

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 SUR-REPLY

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I. PETITIONERS' REPLY HIGHLIGHTS THE DEFICIENCIES OF THE PETITION, SOLIDIFYING THAT THE PETITION SHOULD BE DENIED ON THE MERITS

Petitioners requested a reply ostensibly to “respond to Patent Owner’s arguments for discretionary denial and § 311(b).” Tellingly, however, the reply attempts to cure the Petition’s merit-based failures. Reply 3-5. Petitioners’ strategy only confirms that the Petition should be denied on the merits. Responding to Petitioners’ substantive arguments in the order presented in reply:

First, Patent Owner demonstrated that Zaid’s alleged “request” is not “for unlocking of the vehicle,” as claimed. POPR, 23-25. Instead, the alleged “request” is merely a reservation, reserving a vehicle for later access—which would require a later “request” “for unlocking.” *Id.* Petitioners appear to agree on this point, and the Petition therefore fails. Reply, 3 (access is provided “*after* the vehicle is reserved”) (emphasis added). Zaid makes this explicit in paragraph 124, and it is even highlighted in the figures and explanation on pages 27-28 of the Petition. Indeed, as Dr. Malek explained, a POSITA reading Zaid would understand that it would make no sense for a reservation to include a request to unlock a vehicle. Malek Dec., ¶ 50. Petitioners cannot and do not rebut this in reply.

Second, the alleged “unique access code” of “the request from the mobile device” is not “from the server,” as claimed. POPR, 26-31. The purpose of Zaid’s alleged “unique access code” is for it to be *different* in each communicated

message. POPR, 28-30. As Zaid's server sends a reservation message to a mobile device and the mobile device sends a reservation to the vehicle, the alleged "unique access code" "from the mobile device" is different than any "unique access code" from the server. Petitioners' strategic use of quotes in the Reply is telling: Zaid at paragraph 130 merely discloses that "each message ... includes a unique increment" (EX1005, ¶ 130), not that each message includes the *same* "unique increment." Indeed, including the same unique increment in each message would be contrary to the purpose of the unique increment in Zaid. Malek Dec., ¶¶ 57-59.

Third, Patent Owner demonstrated that Zaid's "unique increment" has nothing to do with any alleged privileges at all. POPR 32-34. At best it is appended to a message of the system, irrespective of the alleged privileges, if any, in the underlying message. *Id.* Petitioners do not dispute this, but merely state that a reservation is associated with a unique access code. Reply, 3. Even if true, there is no association with any privileges. More problematic for Petitioners is that again in reply they do not (because they cannot) offer any explanation for how Zaid teaches or suggests that "the privileges are defined for the unique access code," as claimed. POPR, 34. Even after Petitioners' reply, *there is no evidence or analysis of this limitation*. At bottom, Zaid's "unique increment" is not the "unique access code" described and claimed in the '026 patent.

Fourth, while Petitioners argue that Zaid teaches that a “reservation is sent by the mobile device,” Petitioners do not and cannot dispute Patent Owner’s showing that the disclosure Petitioners rely upon for element 1[h] is **not** related to any request **by** the mobile device. Reply, 4; POPR, 37-38. And for good reason, because *fifth*, under Petitioners’ theory, any alleged “information” in Zaid at best authenticates the *receiver* of a message—the vehicle under Petitioners’ theory and not the mobile device, as claimed. *Id.* Petitioners do not dispute Dr. Malek’s explanation of Zaid on this point.

II. THE BOARD SHOULD DENY INSTITUTION UNDER *FINTIV*

Factor 1: Petitioners have not sought a stay, and under the facts here, a stay would not be granted. POPR, 42-44. Petitioners do not dispute this. Reply, 1. Indeed, the trial court has publicly stated that it will not even consider a stay unless IPR is instituted on all asserted claims. *See Int’l Bus. Machines Corp. v. Digital Doors, Inc.*, No. IPR2023-00971, Paper 7, at 9-10 (P.T.A.B. Dec. 5, 2023). Even if the Board were to institute here, non-instituted asserted claims would remain in the parallel proceedings. *See* EX1037, 1.

Factor 2: This factor considers the scheduled trial date, time to trial statistics, and time to disposition statistics. POPR, 45-46. Every relevant consideration demonstrates that trial in the parallel proceeding will occur well before the expected date of any final written decision. In reply, Petitioners present statistics for Judge

Gilstrap, but those also indicate that trial will occur months before the projected date of the final written decision. EX1047 (24 months from the district court complaint would be September 2025).

Factor 3: The district court and parties have and continue to invest in this proceeding. Petitioners note that some motions were mooted by agreement, but fail to mention that to reach those agreements, counsel for Toyota and Emerging Auto spent an entire day at the courthouse, having multiple meetings with the judge in chambers, who discussed the motions with the parties to drive agreements. This is in addition to the numerous upcoming tasks for the district court and parties, as discussed in the POPR. This further evidences the substantial resources expended by the court and parties in the district court matters, which will have been pending for approximately 14 months when the Board issues its institution decision.

Factor 4: In reply, Petitioners declined to offer a *Sotera* stipulation. Petitioners' lesser stipulation, while mitigating, does not fully resolve concerns about overlap, duplicative efforts, and conflicting decisions—and does not prevent denial. *Int'l Bus. Machine*, Paper 7, 12. IPR is intended to be a “quick and cost effective alternative[] to litigation,” not an avenue for Petitioners to argue invalidity a second time in a second venue. *WesternGeco LLC v. ION Geophysical Corp.*, 889 F.3d 1308, 1317 (Fed. Cir. 2018) (quoting H. REP. NO. 112-98, at 40, 48 (2011)).

Factor 5: Petitioners’ reply ignores the consideration of this factor, which is whether Petitioners are the defendants in the parallel proceedings. It is undisputed that they are. Institution should be denied under *Fintiv*.

III. THE PETITION SHOULD BE DENIED UNDER 325(D)

The Office has considered Zaid multiple times in the prosecution of this patent family, including in the prosecution of the challenged patent. In the related ’659 patent, the Office already found that Zaid does not teach substantially similar claim language to that at issue here. Part 1 is satisfied. As is Part 2: Petitioners merely disagree with Office’s conclusions, which is insufficient.

For their § 325(d) argument, Petitioners do not attempt to rebut most arguments in the POPR, only arguing now that “time” is not a “type of use.” Reply, 5. But this argument also fails: the then-pending claims stated that “time” was a “use of the vehicle.” EX1009, 507 (claim 15). The Examiner allowed the claims irrespective of whether time is a “use”— Zaid’s “unique increment” is not part of a reservation, not “from a mobile device” and, regardless, has nothing to do with any privileges or types of use at all. *Id.*, 511.

IV. THE SECTION 311(B) ISSUE IS BEFORE THE FEDERAL CIRCUIT

As noted in the POPR, this issue is currently on appeal, and the Federal Circuit’s forthcoming decision will confirm whether Section 311(b) permits institution under the facts here.

Dated: October 16, 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 October 16, 2024, a copy of the foregoing document was served by email upon the following counsel at the below email addresses:

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