UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

TESLA, INC.

Petitioner,

v.

INTELLECTUAL VENTURES II LLC,

Patent Owner.

Case No. IPR2025-00222
U.S. Patent No. 9,232,158

BRIEF IN SUPPORT OF PATENT OWNER'S REQUEST FOR DISCRETIONARY DENIAL

Table of Contents

PATENT OWNER'S EXHIBIT LIST iv

I. INTRODUCTION 1

II. THE FINTIV FACTORS FAVOR DISCRETIONARY DENIAL 2

A. Factor 1 Weighs Against Institution Because A Stay Has Not Been Granted In The Parallel Litigation And There Is No Evidence That A Stay Would Be Granted If This IPR Was Instituted 3

B. Factor 2 Weighs Against Institution Because The Parallel Litigation Has A Trial Date Scheduled Before The Projected Statutory Deadline For The Board's Final Written Decision 3

C. Factor 3 Weighs Against Institution Because The Parties Will Have Invested Significant Effort In The Parallel Litigation By The Time The Board's Institution Decision Is Due 4

D. Factor 4 Weighs Against Institution Because There Is Substantial Overlap Between The Parallel Litigation And This IPR 7

E. Factor 5 Weighs Against Institution Because The Patent Owner Is The Same And The Petitioner Are The Same Parties As In The Parallel Litigation 11

F. Factor 6 Weighs Against Institution Because The Merits Of Petitioner's Challenge Is Weak 12

III. ADDITIONAL FACTORS SET FORTH IN THE MEMORANDUM SUPPORT DISCRETIONARY DENIAL 13

A. The Petition Relies Extensively on Expert Testimony 14

1. Petitioner Was On Notice From The Board's Prior Decision That The Independent Claims Of The '158 Patent Required Independent Control Of Integration For Each Sensor 15

2. The Only Reference For Ground 1 - Matsushima - Lacks Independent Control Of Integration For Each Sensor 16

3. Petitioner Relies On The Declaration Of Its Expert To Fill The Gaps In Matsushima 19

4. Petitioner's Use Of The Declaration Of Its Expert For Gap-Filling Favors A Denial Of Institution 22

B. The ‘158 Patent Has Been In Force Since 2016 24
IV. CONCLUSION 24

PATENT OWNER'S EXHIBIT LIST

Ex. 2001	Petitioner's Answer to Complaint and Counterclaim, dated June 20, 2024, in *Intellectual Ventures II LLC v. Tesla, Inc*., C.A. 1:24-cv-00884-ADA (W.D. Tex.)
Ex. 2002	Docket from District Court Litigation, *Intellectual Ventures II LLC v. Tesla, Inc*., C.A. 1:24-cv-00884-ADA (W.D. Tex.)
Ex. 2003	Scheduling Order from District Court Litigation, *Intellectual Ventures II LLC v. Tesla, Inc*., C.A. 1:24-cv-00884-ADA (W.D. Tex.)
Ex. 2004	Defendant's Second Supplemental Preliminary Invalidity Contentions, dated January 9, 2025, in District Court Litigation, *Intellectual Ventures II LLC v. Tesla, Inc*., C.A. 1:24-cv-00884-ADA (W.D. Tex.)

I. INTRODUCTION

Pursuant to the Memorandum by the Acting Director dated March 26, 2025, setting forth the "Interim Processes for PTAB Workload Management" (the Memorandum), Patent Owner hereby sets forth the applicable bases for discretionary denial of institution. This filing is being made within one month of the issuance of the Memorandum. As explained more fully below, all of the *Fintiv* factors, as well as several additional factors set forth in the Memorandum, favor the discretionary denial of institution in this case.

With respect to the *Fintiv* factors, Petitioner filed a Counterclaim on June 20, 2024 challenging the validity of U.S. Patent No. 9,232,158 ("'158 Patent," Ex. 1001) in *Intellectual Ventures II LLC v. Tesla, Inc*., C.A. 1:24-cv-00884-ADA (W.D. Tex.) (the "Parallel Litigation.") Ex. 2001, at 86-87 and Ex. 2002, at 6-7. As discussed in detail below, the Parallel Litigation has already progressed significantly, including the completion of Preliminary Infringement and Invalidity Contentions, and the filing of all claim construction briefing. The Court is scheduled to hold the Markman Hearing in a few days (on April 10, 2025). By the anticipated date of the institution decision in this matter (July 9, 2025), the parties will be well into fact discovery, service of Final Infringement and Invalidity Contentions will be complete, and the Court will in all likelihood have issued its claim construction ruling. Ex. 2003, 2-3. The Trial is scheduled for May 14, 2026, about *2 months before the statutory*

deadline for issuing a Final Written Decision in this matter on July 9, 2026. Ex. 2003, 4.[1]

With respect to other factors identified in the Memorandum, the Petition relies heavily on expert testimony that largely parrots *verbatim* the wording of the Petition. Moreover, as explained below, Petitioner is attempting to use its expert to rewrite the prior art to meet the claim limitations. Use of expert testimony for this type of gap-filling is particularly inappropriate where the expert declaration largely mirrors the Petition's language. These aspects of the Petition also weigh in favor of a discretionary denial.

