

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

TESLA, INC.,
Petitioner,

v.

INTELLECTUAL VENTURES II LLC,
Patent Owner.

IPR2025-00339
U.S. Patent No. 7,916,180

**PETITIONER'S OPPOSITION TO PATENT OWNER'S
REQUEST FOR DISCRETIONARY DENIAL**

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PETITIONER'S EXHIBIT LIST

Ex.1001	U.S. Pat. No. 7,916,180 to Olsen et al. ("the '180 patent")
Ex.1002	Prosecution History of U.S. Pat. No. 7,916,180 (U.S. Application No. 11/788,279)
Ex.1003	Declaration of Mr. Michael Guidash under 37 C.F.R. § 1.68
Ex.1004	<i>Curriculum Vitae</i> of Mr. Michael Guidash
Ex.1005	U.S. 6,611,289 to Yu et. al
Ex.1006	U.S. 7,365,780 to Miyazaki
Ex.1007	JP Application Publication No. JP2003-319231 to Matsushima (Certified English Translation + Declaration + Japanese)
Ex.1008	U.S. 2005/0128323 to Choi
Ex.1009	Eastman Kodak Company, Kodak CMOS Image Sensors White Paper (November 10, 2000) (retrieved from https://web.archive.org/web/20010611235410/http://www.kodak.com/US/plugins/acrobat/en/digital/ccd/cmos.pdf)
Ex.1010	U.S. 7,206,136 to Labaziewicz et al.
Ex.1011	U.S. 7,733,414 to Kobayashi
Ex.1012	Dave Litwiller, CCD vs. CMOS: Facts and Fiction, Photonics Spectra (January 2001)
Ex.1013	US Application Pub. No. 2004/0239771 to Habe
Ex.1014	EP Application Pub. No. EP0858208 to Weldy et al.
Ex.1015	IV's Preliminary Infringement Contentions, <i>Intellectual Ventures II, LLC v. Tesla, Inc.</i> , No. 6:24-cv-188-ADA (WDTX)
Ex.1016	Texas Instruments, TC255P 336- × 244-PIXEL CCD IMAGE SENSOR (March 2003)
Ex.1017	IV's Complaint, <i>Intellectual Ventures II, LLC v. Tesla, Inc.</i> , No.

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	6:24-cv-188-ADA (WDTX)
Ex.1018	Proposed Scheduling Order, <i>Intellectual Ventures II, LLC v. Tesla, Inc.</i> , No. 6:24-cv-188-ADA (WDTX)
Ex.1019	Statistics on District Court Timing
Ex.1020	Interim Procedure for Discretionary Denials in AIA Parallel District Court Litigation, June 21, 2022
Ex.1021	Eastman Kodak Company, Solid State Image Sensors Terminology, Application Note, DS 00-001, Revision 0 (December 8, 1994) (https://web.archive.org/web/20030413064955/http://www.kodak.com/global/plugins/acrobat/en/digital/ccd/applicationNotes/terminology.pdf)
Ex.1022	US 7,830,435 to Guidash
Ex.1023	Eastman Kodak Company, Charge Coupled Device (CCD) Image Sensors, CCD Primer, MTD/PS-0218, Revision No. 1 (May 29, 2001) (https://web.archive.org/web/20030422183725/http://www.kodak.com/global/plugins/acrobat/en/digital/ccd/applicationNotes/chargeCoupledDevice.pdf)
Ex.1024	Szeliski, Image Mosaicing for Tele-Reality Applications (May 1994)
Ex.1025	Mann et al., On Being 'Undigital' with Digital Cameras: Extending Dynamic Range By Combining Differently Exposed Pictures (May 1995)
Ex.1026	Debevec et al., Recovering High Dynamic Range Radiance Maps from Photographs (August 3, 1997)
Ex.1027	PCT Pub. No. WO2001/010110 to Stark
Ex.1028	Yang et al., A 640 x 512 CMOS Image Sensor with Ultrawide Dynamic Range Floating-Point Pixel-Level ADC, IEEE Journal of Solid-State Circuits, VOL. 34, NO. 12 (December 1999)

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Ex.1029	CCD Electronic Shutters, Interactive Java Tutorial, October 22, 2002 (https://web.archive.org/web/20021028042044/https://micro.magnet.fsu.edu/primer/java/digitalimaging/ccd/shutter/index.html)
Ex.1030	The Panorama Factory -- What is 35mm equivalent focal length (http://www.panoramafactory.com/equiv35/equiv35.html)
Ex.1031	Camera & Imaging Products Association, Guideline for Noting Digital Camera Specifications in Catalogs, October 11, 2005
Ex.1032	London etc., Photography, Eighth Edition, January 1, 2004
Ex.1033	American National Standards Institute (ANSI), ANSI/I3AIT 10.7000-2004 American National Standard for Photography - Digital Still Cameras - Guidelines for Reporting Pixel-Related Specifications, June 24, 2004
Ex.1034	Eastman Kodak Company, Shutter Operations for CCD and CMOS Image Sensors, Application Note, MTD/PS-0259, Revision 1 (October 23, 2001) (retrieved from https://web.archive.org/web/20030419002619/http://www.kodak.com/global/plugins/acrobat/en/digital/ccd/applicationNotes/ShutterOperations.pdf)
Ex.1035	RESERVED
Ex.1036	U.S. Pat. No. 4,831,403 to Ishida et al.
Ex.1037	U.S. Pat. No. 7,443,427 to Takayanagi
Ex.1038	RESERVED
Ex.1039	e2v Technologies, CCD Sensors Technical Note: Glossary of Terms (2003)
Ex.1040	Ralph E. Jacobson et al., The Manual of Photography: photographic and digital imaging, 9th Edition (2000)
Ex.1041	U.S. Pat. No. 6,215,597 to Duncan et al.
Ex.1042	O'Donnell, The Practical Use of the Exposure Triangle (retrieved

