complete trial over four months before any final decision from the Board would be due. The jury trial in the Eastern District of Texas litigation is set to commence on July 21, 2025 (EX1036), whereas the Board’s final written decision would be due four months later on approximately November 30, 2025. “If the court’s trial date is earlier than the projected statutory deadline, the Board generally has weighed this fact in favor of exercising authority to deny institution under NHK.” *Fintiv*, IPR2020-00019, Paper 11 at 9.

This timeline favors denial, as the Board has previously found that when “a jury trial is scheduled to occur in the related district court litigation approximately four months prior to when a final written decision would be statutorily due,” “these facts weigh in favor of exercising discretion to deny institution.” *Immersion Systems LLC v. Midas Green Techs., LLC*, PGR2021-00104, Paper 15 at 11 (P.T.A.B. Jan. 31, 2022). Indeed, the Board has repeatedly found that even a one-to two-month period between the trial date and the projected date of a final written decision favors denial. *See, e.g., NXP USA, Inc. v. Impinj, Inc.*, PGR2022-00005, Paper 18 at 8-9 (P.T.A.B. May 2, 2022) (finding two-month period between trial date and deadline for final decision weighed in favor of discretionary denial); *E-One, Inc. v. Oshkosh Corp.*, IPR2019-00161, Paper 16 at 6-9 (P.T.A.B. May 15, 2019) (finding one-month period between trial date and deadline for final written decision weighed in favor of discretionary denial); *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 15 at 12-13 (P.T.A.B. May 13, 2020) (factor disfavors institution when “the currently scheduled District Court trial is scheduled to begin two months before our deadline to reach a final decision”); *eClinicalWorks, LLC v. Decapolis LLC*, IPR2022-00229, Paper 10 at 9 (P.T.A.B. Apr. 13, 2022) (determining denial favored where beginning of jury trial was “roughly one to two months” before final decision was due); *Netflix, Inc. v. Uniloc 2017 LLC*, IPR2020-

00008, Paper 13 at 9 (P.T.A.B. Apr. 13, 2020) (finding two-month period between scheduled trial date and deadline for final written decision favored denial).

Additionally, the USPTO's Interim *Fintiv* Procedure provides that the “[p]arties may present evidence regarding the most recent statistics on median time-to-trial for civil actions in the district court in which the parallel litigation resides for the PTAB’s consideration ... the PTAB will also consider additional supporting factors, such as the speed and availability of other case dispositions. *See* Interim *Fintiv* Procedure, 8-9. Here, the median time-to-trial is 21.1 months and the median time from filing to case disposition in the Eastern District of Texas is 7.8 months. EX2006, Judicial Caseload Profile, Table T-3 at 2, Table C-5 at 2 (Mar. 2024). Considering the 7.8-month median time for disposition in the Eastern District of Texas, the parallel litigation will likely be disposed of in 2024, over a year before the November 2025 statutory deadline for the final decision. *Id.*, Table C-5 at 2; *see also* EX2007 (showing September 2023 complaint filing); EX2008 (same). Moreover, the median time-to-trial statistics for the district predict a trial date of June 2025 (EX2006), and for Judge Gilstrap in particular, the trial would be between eight to ten months prior to the institution date, in February or April 2025 (EX2016) (showing 20-month average time-to-trial, excluding transfers, and median time-to-trial of 18 months).

Judge Gilstrap has already set the jury trial, and that jury trial will conclude well before the Board's projected statutory deadline. EX1036. Additionally, because of the stage of the underlying case and the speed with which the Eastern District of Texas reaches case dispositions, there are likely to be district court determinations relating to the validity of the '026 Patent in advance of the Board's projected statutory deadline. EX2006. Thus, *Fintiv* factor 2 favors discretionary denial.

3. Factor 3 Favors Denial (Investment in Parallel Proceedings)

Factor 3 strongly weighs in favor of denial because both Emerging Auto and Petitioners will have expended considerable resources in the parallel litigation, including on the merits of Petitioners' invalidity positions, by the time the Board issues an institution decision. *See Sand Revolution II, LLC v. Cont'l Intermodal Grp.*, IPR2019-01393, Paper 24 at 10 (P.T.A.B. June 16, 2020) (noting that investment in invalidity contentions is relevant to this factor).