In addition, the '158 Patent has been in force for over 9 years, and will soon be expired (the '158 Patent expires in January, 2026). This factor also weighs in favor of discretionary denial

For all of these reasons, and as explained more fully below, the Director should exercise her discretion to deny institution.

II. THE FINTIV FACTORS FAVOR DISCRETIONARY DENIAL

The precedential order in *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 (PTAB March 20, 2020) ("*Fintiv*") identifies six factors for the Board to consider in

[1] The Petition (at 80, note 6) incorrectly asserts that "[t]he district court has not entered an order scheduling a trial date." As shown on the last page of the Court's Scheduling Order, a jury trial is scheduled for May 14, 2026. Ex. 2003, 4.

deciding whether to exercise discretion to deny institution based on parallel proceedings involving the same patent. Application of the present facts to these factors demonstrates that there are strong reasons for exercising discretion to deny institution here.

A. Factor 1 Weighs Against Institution Because A Stay Has Not Been Granted In The Parallel Litigation And There Is No Evidence That A Stay Would Be Granted If This IPR Was Instituted

No stay has even been requested in the Parallel Litigation. Pet., 80. In addition, even if this IPR was instituted (which would not occur until on or around July 9, 2025), it is unlikely that the Court (Judge Albright) would grant a stay. *See, generally*, *Continental Intermodal Grp. v. Sand Revolution LLC*, No. 7:18-cv-00147 (W.D. Tex. July 22, 2020) (Judge Albright) *Multimedia Content Mgmt. LLC v. Dish Network*, No. 6:18-CV-00207-ADA, 2019 U.S. Dist. LEXIS (W.D. Tex. May 30, 2018) (Judge Albright) (denying stay).

Thus, the first factor weighs against institution.

B. Factor 2 Weighs Against Institution Because The Parallel Litigation Has A Trial Date Scheduled Before The Projected Statutory Deadline For The Board's Final Written Decision

The Trial in the Parallel Litigation is scheduled for May 14, 2026, about 2 months before the statutory deadline for issuing a Final Written Decision in this matter on July 9, 2026. Rather than looking at the actual date trial is scheduled, the Petition relies on the median time from filing to case disposition in the Western

District of Texas. However, on February 28, 2025, the Office *rescinded* former Director Vidal's 2022 memorandum on discretionary denials which had directed that such statistics be considered. The announcement rescinding former Director Vidal's 2022 memorandum went on to state that decisions relying on the 2022 memo will be "*neither binding or persuasive on the PTAB*." In view of the above, Petitioner's arguments based on the time to trial statistics cannot be considered persuasive and must be rejected.

Given that the actual trial date is *before* the due date for the Final Written Decision, the second factor favors discretionary denial.

C. Factor 3 Weighs Against Institution Because The Parties Will Have Invested Significant Effort In The Parallel Litigation By The Time The Board's Institution Decision Is Due

Factor 3 relates to investment in the Parallel Litigation by the District Court and the parties. *Fintiv*, Paper 11 at 9. This factor is judged from the date of the institution decision, which is expected to be no later than July 9, 2025. *Id.* By the time the Board's institution decision is due, the following will have been completed in the Parallel Litigation:

- PO's Preliminary Infringement Contentions (served August 1, 2024);
- Petitioner's Preliminary Invalidity Contentions (served October 24, 2024);
- Parties exchanged claim terms for construction (November 14, 2024);
- Parties exchanged proposed claim constructions (December 5, 2024);

- Parties disclosed extrinsic evidence for claim construction (December 12, 2024);
- Petitioner's Opening Claim Construction Brief (January 9, 2025);
- PO's Responsive Claim Construction Brief (February 10, 2025);
- Petitioner's Reply Claim Construction Brief (March 3, 2025);
- PO's Sur-Reply Claim Construction Brief (March 24, 2025);
- Parties technical tutorials submitted to Court (March 31, 2025);
- Markman Hearing (scheduled for April 10, 2025);
- Fact discovery (opens April 11, 2025); and
- Final Infringement and Invalidity Contentions (due May 22, 2025).

Ex. 2003, 1-2. Clearly, the parties and the Court will have made a substantial investment in the Parallel Litigation by the expected date of the institution decision on July 9, 2025.

