

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 IPR2024-00981
U.S. Patent No. 9,365,188

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 Kleve’s alleged “terms and conditions for the rental period” cannot disclose the recited “condition for use of the vehicle,” which must be included in the claims’ “request from a user account ... to generate an [] e-key” and assigned with the e-key generated by the server. POPR, 25-34. Kleve’s “virtual key” is provided **before** rental time, and Kleve is clear any “restrictions” are not provided until the rental period has begun. *Id.* (citing, e.g., EX1004, ¶¶ 75 (after “the system detects a rental time start ... [t]he system may begin to download ... restrictions”), 40 (Owner may set “restrictions for “vehicle being rented.”). No “restrictions”—set **after** the virtual key was distributed—could be included in Kleve’s virtual key. *Id.* Indeed, while a Temporary User may “intitiate[] the rental event” before the rental period, the system waits until the “rental time start” to “begin to download ... restrictions assigned by the vehicle owner at the start of the rental period.” EX1004, ¶ 75. Therefore, not only does

Kleve not disclose the restrictions being included in the “virtual key,” a POSITA would have understood that they could not have been. EX2001, ¶¶ 45-58. And, in any event, neither the Petition nor the reply offered any teaching from Kleve suggesting that the entering of a renter’s ID ‘credential’ – identified as the recited “request” – somehow includes any required condition for use of the vehicle. POPR 29-30.

Second, the reply cannot rehabilitate the Petition’s nonsensical modification of Kleve to include “conditions in the request, so that the generated virtual key is associated with such restrictions, allowing the restrictions to be monitored and enforced.” POPR, 30-31 (citing EX2001, ¶¶ 53-54). As Dr. Malek explained, Kleve already allows restrictions to be monitored and enforced, e.g., at steps 216 and 222. *Id.* Moreover, even if the modification, taught by no reference, were proper, neither the petition nor the reply ever explains how the modification would meet the recited “request *includ[ing]* a condition of use of the vehicle,” as a POSITA would understand that the restrictions can be “associated with” the key without being “include[d]” in the request to the server. *Id.* While Petitioners state the modification is “necessary [*sic*],” it clearly is not, as Kleve teaches a different, sensical way.

Third, the Petition pointed to Zaid for the recited request to generate an e-key, not Harris (Pet. 44), and Patent Owner demonstrated that Zaid’s encrypted reservation is neither an e-key nor request therefor, but instead merely a “verified

communication” of the reservation. POPR, 36-39. By repeating the Petition’s inaccurate claim, the reply does nothing to rebut the fact that Zaid’s vehicle access, e.g. unlocking doors, is granted not by the alleged “reservation,” but, at best, by later commands between a user’s smartphone and the vehicle itself. *Id.*

Fourth, neither the Petition nor the reply identifies any “user account” via which the same user can **both** make a request to a server to generate an e-key **and** set a condition of use of the vehicle. POPR, 39-47. Instead, Petitioners point to two distinct platforms and mix up two different users, but neither suggests functionalities that can meet the claims’ limitations. Petitioners first point to Zaid’s disclosure of a **renter** viewing an ad and making a reservation via their social networking account, such as Facebook, which is not a “vehicle account belonging to the vehicle owner” as Petitioners misstate. Pet. 42 (citing EX1008, ¶ 72). But more fundamentally, that account disclosure does not permit the recited functionalities of the claims’ “user account.” *Id.* Ditto for the Petition’s identification of Zaid’s smartphone application for various “advertise or announce” functions, such as the vehicle’s location and availability. Pet. 42 (citing EX1008, ¶¶ 77, 79). Neither the social networking account of the renter nor the distinct location/availability application permits any user to request that the server generate an e-key or permits the user to set a condition of use for the vehicle, let alone one account where a user can perform both actions as recited by the claims. *Id.*

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, 49-50. 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).

Factor 2: This factor considers the scheduled trial date, time to trial statistics, and time to disposition statistics. POPR, 50-53. 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 15 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)

Zaid was considered during the prosecution of this patent, and substantively applied multiple times during the prosecution of this patent family. Petitioners' disagreement with the Office's conclusions is insufficient to show Office error.

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: November 4, 2024

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CERTIFICATE OF SERVICE

Petitioners have consented to e-mail service in this proceeding. Pursuant to 37 C.F.R. §42.6, the undersigned certifies that on November 4, 2024, a copy of the foregoing document was served by email upon the following counsel at the below email addresses:

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