For factor 3, the Board considers "the amount and type of work already completed in the parallel litigation by the court and the parties at the time of the institution decision." *Fintiv*, IPR2020-00019, Paper 11 at 9. "This investment factor is related to the trial date factor, in that more work completed by the parties and court in the parallel proceeding tends to support the arguments that the parallel

proceeding is more advanced, a stay may be less likely, and instituting would lead to duplicative costs.” *Id.* at 10.

Here, the Board is projected to issue an institution decision on November 30, 2024. Emerging Automotive served its infringement contentions on January 18, 2024, and on March 28, 2024, Petitioners served their invalidity contentions, nearly seven months before the projected institution decision. EX2004; EX1036. Petitioners’ invalidity contentions include claim charts addressing the same primary reference (Zaid) asserted by Petitioners in every ground of their Petition for the asserted claims in the co-pending litigation. *Id.* at 11.

By the time of the Board’s institution decision, Judge Gilstrap will have issued a decision on at least five now-pending motions pertaining to technical aspects of the asserted patents – a motion to compel documents and discovery responses from Toyota, Toyota’s motion to compel documents from Emerging Auto, Toyota’s motion to amend its invalidity contentions, and Toyota’s motion to strike Emerging Automotive’s Infringement Contentions—a motion that argues both claim construction and the merits of infringement allegations. *See* EX2007, ECF Nos. 54 (motion to compel Toyota’s production of technical documents and discovery responses), 61 (addressing and incorporating Patent Owner’s asserted claims and infringement contentions against Toyota), 63 (Toyota’s motion to

compel discovery responses), 65 (Toyota's motion to amend its invalidity contentions), 71 (Emerging Auto's motion to compel Toyota to respond to Interrogatory No. 5 and produce supplier agreements regarding accused functionality). Judge Gilstrap has scheduled hearings on the five pending motions for September 4, 2024, nearly three months before the Board's institution deadline. *Id.*, 13.

Additionally, the parties have already exchanged interrogatory responses, exchanged document productions, and completed certain depositions. *Id.* Moreover, Emerging Auto has spent hours reviewing materials on a "source code" computer, and Toyota recently noticed the depositions of the two inventors, Angel and Albert Penilla, for September. Before the projected institution deadline, therefore, the parties will have completed numerous witness depositions, and the Court will have completed hearings and issued rulings on at least five substantive motions. *Id.* The parties further will have exchanged proposed claim terms and proposed constructions, will have submitted the Joint Claim Construction Statement, and will have completed claim construction discovery. EX1036. While claim construction may not be completed before the institution decision, it will be well underway and since neither party has contended that claim construction is necessary to resolve the merits of the Petition (Pet. 12), an order coming shortly after institution does not

overcome the substantial resources expended by the court and parties. *See, e.g., Mylan Labs.*, Paper 17 at 18 (finding court’s issuance of orders favored denial despite no claim construction order because “neither party has acknowledged any potential issues of claim construction that need to be resolved”) (citing *Fintiv*, Paper 11 at 9).

By the time the Board issues an institution decision, the district court has, and will have, spent considerable time and resources dealing with substantive motions. This factor favors denial. *Mylan Laboratories*, IPR2020-00440, Paper 17 at 15, 18 (“Specifically, if, at the time of the institution decision, the district court has issued substantive orders related to the patent at issue in the petition, this fact favors denial.”) (citing *Fintiv*, IPR2020-00019, Paper 11 at 9 and citing *E-One*, IPR2019-00161, Paper 16 at 8, 13, 20).

Moreover, both Emerging Auto and Petitioners will have expended substantial resources in the parallel litigation, including on the merits of Petitioners’ invalidity positions, where—as detailed below—there is significant overlap of issues.

Discretionary denial is therefore favored here, since the parties and the court will have invested substantial time and resources, including substantial motion practice and ongoing fact discovery, by the November 30, 2024 institution deadline.

4. Factor 4 Favors Denial (Overlap of Issues)

Factor 4 weighs strongly in favor of discretionary denial because there is substantial overlap between the claims, arguments, and evidence raised in the Petition and in Petitioners' invalidity contentions in the parallel district court proceeding. Petitioners' failure to offer any stipulation or other action to reduce the overlap between the proceedings only highlights the concerns of duplicative efforts and conflicting outcomes raised by *Fintiv* and the USPTO's Interim *Fintiv* Procedure.