The Petition was filed on November 26, 2024. At that time, Petitioner asserted that "[t]he investment in the co-pending litigation has been minimal." Pet., at 81. Patent Owner disagrees that the investment in the co-pending litigation was minimal as of November 26, 2024. However, even if Petitioner's assertion about the state of affairs on November 26, 2024 was accurate, it is irrelevant. As explained in *Fintiv*, the investment in the Parallel Litigation by the District Court and the parties is judged from *the date of the anticipated institution decision*, which is expected to be

about *July 9, 2025* -- rather than *November 26, 2024*. *Fintiv*, Paper 11 at 9. There can be no argument that by July 9, 2025, the District Court and the parties will have made a substantial investment in the Parallel Litigation.

Thus, the third factor weighs against institution.

In a co-pending IPR challenging a different patent that is being asserted against Petitioner in the Parallel Litigation, Petitioner predicts that the Parallel Litigation will be bifurcated, causing delay of the trial date set forth in the Scheduling Order. *Tesla, Inc. v. Intellectual Ventures II LLC*, IPR2025-00218 (Paper 7), at 1. In support of this prediction, Petitioner relies on a Law360 article (IPR2025-00218, Ex. 1021) and a prior bifurcation order in an unrelated case involving unrelated parties (IPR2025-00218, Ex. 1020). However, Petitioner fails to acknowledge that the bifurcation order it cites resulted from the parties' joint motion to bifurcate and stay certain counts of infringement. *Id.* No such motion has been filed in the Parallel Litigation, nor has either party raised bifurcation in the Parallel Litigation. Moreover, Petitioner omits a key portion of the Law360 article it relies upon, which states: "Judge Albright said he's presiding right now over a case with 'seven or eight' patents, and the parties have made opposite requests about how to try the case. One side wants a single trial with all of the patents; the other has requested individual trials, one for each patent." This further undercuts Petitioner's position, as it demonstrates that trial structure decisions are highly case-specific and

depend on actual party requests—which are absent here. In short, there is no evidence in the record that the district court will bifurcate the present case, and Petitioner's argument rests entirely on speculation. Accordingly, Factor 3 continues to weigh in favor of discretionary denial.

D. Factor 4 Weighs Against Institution Because There Is Substantial Overlap Between The Parallel Litigation And This IPR

As mentioned above Petitioner filed a Counterclaim in the Parallel Litigation challenging the validity of the '158 Patent *as a whole*. Ex. 2001, at 86-87. The Counterclaim is not limited to any particular claim(s) of the '158 Patent, and therefore covers all claims of the '158 Patent -- including the claims challenged in this IPR.

On January 9, 2025, Petitioner filed its Second Supplemental Preliminary Invalidity Contentions in the District Court. As explained below, there is *complete* overlap between the prior art references advanced by the Petitioner in this IPR and those advanced by the Petitioner in the Parallel Litigation. Set forth below is a summary of the grounds raised in the Petition, and the prior art asserted in each ground:

Ground	Claim	Basis (Pre-AIA)
#1	1-2, 5, 8-9, 11, 13-16, and 19	§ 103 over Matsushima
#2	1-2, 4-5, 8-11, 13-14	§ 103 over Yu in view of Miyazaki

Pet., 11. Set forth below is an excerpt from Petitioner's Second Supplemental Preliminary Invalidity Contentions in the Parallel Litigation showing the prior art relied on by Petitioner for challenging the '158 Patent in the District Court:

1. Prior Art Patents and Patent Publications

Ex. No.	Patent/ Publication	Referenced As	Publication / Priority Date
F1	JP Pub. No. 2003-319231	Matsushima	November 3, 2003
F4	U.S. Pat. No. 5,023,725	McCutchen	June 11, 1991
F5	U.S. Pat. No. 5,144,442	Ginosar	September 1, 1992
F6	U.S. Pat. No. 6,611,289	Yu	August 26, 2003
F7	U.S. Pat. No. 6,665,010	Morris	December 16, 2003
F8	U.S. Pat. No. 7,365,780	Miyazaki	September 7, 2000

Ex. 2004, 22; *see also*, 115-128. Thus, all of the prior art asserted in this IPR -- namely, Matsushima, Yu and Miyazaki -- is also being asserted in the Parallel Litigation.

At the time the Petition was filed on November 26, 2024, Petitioner argued that "[t]he extent of overlap is ... speculative at this point in time." Pet., at 81. However, on January 9, 2025, Petitioner filed its Second Supplemental Preliminary Invalidity Contentions in the Parallel Litigation setting forth in detail Petitioner's invalidity contentions for the '158 Patent in the Parallel Litigation, which rely on the same references asserted in this IPR. At this point in time, the complete overlap between the proceedings is far from being "speculative."

Because there is a significant overlap between this IPR and the Parallel Litigation, there are particularly strong "concerns of inefficiency and the possibility of conflicting decision" if this IPR is instituted. *Fintiv*, Paper 11 at 12.

Thus, the fourth factor weighs against institution.

