

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

TOYOTA MOTOR CORP. AND KIA CORPORATION,
Petitioner,

v.

EMERGING AUTOMOTIVE LLC,
Patent Owner.

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

PETITIONERS' PRE-INSTITUTION REPLY

Petitioners’ diligence filing the present IPR, its broad stipulation, and the petition’s strong merits outweigh other applicable factors and favor institution.

Factor 1 – Neutral: *Fintiv* cautions against speculating whether the district court would grant a stay. The absence of a stay is, at most, *neutral*. *Apple, Inc. v. Fintiv, Inc.*, IPR2020-00019-15 at 12 (PTAB May 13, 2020).

Factor 2 – Does Not Warrant Denial: Trial is set for July 21, 2025, four months before the FWD deadline. EA provides district-wide time-to-trial statistics that are less useful for the EDTX, where >70% of cases are assigned to Judge Gilstrap, delays are common, and case filings have skyrocketed. Ex. 1040 at 7, 24; Ex. 1041 at 2; Ex. 1042 at 1. For Judge Gilstrap, statistics for 12 months prior confirm that time-to-trial is on the rise. Ex. 1047. Judge Gilstrap now has sixteen trials set for July 21, 2025. Ex. 1043. EA’s speculation that this case would be prioritized *and* that EDTX’s trial backlog would be clear is extremely unlikely.

Further, EA’s shorter median times for *disposition* (POPR, 46) are irrelevant, as neither *Fintiv* nor the June 21, 2022 Guidance Memo support weighing statistics for disposition *other than by trial*. In any case, the district court trial date alone is not determinative. Guidance Memo at 8; *Google LLC v. Proxense, LLC*, IPR2024-00232-10 at 28–29 (PTAB Jul. 24, 2024) (instituting where trial preceded FWD by five months; same stipulation as here); *Samsung Electronics America, Inc. v. Cobblestone Wireless, LLC*, IPR2024-00137-15 at 11–

12 (PTAB May 22, 2024) (*Sand* stipulation, eight months); *SRAM, LLC v. FOX Factory, Inc.*, IPR2024-00216-11 at 52 (PTAB June 7, 2024) (no stipulation, four months). EA’s citations (POPR, 45) do not involve effective stipulations and predate the Guidance Memo’s clarification that this factor does not outweigh the rest. Guidance Memo at 8.

Factor 3 – Favors Institution: EA has described the case as “in the initial stages” to the Federal Circuit. Ex. 1044. EA cites to “a flurry of technical motions,” yet all but one were denied as moot by agreement of the parties, and the last was summarily denied. Exs. 1045, 1046. By time of institution, fact discovery and claim construction will be ongoing (*Markman* scheduled for January 16, 2025). Ex. 1036 at 4. The district court’s substantive investment regarding invalidity will be nil. *See Samsung Electronics America, Inc. v. Cobblestone Wireless, LLC*, IPR2024-00606-13 at 40-41 (PTAB Sept. 10, 2024) (claim construction and close of fact discovery occurring after institution weighs against denial).

Factor 4 – Favors Institution: Petitioners offer a “*Sand* plus” stipulation: If the Board institutes, Petitioners will not pursue any invalidity ground that includes *Zaid*, *Patenaude*, *Gilbertson*, or *Kleve* against the ’026 patent in the related litigation. Moreover, EA does not deny that this IPR will address issues not present in the district court.

Factor 5 – Neutral/Does Not Warrant Denial: EA asserts that this factor favors

denial if trial precedes the FWD, (POPR, 54-55), but EA cannot be sure of that.

This factor is neutral or, at most, weighs only slightly against institution.

Factor 6 – Strongly Favors Institution: The petition’s grounds are compelling and speak for themselves. Indeed, EA’s only analysis for this factor is that “[t]here are no ‘other circumstances’ that support institution.” POPR, 55. This runs counter to the Director’s Guidance that this factor can outweigh the remaining factors. Guidance Memo at 4-5. Regardless, EA’s challenges to the petition are flawed and each is already addressed by the Petition.

First, EA argues that Zaid’s “reservation” is not a request because “any request for unlocking would, naturally, occur after a vehicle is reserved.” POPR, 23-25. The Petition addressed this, quoting Zaid’s express disclosure that, after the vehicle is reserved, “*access* to the vehicle is provided when a vehicle reservation is received from the wireless communication device.” Ex. 1005, ¶¶67, 126-28; Pet. 27. *Second*, EA argues that Zaid’s “unique increment” does not come from the server. POPR, 26-31. But the Petition quotes Zaid’s teaching that “*each message* for exchanging information such as vehicle reservation,” which would include the reservation, is sent from the server to the device. Ex. 1005, ¶130; Pet. 29-30.