The Petition challenges each asserted claim in the district court litigation (i.e., 1, 2, 6, 7, 10, 11, 13-15, and 18-20). Pet. 3. In the district court litigation, Petitioners challenge each asserted claim using the same asserted references—Zaid, Patenaude, Gilberston, and Kleve. EX2004, 10-11, 35; Pet. 3. Thus, Petitioners' invalidity contentions served in district court allege that the same references invalidate the asserted claims. Petitioners' common prior art and common challenges to the claims renders the “overlap between the two proceedings [] substantial.” *Code200 Uab v. Luminate Networks Ltd.*, IPR2020-01506, Paper 10 at 11-12 (P.T.A.B. Feb. 16, 2021).

Moreover, Petitioners' district court assertion of additional prior art and theories than those asserted here does nothing to alter the degree of overlap between

the Petition and their invalidity contentions. *See, e.g., Fintiv*, IPR2020-00019, Paper 15 at 15 (finding the petitioner’s assertion of additional invalidity contentions “not relevant to the question of the degree of overlap for this factor”). Petitioners incorrectly argue that the Petition’s challenge of additional dependent claims, weighs against discretionary denial, but the Board has repeatedly ruled that such a fact does nothing to mitigate “substantial” overlap in issues between the proceedings where common prior art is presented and common independent claims are challenged. *Code200 Uab*, Paper 10 at 11-12 (“In light of the common prior art asserted here and in the [] district court case, as well as the common challenge to the sole independent claim and all but two dependent claims of the [challenged] patent, we agree with the Patent Owner that the overlap in issues between the two proceedings is substantial.”); *see also Teso LT UAB v. Luminati Networks Ltd.*, IPR2021-00122, Paper 12 at 10 (P.T.A.B. Apr. 20, 2021) (denial of institution favored where Petition’s prior art references were all identified in the district court invalidity contentions, the same independent claims were challenged in both proceedings, and “the *additional* claims challenged in the Petition are all dependent claims”).

Therefore, with this substantial overlap between the Petition and the parallel district court matter, there are particularly strong “concerns of inefficiency and the

possibility of conflicting decisions” if the IPR is instituted. *See, e.g., Fintiv*, IPR2020-00019, Paper 11 at 12 (finding “concerns of inefficiency and the possibility of conflicting decisions [are] particularly strong” where there is substantial overlap).

Accordingly, factor 4 weighs strongly in favor of denial of institution. *See Teso LT, UAB v. Luminati Networks Ltd.*, IPR2021-00122, Paper 12 at 10 (P.T.A.B. Apr. 20, 2021) (finding “the overlap in issues between the two proceedings is substantial” where common art and common challenges to the independent claim were presented in both proceedings); *see also eClinical Works*, IPR2022-00229, Paper 10 at 12 (finding factor 4 weighed in favor of denial where Preliminary Invalidity Contentions showed overlap of asserted claims, art and arguments asserted in the Petition); *U.S. Venture, Inc. v. Sunoco Partners Mktg. & Terminals L.P.*, IPR2020-00728, Paper 10 at 12-14 (P.T.A.B. Oct. 1, 2020) (finding overlap between primary references asserted in Petition and litigation weighed in favor of denial).

Finally, Petitioners offer no stipulation, *Sotera* or otherwise. Petitioners signal that they intend to pursue the same invalidity theories in both forums. *See* Pet., 70. Because “both the Board and the district court would be analyzing and interpreting the same pieces of art, duplicating effort and potentially reaching

inconsistent results,” factor 4 weighs heavily against institution. *See Samsung Elecs. Co. v. Clear Imaging Research, LLC*, IPR2020-01401, Paper 12 at 21 (P.T.A.B. Feb. 17, 2021) (finding overlapping claims challenged on the same prior art favored discretionary denial because duplication of work and potential for inconsistent decisions remained despite the petitioner’s stipulation to forego grounds asserted in Petition).

For each of these reasons, factor 4 strongly favors discretionary denial.