As noted above, Petitioner filed this IPR on November 26, 2024. Several weeks later, on January 9, 2025, Petitioner filed its Second Supplemental Preliminary Invalidity Contentions in the District Court -- a detailed 241-page document that did not materialize overnight. Ex. 2004. Clearly, at the time Petitioner filed this IPR on November 26, 2024, Petitioner had every reason to anticipate that there would be significant overlap between the prior art references advanced by the Petitioner in this IPR and those advanced by the Petitioner in the Parallel Litigation. After all, the issue of overlap is completely within Petitioner's control -- as Petitioner is the party that chose which references to assert in each forum. However, rather than deal with the overlap that Petitioner could have certainly foreseen, Petitioner made the strategic decision in the Petition to characterize the extent of overlap as "speculative." Pet., 82. To the extent Petitioner abandon's that position in its reply in favor of a *Sotera* stipulation, Petitioner's stipulation should be rejected.

In *SAS Institute Inc. v. Iancu*, 138 S. Ct. 1348, (2018), the United States Supreme Court held that an IPR must proceed in accordance with the petition. *SAS*

Inst., Inc. v. Iancu, 584 U.S. 357, 365 (2018); see 35 U.S.C. § 312(a)(3). Because of the expedited nature of IPR proceedings, "[i]t is of the utmost importance that petitioners in the IPR proceedings adhere to the requirement that the initial petition" lay out the entirety of Petitioner's position, including all of Petitioner's theories and evidence. *Henny Penny Corp. v. Frymaster LLC*, 938 F.3d 1324, 1330 (Fed. Cir. 2019). This requirement extends to a Petitioner's theories as to why discretionary denial is not warranted, which likewise should be set forth in the Petition. In fact, the rules authorize a pre-institution reply only in circumstances where "good cause" exists, and a Petitioner lacks "good cause" to reply to arguments that the Petitioner should have anticipated would have been made by Patent Owner. 37 C.F.R. 42.108(c) ("A petitioner may seek leave to file a reply to the preliminary response in accordance with §§ 42.23 and 42.24(c). Any such request must make a showing of good cause.")

Moreover, even in cases where a Petitioner is granted an opportunity to file a pre-institution reply, the rules are clear that a Petitioner *cannot pivot to a new theory* in a reply, but instead "may only respond to arguments raised in the corresponding opposition." 37 C.F.R. 42.23(b); see e.g., *Juniper Networks, Inc. v. Swarm Technology, LLC*, IPR2021-01445, Paper 62 (P.T.A.B. 2023) (refusing to consider new theory presented for first time in a reply and citing statement in Trial Practice Guide that a "Petitioner may not submit new evidence or arguments in reply that it

could have presented earlier") (*citing*, Patent Trial and Appeal Board Consolidated Practice Guide 73 (Nov. 2019)). "Respond" in the context of 37 C.F.R. § 42.23(b), does *not* mean proceed in a *new direction* with a *new approach* as compared to the positions taken in a prior filing." *Juniper Networks,* Paper 62, at 28. "While replies and sur-replies can help crystallize issues for decision, a reply or sur-reply that raises a new issue or belatedly presents evidence may not be considered." *Id.*

As noted above, the issue of overlap was completely within Petitioner's knowledge and control and, as a result, when Petitioner filed this IPR, Petitioner had every reason to foresee the overlap that Petitioner would create between this IPR and the Parallel Litigation. Nonetheless, Petitioner made the strategic decision to characterize the extent of overlap as "speculative" in the Petition. Pet., 82. If the Petitioner attempts in its reply to pivot from its "speculative" argument in the Petition to a *Sotera* stipulation, Petitioner would be improperly proceeding "in a *new direction* with a *new approach* as compared to the positions taken in a prior filing." *Juniper Networks,* Paper 62, at 28. Accordingly, to the extent Petitioner belatedly submits a *Sotera* stipulation with its reply, the stipulation should be rejected as beyond the scope of a proper reply.

E. Factor 5 Weighs Against Institution Because The Patent Owner Is The Same And The Petitioner Are The Same Parties As In The Parallel Litigation

Patent Owner and Petitioner are the same parties as in the Parallel Litigation.

Thus, the fifth factor weighs against institution.

F. Factor 6 Weighs Against Institution Because The Merits Of Petitioner's Challenge Is Weak

The challenges set forth in the Petition are flawed. For example, the Petition extensively relies on an expert declaration that largely parrots *verbatim* the wording of the Petition. Ex. 1003. For example, the following paragraphs of the expert declaration essentially parrot the Petition word-for-word: Ex. 1003, ¶¶ 23, 54-58, 60-61, 63-67, 69-71, 76-158, 160-197 and 200-250.[2] The differences between the wording of these paragraphs from the declaration and that of the Petition are insubstantial. For example, in cases where the Petition provides a point citation to a given reference, the declaration includes a quotation from the reference corresponding to the point citation. For these reasons, the declaration is entitled to little if any weight. *Xerox Corp. v. Bytemark, Inc.,* IPR2022-00624, Paper 9 at 15-17 (PTAB August 24, 2022) (designated precedential) (according "little weight" to declaration testimony that contains a verbatim restatement of a petition's conclusory assertions without additional supporting evidence or reasoning). The Petition's extensive reliance on expert testimony that is mostly a verbatim restatement of the

[2] The portions of the expert declaration that do not parrot the Petition include information such as the expert's background, the materials he considered, and boilerplate describing application legal standards. (Ex. 1003, ¶¶ 1-15 (background of expert and materials considered) and ¶¶ 16, 19-22 and 62 (legal standards)).

