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

AUTHORIZED RESPONSE TO DIRECTOR REVIEW REQUEST

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I. INTRODUCTION

After the Board denied institution of IPR2024-00785, Petitioners elected to file a request for rehearing. The Board denied Petitioners' request. Petitioners' subsequent request for Director review is thus prohibited under 37 CFR 42.75(c). Petitioners did not seek authorization to break the rules and instead filed their *fourth* pre-institution brief in this matter. Petitioners' conduct is far removed from the AIA's and the Office's goal of efficiency. The improper filing should be expunged.

Even if Petitioners' request were considered, it should be denied. Petitioners incorrectly argue that "the Board's *Fintiv* conclusion" "was entirely based on delay created by the Board itself" because they "assumed" that the Board's *Fintiv* decision was the result of "delay" between the Board's initial decision denying institution and the Board's rehearing decision. Request at 11. But any "delay" was Petitioners' fault, as they waited until a request for rehearing to explain a new invalidity theory. Regardless, the Board's *Fintiv* decision—from both the perspective of the original institution decision date and the rehearing decision date—was correct. As demonstrated in the POPR, discretionary denial was warranted under *Fintiv* (and § 325(d)). The Board did not analyze *Fintiv* in the institution decision because it rejected the Petition on the merits. When the Board considered the issue, it properly denied under *Fintiv*. Even from the institution decision date, the district court trial will occur months before any FWD, the same parties have spent an exorbitant

amount of resources—and will continue to before any FWD—and a stay of the district court case was, and remains, exceedingly unlikely.

Petitioners' arguments regarding other IPR matters between the parties only demonstrate that those matters should likewise be discretionarily denied: in the district court, the same experts as in the IPRs have spilled over 1500 pages of ink on the validity of the patents, and expert discovery has closed. Requiring additional declarations, depositions, and briefing is an inefficient use of party and Office resources when any FWD will occur months after the district court trial.

II. PETITIONERS' REQUEST FOR DIRECTOR REVIEW IS UNAUTHORIZED AND SHOULD BE EXPUNGED

A party "may file one request for Director Review of a decision as provided in paragraph (a) of this section, ***instead of filing a request for rehearing*** of that decision." 37 C.F.R. § 42.75(c) (emphasis added). That is, a "party is limited to requesting Director Review ***or*** rehearing by the Board, but ***shall not request both***." Director Review Process (*available at* https://www.uspto.gov/patents/ptab/decisions/director-review-process) (emphasis added). But, without conferring or seeking leave, that is precisely what Petitioners did.

Specifically, after a pre-institution reply and sur-reply, the Board denied institution. Paper 11. Petitioners elected to proceed with a request for rehearing of

the Board's decision. Paper 12. The Board denied the request. Paper 13 at 17 ("Petitioner's request for rehearing is *denied*"). Twenty days later—and after *five* pre-institution and two substantive decisions were provided by the Board—Petitioners filed the instant request for Director review. This sixth brief is a drain on the Office's resources and prohibited under the rules. It should be expunged.

III. THE BOARD'S *FINTIV* CONCLUSION WAS CORRECT

The Board's *Fintiv* conclusion was correct: there can be no question that institution would have resulted in "inefficiency and duplication of efforts." *Fintiv*, at 6. Regardless of whether considered at the timing of the institution denial or the rehearing denial, the following is true:

Factor 1: at best for Petitioners, any stay would be speculative; Factor 2: the jury trial will occur months before any FWD; Factor 3: the parties invested substantially in the district court case; Factor 4: a "*Sand* plus" stipulation has no teeth: Petitioners may end-run it by swapping or adding a cumulative reference, if it is even enforceable at all; Factor 5: same parties; Factor 6: as the Board found, the merits are not "particularly strong."

IV. PETITIONERS' ATTEMPT TO BLAME THE BOARD FAILS

Petitioners' attempt to shift blame to the Office for "delay" is misplaced. After failing at the Petition stage, Petitioners requested rehearing, identifying a new embodiment not discussed in the Petition, which the Patent Owner was unable to

address in the POPR. Even if the embodiment did cure one of the many failures of the Petition, it would have nevertheless been improper to institute based on Petitioners' belated reliance on a new embodiment of the asserted reference. *See, e.g.*, *Adaptics Ltd. v. Perfect Co*., IPR2018-01596, Paper 20, at 15-16 (PTAB Mar. 6, 2019) (the initial petition must identify with particularity grounds and evidence).

The POPR demonstrated that the Petition should be denied for multiple reasons. Paper 7, at 12 (§ 325(d)), 23 (failure to show element 1[e]), 26 (failure to show element 1[f]), 31 (failure to show element 1[g]), 37 (failure to show element 1[h]), 41 (*Fintiv*). In its Institution Decision, the Board found that the Petition failed with respect to limitation 1[e]. Paper 11, 22-27. Because that failure resulted in no likelihood of success for the entire petition, the Board did not address other arguments or perform any discretionary denial analysis under *Fintiv* or § 325(d). *Id.* 11-12, 22-27. Despite Petitioners' insinuation, institution was not denied "solely" based on the failures of element 1[e]: the Petition fails on the merits for multiple reasons and would have been properly denied under the Board's discretion.

Attempting to cure the Petition's failures only with respect to element 1[e], Petitioners submitted a request for rehearing, pointing to the asserted reference's Figure 6. The Board found that "[i]n its Petition, Petitioner never explained Figure 6 nor did it discuss how it differed from the process of Figure 4" on which "the

Petition focuse[d].” Paper 13, at 8. The Board also recognized that Patent Owner was not given an opportunity to “address the embodiments encompassed by Figure 6.” *Id.*, at 9. Even assuming the embodiment of Figure 6 did cure one of the many deficiencies of the Petition, it would have been improper to institute on a new embodiment that the Petition did not explain. *Adaptics*, at 15-16.

V. THE BOARD’S DECISION DEMONSTRATES THAT OTHER PENDING IPRS BETWEEN THE PARTIES SHOULD BE DENIED UNDER THE DIRECTOR’S DISCRETION

For the same reasons the Board exercised its discretion under *Fintiv* in this matter, the Director should deny trial for the following matters between the same parties, as the same jury trial will occur 3, 5, and 6 months before the FWDs. Indeed, before the district court, the same experts submitted over 1500 pages of experts reports on the validity of these patents, and expert discovery has closed. EX1036.

Proceeding	**Statutory FWD Date**	**Jury Trial Date**
IPR2024-00786	10/22/2025	7/21/2025
IPR2024-00981	12/18/2025	7/21/2025
IPR2024-01167	1/27/2026	7/21/2025

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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 April 8, 2025, a copy of the foregoing document was served by email upon the following counsel at the below email addresses:

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