5. Factor 5 Favors Denial (Overlapping Parties)

Patent Owner is the plaintiff and Petitioners are defendants in the parallel litigation (EX2007; EX2008), and “because the petitioner and the defendant in the parallel proceeding are the same party, this factor weighs in favor of discretionary denial.” *Samsung v. Clear Imaging*, IPR2020-01401, Paper 12 at 21-22 (quoting *Fintiv*, IPR2020-00019, Paper 15 at 15) (finding factor 5 weighs in favor of discretionary denial given petitioner’s status as co-defendant in parallel litigation). When “a petitioner in inter partes review and a defendant in a parallel district court proceeding are the same, or where a district court is scheduled to go to trial before the Board’s final decision would be due in a related inter partes review, this factor weighs in favor of discretionary denial.” *Id.* (quoting *Sand Revolution*, IPR2019-01393, Paper 24 at 12-13). Here, Toyota and Kia are both the petitioners and each

a defendant in the district court litigation, and that district court proceeding “is scheduled to go to trial before the Board’s final decision would be due” here. *Id.*; *see also* section II.A.2, above.

This factor therefore weighs in favor of exercising discretion to deny institution.

6. Factor 6 Favors Denial (Other Circumstances)

There are no “other circumstances” that support institution.

VII. Section 311(B) of the AIA and the SCOTUS Ruling in *SAS* Prevent Institution

The Petition must be denied under 35 U.S.C. § 311(b). Regardless of whether Kleve is prior art under 35 U.S.C. § 102, it cannot be used for IPR. While Section 102 identifies numerous disclosures that qualify as “prior art,” an IPR may only be instituted on a subset of that art. Specifically, §311(b) allows *inter partes* review “only on the basis of prior art consisting of patents or printed publications.” 35 U.S.C. § 311(b). Petitions thus may not be instituted on prior art consisting of “public use” or “sales,” as recited in §102(a)(1) or a patent application that was filed before the effective date, but published after, as contemplated in §102(a)(2).

The '026 patent properly claims priority to U.S. Appl. No. 14/063,638, filed on October 25, 2013, which includes the same specification because it is linked only by continuations. EX1001, face page item 63. As such, there is no, and can be

no, dispute that the '026 patent is entitled a priority date of at least October 25, 2013.² *Id.*; Pet., 8-9.

Kleve is not “prior art consisting of patents or printed publications” as required by § 311(b). Kleve is a patent publication, and thus not prior art consisting of a patent. EX1006, 1. Moreover, Kleve was not published until May 8, 2014 (*id.*), well after the priority date of the '026 patent, whether it be October 25, 2013 or earlier. Petitioners make no argument that Kleve was publicly available before its publication. As such, Kleve is not prior art consisting of a printed publication because “[f]or a reference to qualify as a printed publication, ‘before the critical date the reference must have been sufficiently accessible to the public interested in the art.’” *See, e.g., Valve Corp. v. Ironburg Inventions Ltd.*, 8 F.4th 1364, 1373 (Fed. Cir. 2021) (quoting *Constant v. Advanced Micro-Devices, Inc.*, 848 F.2d

² While Petitioners argue that the '026 patent is not entitled to its April 22, 2011 priority date, the Board need not resolve that question to deny institution under any of the arguments presented herein, as the Petition fails regardless.

1560, 1568 (Fed. Cir. 1988)). As such, ground 4 of the Petition cannot be instituted because it relies on Kleve.³

Moreover, because the Supreme Court's decision in *SAS Institute, Inc. v. Iancu*, 584 U.S. 357 (2018) prohibits institution on fewer than all petitioned grounds, the entirety of the Petition, grounds 1-4, must be denied. Under *SAS*, because institution is not authorized for ground 4, institution is not authorized for any additional grounds.

VIII. Conclusion

For the foregoing multitude of reasons, institution should be denied.

Dated: August 30, 2024

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³ 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.).

37 C.F.R. §42.24(d) CERTIFICATION

The undersigned hereby certifies that this submission, excluding the table of contents, table of authorities, exhibit list, certificate of word count, and certificate of service, contains **12,592** words, as determined using the standard word counting feature of the Microsoft Word program.

Dated: August 30, 2024

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CERTIFICATE OF SERVICE

Petitioner has consented to e-mail service in this proceeding. Pursuant to 37 C.F.R. §42.6, the undersigned certifies that on August 30, 2024, a copy of the foregoing document was served by email upon the following counsel at the below email addresses:

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