Petition is a further factor that favors discretionary denial. *See also*, *Facebook* v. *Windy City Innovations, LLC*, 973 F.3d 1321, 1340-41 (Fed. Cir. 2020) (affirming the Board's holding that claim was not unpatentable when "the Board considered Facebook's expert's testimony but determined that it did not add materially to Petitioner's unpersuasive attorney argument," "because it merely repeated Petitioner's argument, nearly verbatim, without citation to the basis for his testimony.")

Thus, the sixth factor weighs against institution.

In summary, all of the *Fintiv* factors weigh against institution. Under §314(a) and, based on the totality of the *Fintiv* factors, institution should be denied.

III. ADDITIONAL FACTORS SET FORTH IN THE MEMORANDUM SUPPORT DISCRETIONARY DENIAL

In addition to the Fintiv factors, institution should be denied under 35 U.S.C. § 314(a) based on the Petition's improper and excessive reliance on expert testimony, as well as the settled expectations arising from the age of the '158 Patent. The Memorandum identifies "[t]he extent of the petition's reliance on expert testimony" and "[s]ettled expectations of the parties, such as the length of time the claims have been in force" as relevant discretionary considerations. Here, the Petition improperly relies on a voluminous 111-page expert declaration to fill substantive gaps in the prior art, rather than interpreting what is expressly

disclosed—an approach that exceeds the statutory scope of inter partes review under 35 U.S.C. § 311(b), which limits IPR challenges to patents and printed publications. This misuse is especially problematic where, as here, the expert declaration largely mirrors the Petition and attempts to rewrite the prior art to meet the claim limitations. Furthermore, the '158 Patent has been in force since 2016 and is set to expire within the year, further reinforcing the settled expectations of the parties and supporting discretionary denial. As detailed below, collectively, these factors provide compelling grounds for the Director to exercise discretion and deny institution.

A. The Petition Relies Extensively on Expert Testimony

The Petition's impermissible and excessive reliance on expert testimony. As detailed below, the Petition exceeds the statutory scope of inter partes review by improperly supplementing the prior art through a voluminous expert declaration. These circumstances provide a further basis for the Director to exercise discretion and deny institution.

One of the relevant considerations for discretionary denial under 35 U.S.C. § 314(a), as identified in the Memorandum, is "[t]he extent of the petition's reliance on expert testimony." Memorandum, at 1. In this case, the Petition relies heavily on a 111-page expert declaration (Ex 1003) comprising 251 paragraphs—well beyond what is appropriate under the statutory framework governing inter partes review.

Specifically, under 35 U.S.C. § 311(b), "[a] petitioner in an inter partes review may request to cancel as unpatentable 1 or more claims of a patent only on a ground that could be raised under section 102 or 103 and *only on the basis of prior art consisting of patents or printed publications*." Here, the Petition impermissibly relies on the declaration of its expert to fill gaps in the mappings that are not met by the references that are relied on.

1. Petitioner Was On Notice From The Board's Prior Decision That The Independent Claims Of The '158 Patent Required Independent Control Of Integration For Each Sensor

Claim 1 of the '158 Patent recites "a processing component configured to control an integration time of each sensor." The other challenged independent claims each include a similar limitation. The '158 Patent explains that by providing the integration times to each camera channel, the processor is able to "*separately and simultaneously control an integration time of each channel* … so that an image formed by combining data of a frame received simultaneously from the channels has a relatively large dynamic range." Ex. 1001, 5:5-11; *see also* 5:15-18 ("[e]ach sensor camera channel has its own optics, photo-detection and readout mechanism that includes a plurality of picture elements (pixels) *with independent signal integration time control*.")

In IPR2022-00710 (the '710 IPR), the Board interpreted the "processing component" of Claim 1 as follows:

> … Consistent with this interpretation, claim 1 also recites "a processing component configured to control an integration time of *each* sensor," which similarly distinguishes *the processing component's configuration as being able to control the integration time of an individual sensor distinct from the other sensor(s) in the group*.
>
> The specification is in accord with this interpretation. For example, the specification states,
>
> > The digital cameras described herein overcome this dynamic range limitation through the use of multiple camera channels, including multiple optics and image sensors on a single integrated circuit (IC) or semiconductor Substrate. The multiple camera channels are configured to image the same field of view simultaneously, and *each operates independently under a different integration time*.
>
> And the specification states,
>
> > Each channel includes an optics component and an image sensor having an active area including multiple picture elements (pixels). *Each sensor is controlled under or with an independent signal integration time* . . .