Third, EA argues that the “unique increment” is not “associated” with the privileges within the reservation. POPR, 31-37. The Petition addressed this, noting that “[e]ach encrypted vehicle reservation ... has a unique access code associated

with it.” Pet. 32. *Fourth*, EA argues that Zaid’s “reservation” is not “by the mobile device” but instead by the server. POPR, 37-38. The Petition addressed this by noting that the reservation is sent by the mobile device to the vehicle in order to be granted access. Ex. 1005, ¶67; Pet. 27. *Fifth*, EA argues Zaid’s decryption “private key” does not authenticate the encrypted “reservation,” because decryption “at best, verifies the *receiver* of a message.” POPR, 38-40. This again ignores the Petition’s reliance on Zaid’s explicit disclosure that “decryption is used to ... *authenticate* that the intended wireless communication device is receiving *the vehicle reservation*.” Ex. 1005, ¶126; Pet. 33.

Regarding § 325(d), first, Zaid was buried in a 357-reference IDS avalanche of prior art. The circumstance hardly warrants deference, despite the stamp applied to each page indicating references were “considered except where lined through.” *Avail Medsystems, Inc. v. Teladoc Health, Inc.*, IPR2022-00445-9 at (PTAB July 22, 2022) (instituting when prior art was part of IDS with 300 references). And as explained in the Petition, the examiner materially erred by not discussing Zaid.

Second, EA argues that Zaid was considered in the descendent ’659 patent application but neglects to mention the clear differences in claim scope between the ’026 and ’659. As an initial matter, EA does not cite to any authority which suggests that the examiner’s consideration of the same art in a different, subsequent application would warrant Section 325(d) discretionary denial.

Regardless, the examiner allowed the claims over Zaid after they were amended to require “privilege settings for additionally limiting *types of use* of the vehicle . . .” Ex. 1009, 339 (“[N]othing is discussed by Zaid regarding a unique access code that includes privilege settings set for ***additional limiting types of use of the vehicle.***”). By contrast, the ’026 patent merely requires “privileges for use,” which is broader than the ’659 patent’s amendment. Zaid does not disclose privileges for limiting *types of use*. Instead, Zaid discloses privileges for limiting ***time*** of use—unconstrained by “type” —which falls squarely within the ’026 patent’s claimed “privileges for use.” EA points to ’659 patent claim 18, which was amended with the other independent claims to include the “type” language to overcome Zaid, but later amended to remove the “type” requirement. Ex. 1009, 509 (application claim 25). Yet the applicant’s explanation for the amendment merely stated it was intended to “provide clarification,” and made no mention of Zaid. *Id.*, 512. By allowing applicant to remove (in just one independent claim) language that overcame an earlier rejection, the Office materially erred, because as explained in the Petition, Zaid does in fact disclose privilege settings.

Regarding §311(b): At POPR, 50–51, EA advocates a position contrary to the law applied by the PTAB. *Patent Quality Assurance, LLC v. VLSI Tech. LLC*, IPR2021-01229-129, at 27–29 (PTAB June 13, 2023); *Purdue Pharma L.P. v. Iancu*, 767 F. App’x 918, 925 (Fed. Cir. 2019).

Respectfully submitted,

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By: /Joshua L. Goldberg/
Joshua L. Goldberg, Reg. No. 59,369
Counsel for Petitioner Toyota

FINNEGAN, HENDERSON, FARABOW,
GARRETT & DUNNER, L.L.P.

CERTIFICATE OF SERVICE

The undersigned certifies that a copy of the foregoing **Petitioners' Pre-Institution Reply** was served on October 4, 2024 via email directed to counsel of record for Patent Owner at the following.

Jerry D. Tice
jtice@bdiplaw.com

Aaron R. Hand
ahand@bdiplaw.com

Brenda Entzminger
bentzminger@bdiplaw.com

BDIP_EmergingAuto@bdiplaw.com

Dated: October 4, 2024

/Lisa C. Hines/

Lisa C. Hines
Case Manager
FINNEGAN, HENDERSON, FARABOW,
GARRETT & DUNNER, L.L.P.