Toyota Motor Corp. v. Intellectual Ventures II LLC, IPR2022-00710, Paper 13, at 12-13 (October 26, 2022) (emphasis added; citations omitted). Accordingly, Petitioner was on notice from the Board's earlier decision involving the '158 Patent that "a processor configured to control an integration time of each sensor" (as recited in independent claim 1) requires *independent control of the integration time* of *each* sensor.

2. The Only Reference For Ground 1 - Matsushima - Lacks Independent Control Of Integration For Each Sensor

Matsushima (Ex. 1007) is the sole reference relied on in Ground 1. While Matsushima describes a dual-imaging system with separate CCD sensors, its exposure control mechanism applies *a single charge accumulation time to both CCDs, indicating that integration time is not independently managed for each sensor*. From Matsushima:

> For AE control, *the* subject luminance (*imaging EV value*) is determined based on integration of the R, G, and B signals in a single frame by the integration circuits 60A and 60B, and *the* aperture value and shutter speed are determined based on this *imaging EV value*. The apertures 17A and 17B are driven via the drive circuits 52A and 52B, and *the CCD 18A and CCD 18B charge accumulation time* is controlled using an electronic shutter to reach *the determined shutter speed*. ...
>
> During imaging and recording, the AF operation is performed when the release button is "half-pressed," and the metering operation is repeated several times to obtain the exact imaging EV. The final *aperture value* and *shutter speed* for imaging is then determined based on the imaging EV. The *apertures 17A and 17B* are then driven to *the final aperture value* when the release button is "fully press", and *the charge accumulation time* is controlled by the electronic shutters at *the determined shutter speed*. *Id*., [0034]-[0035] (emphasis added).

The fact that Matsushima refers to "*the* charge accumulation *time*" (in the *singular*) of both "the CCD 18A and CCD 18B" indicates that the *same* charge accumulation time is used to drive both devices. Matsushima's references to "*the* subject luminance" (singular), one EV *value* (singular), "*the* final aperture *value*" (singular) used to drive for *both* apertures 17A and 17B, and "*the* determined shutter *speed* (singular), likewise indicate that *one* luminance (EV value) is determined for

the subject, and a *common* aperture value as well as a *common* shutter speed are used in both imaging systems. Matsushima's use of a *common* accumulation time for both of its CCDs fails to disclose *independent control of the integration time* of *each* sensor, as required by all of the challenged claims.[3]

In its parenthetical purporting to summarize paragraph [0034] of Matsushima, the Petition mischaracterizes the actual wording of the reference, *inserting language that is not present in the text* and which alters the meaning of the reference. Petitioner's characterization of paragraph [0034] of Matsushima (from page 20 of the Petition) is set forth below, along with the actual wording of the reference.

Petition, at 20	Actual Text Of [0034] Matsushima
Ex.1007, [0034] (for automatic exposure (AE) adjustment, the integration circuits 60A and 60B determine the subject luminance (imaging EV value) for sensors (CCD) 18A and 18B ***respectively***, and CPU 30 determines "aperture value and shutter speed…based on this imaging EV value.") (emphasis added)	For AE control, ***the*** subject luminance (imaging EV value) is determined based on integration of the R, G, and B signals in a single frame by the integration circuits 60A and 60B, and the aperture value and shutter speed are determined based on this imaging EV value. The apertures 17A and 17B are driven via the drive circuits 52A and 52B, and ***the*** CCD 18A and CCD 18B ***charge accumulation time*** is controlled using an electronic shutter to reach the determined shutter speed.

[3] While Matsushima describes its imaging systems as "independent" in that "subject images are formed on the light-receiving surfaces of CCD 18A and 18B via imaging optics 14A and 14B, respectively," Matsushima fails to disclose that the integration time of CCD 18A and CCD 18B is independently controlled. *Id*., [0017].

Simply put, Petitioner's addition of the term "*respectively*" to its characterization of Matsushima has *no textual support in the reference itself*, and substantially changes the meaning of the actual words used by Matsushima. The fact that the Petition needs to rely on words not actually in Matsushima in attempting to make the case for invalidity underscores why Matsushima is deficient.

3. Petitioner Relies On The Declaration Of Its Expert To Fill The Gaps In Matsushima

The Petition relies on the declaration of its expert in a failed attempt to show that Matsushima discloses images with different integration times. For example, in his declaration, Petitioner's expert stated;

> 98. Further, as explained at [5.0] and [11.0], Matsushima provides improved image quality with a broad dynamic range, by combining images 62A and 62B having *different integration times* for different regions in a scene. Ex. 1007, [0048]-[0049], [0034].

Ex. 1003, ¶98 (emphasis added). The assertion that Matsushima's images 62A and 62B have different integration times is not supported (either expressly or inherently) in Matsushima. The citations relied on by Petitioner's expert do not support his interpretation of the Matsushima.

Beginning with paragraphs [0048]-[0049] of Matsushima, these paragraphs state that images 62A and 62B are taken by the first and second imaging system at different shooting angles and synthesized, but make no mention of *different integration times*. From Matsushima:

> [0048] Next, the synthesis processing performed on captured images taken by the two imaging systems will be explained. In the present embodiment, by synthesizing a captured image 62A taken with the first imaging system 12A with a captured image 62B taken with the second imaging system 12B, an image with improved image quality in the center of the captured image is generated.
>
> [0049] For example, when shooting at the widest angle, that is, at shooting angle α, indicated by the zoom operation means, as shown in FIG. 4 (A) and 4(B), a scaled down image 66 is generated from a captured image 62B taken by the second imaging system 12B, which is scaled down to the same magnification (shooting angle) as the captured image 62A taken by the first imaging system 12B, and this is synthesized with the captured image 62A taken by the first imaging system 12A. In other words, both images are synthesized by replacing the image in the center of the captured image 62A corresponding to the scaled down image 66, with the scaled down image 66. This improves image quality in the center of the image.

The next citation provided by the expert is to paragraph [0034] of Matsushima, which, as discussed in Section V(B), *supra*, refers to "*the* charge accumulation *time*" (in the *singular*) of both "the CCD 18A and CCD 18B," which indicates that the *same* charge accumulation time is used to drive both devices. Nothing in paragraph [0034] of Matsushima expressly or inherently discloses the use of *different* integrations times by CDDs 18A and 18B.

The expert declaration also relies on the discussion of element [5.0] in the declaration to support the assertion that "images 62A and 62B have different integration times." However, this section of the declaration provides no additional support. In discussing element [5.0], the declaration simply repeats it earlier citations

to paragraphs [0048]-[0049] of Matsushima for the proposition that "image 62A and image 62B are captured with different exposures (with different integration times)." Ex. 1003, ¶109.

Finally, the expert declaration also relies on the discussion of element [11.0] in the declaration to support the assertion that "images 62A and 62B have different integration times." Here, Petitioner's expert tacitly acknowledges that Matsushima *fails to expressly* disclose different integration times, and pivots to the argument that "*[a] POSITA would have understood* that in Matsushima, the integration times of the image sensors would have *different values* for *different subject luminance* of different FOVs." Ex. 1003, ¶134 (emphasis added). However, Matsushima says nothing of the sort. Rather, Matsushima refers to "*the subject luminance*" (singular) and one EV *value* (singular). Ex. 1007, [0034].

In asserting that *"[a] POSITA would have understood*" that Matsushima disclosed different integration times, Petitioner's expert states:

> A POSITA would have understood that in Matsushima, the integration times of the image sensors would have *different values for different subject luminance of different FOVs*. This is because *the first subject luminance* of the shooting angle α and *the second subject luminance* of the shooting angle β are determined independently (by integration circuits 60A and 60B). Ex.1007, [0034].

Ex. 1003, ¶134 (emphasis added). This analysis is the opposite of what Matsushima actually says. In paragraph [0034], Matsushima refers to "*the* subject luminance" in

the singular -- and makes *no* mention of "different subject luminance of different FOVs," "the first subject luminance," or "the second subject luminance." In making this analysis, Petitioner's expert has strayed far and wide from what "a POSITA would have understood" from the *actual words* of Matsushima.

In an attempt to justify his reading into Matsushima of "different subject luminance of different FOVs," "the first subject luminance," and "the second subject luminance," Petitioner's expert states:

> .. For example, the first sensor imaging the larger FOV (see 62A including the sun, the sky and other background objects) has a *different subject illuminance* (e.g., a higher subject illuminance) from the second sensor imaging the smaller FOV (see 62B including a person and a flower), thereby a different integration time (e.g., a shorter integration time) is determined for the first sensor. A *broad dynamic range* is achieved by combining images 62A and 62B having different integration times for different regions in a scene.

Ex. 1003, ¶134 (emphasis added). Again, the concepts relied on in this analysis are not disclosed in Matsushima. Matsushima refers to "*the* subject luminance" in the singular -- not "*different* subject luminance." Moreover, *Matsushima makes no mention of the subject of dynamic range* in any way, shape or form. The concept of a "broad dynamic range" is one that Petitioner's expert brought to Matsushima, rather than one grounded in the disclosure of the reference itself.

4. Petitioner's Use Of The Declaration Of Its Expert For Gap-Filling Favors A Denial Of Institution

The Petition fails to acknowledge or address Matsushima's repeated descriptions in the singular (for both of Matsushima's imaging systems) of "*the* charge accumulation *time*," "*the* subject luminance," *the* "EV *value*," "*the* final aperture *value*" used to drive for *both* apertures 17A and 17B, and "*the* determined shutter *speed*." Rather than staying true to the description of these parameters in the singular as set forth in the reference, Petitioner and it's expert have attempted to rewrite the reference by introducing features such as "different subject luminance of different FOVs," "the first subject luminance," "the second subject luminance" and a "broad dynamic range" -- none of which have textual support in the reference itself. Such expert testimony goes beyond interpreting the printed publication and instead attempts to supply missing elements, in direct violation of 35 U.S.C. § 311(b). Gap-filling of this nature is particularly inappropriate where, as here, the expert declaration largely mirrors the Petition's language without offering independent analysis. These aspects of the present challenge further support a discretionary denial under § 314(a).

Given the extensive and improper use of expert testimony, the Petition fails to comply with statutory requirements and undermines the integrity of the IPR process. Accordingly, this factor further supports discretionary denial under 35 U.S.C. § 314(a) and the guidance of the Memorandum. The Director should exercise her discretion and deny institution.

B. The ‘158 Patent Has Been In Force Since 2016

A further relevant consideration identified in the Memorandum was “[s]ettled expectations of the parties, such as the length of time the claims have been in force.” Memorandum, at 1. In this case, the claims of the ‘158 Patent have been in force for over 9 years, and will expire in the next 12 months. The length of time that the claims have been in force is a further factor that favors discretionary denial.

IV. CONCLUSION

Institution of inter partes review should be denied under 35 U.S.C. § 314(a) based on the totality of the circumstances presented in this case. All six *Fintiv* factors weigh against institution, including the advanced stage of the Parallel Litigation, the scheduled trial date occurring before the projected Final Written Decision, the parties’ substantial investment in the litigation, and the complete overlap of parties, issues, and prior art between the district court and this IPR. These factors raise serious concerns about duplicative proceedings, inefficiency, and the risk of conflicting outcomes..

In addition to the *Fintiv* factors, the circumstances identified in the Memorandum—particularly the Petition’s improper use of expert testimony as a substitute for prior art, and the fact that the ‘158 Patent has been in force for nearly a decade and will expire in less than a year—further support discretionary denial under § 314(a).

Each of these issues independently supports discretionary denial. Considered together, they present a compelling case for the Director to exercise her discretion and deny institution of this untimely and inefficient Petition in accordance with § 314(a).

Respectfully submitted,

Dated: April 8, 2025

By: /Daniel H. Golub/
Daniel H. Golub
Registration No. 33,701

Counsel for Patent Owner
Intellectual Ventures II LLC

CERTIFICATE OF COMPLIANCE WITH WORD COUNT

Pursuant to 37 C.F.R. § 42.24(d), I certify that this **BRIEF IN SUPPORT OF PATENT OWNER'S REQUEST FOR DISCRETIONARY DENIAL** complies with the type-volume limits set forth in the Memorandum and 37 C.F.R. § 42.24 because it contains 5,701 words, excluding the parts of the Brief that are exempted by 37 C.F.R. § 42.24(a), according to the word processing system used to prepare this Brief.

Respectfully submitted,

Dated: April 8, 2025

By: /Daniel H. Golub/
Daniel H. Golub
Registration No. 33,701

Counsel for Patent Owner
Intellectual Ventures II LLC

CERTIFICATE OF SERVICE

The undersigned certifies that pursuant to 37 C.F.R. § 42.6(e), a copy of the foregoing **BRIEF IN SUPPORT OF PATENT OWNER'S REQUEST FOR DISCRETIONARY DENIAL** was served via email (as consented to by counsel) on April 8, 2025 to lead and backup counsel of record for Petitioner as follows:

Jonathan R. Bowser
jon.bowser.ipr@haynesboone.com
HAYNES AND BOONE, LLP
2801 N. Harwood Street, Suite 2300
Dallas, TX 75201

David O'Brien
david.obrien.ipr@haynesboone.com
HAYNES AND BOONE, LLP
2801 N. Harwood Street, Suite 2300
Dallas, TX 75201

Scott Jarratt
scott.jarratt.ipr@haynesboone.com
HAYNES AND BOONE, LLP
2801 N. Harwood Street, Suite 2300
Dallas, TX 75201

Hong Shi
hong.shi.ipr@haynesboone.com
HAYNES AND BOONE, LLP
2801 N. Harwood Street, Suite 2300
Dallas, TX 75201

Ashraf Fawzy
afawzy@tesla.com
TESLA, INC.
1 Tesla Road
Austin, Texas 78725

Dated: April 8, 2025

By: /Daniel H. Golub/
Daniel H. Golub
Registration No. 33,701
Counsel for Patent Owner
Intellectual Ventures II LLC