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	from https://creativeraw.com/practical-use-exposure-triangle-explained/)
Ex.1043	U.S. Pat. No. 2,953,983 to Larson
Ex.1044-1045	RESERVED
Ex.1046	Comparison of Provisional Application No. 60/604,854 and '180 Patent Specification
Ex.1047	Provisional Application No. 60/604,854, filed on August 25, 2004
Ex.1048	Provisional Application No. 60/695,946, filed on July 1, 2005
Ex.1049	Provisional Application No. 60/795,946 filed on April 28, 2006
Ex.1050	Prosecution History of U.S. Application No. 11/212,803 (abandoned)
Ex.1051	U.S. Application No. 11/212,803 (published as US 2006/0054782)
Ex.1052	Reserved
Ex.1053 (NEW)	Statistics on District Court Timing (Dec. 31, 2024)
Ex.1054 (NEW)	WDTX 2024 Statistical Public Report, available at https://www.txwd.uscourts.gov/court-information/district-statistics/
Ex.1055 (NEW)	Amended Order Assigning the Business Of the Court (Judge Moses, Jan. 31, 2025)
Ex.1056 (NEW)	LexMachina docket report
Ex.1057 (NEW)	LexMachina docket report
Ex.1058 (NEW)	"Albright Worried Multipatent Trials Ask Too Much Of Jurors," Law360 (Dec. 18, 2020), at

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	https://www.law360.com/articles/1337976/albright-worriedmultipatent-trials-ask-too-much-of-jurors
Ex.1059 (NEW)	Bifurcation Order – Videolabs, Inc. v. Asustek Computer, Inc. 6:22-cv-00720-ADA (WDTX)
Ex.1060 (NEW)	Joint Claim Construction Statement, <i>Intellectual Ventures II, LLC v. Tesla, Inc.</i>, 1:24-cv-884-ADA, ECF No. 37 (WDTX) (March 28, 2025)
Ex.1061 (NEW)	“The economic contributions of Tesla to the California economy, 2018–2021,” IHS Markit (Oct. 2022), available at https://digitalassets.tesla.com/tesla-contents/image/upload/Tesla-California-Economic-Impact-Final-Report-October-2022
Ex.1062 (NEW)	“Tesla’s ‘American-made’ cars won’t get hit as hard by the auto tariffs,” CNN.com, https://www.cnn.com/2025/03/29/cars/american-made-cars-tesla-auto-tariffs/index.html, retrieved Apr. 14, 2025
Ex.1063 (NEW)	“An Assessment of the Impact of the Inter Partes Review Process under the Patent Trial and Appeal Board on the US Economy,” The Perryman Group, available at https://www.perrymangroup.com/publications/report/2021/9/23/an-assessment-of-the-potential-impact-of-expanding-inter-partes-review-ipr-under-the-america-invents-act-on-the-us-economy/
Ex.1064 (NEW)	’180 Patent Assignment Recordation
Ex.1065 (NEW)	“Tesla’s California Footprint,” https://www.tesla.com/blog/teslas-california-footprint (retrieved Apr. 25, 2025)
Ex.1066 (NEW)	“FAQs for Interim Processes for PTAB Workload Management,” available at https://www.uspto.gov/patents/ptab/faqs/interim-processes-workload-management (retrieved May 13, 2025).

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Ex.1067 (NEW)	Notice of <i>Sotera</i> Plus Stipulation for Defendant Tesla, Inc., <i>Intellectual Ventures II, LLC v. Tesla, Inc.</i>, 1:24-cv-884-ADA, ECF No. 56 (WDTX) (May 20, 2025)
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I. Introduction

Petitioner Tesla, Inc. opposes Patent Owner's Request for Discretionary Denial (Paper 7, "PO Brief") because denial is inappropriate under *Fintiv* and the additional factors set forth in the Acting Director's "Interim Processes for PTAB Workload Management" ("Director Memo").

With respect to *Fintiv*, this IPR is a "true alternative" to the parallel litigation in view of Petitioner's "*Sotera Plus*" stipulation that eliminates all potential overlap—including the overlap identified by the Acting Director in *Motorola Solutions*: "combinations of the prior art asserted in these proceedings with unpublished system prior art." *Motorola Solutions Inc. v. Stellar, LLC*. IPR2024-01205, Paper 19 at 3-4 (Mar. 28, 2025). Further, at institution, the district court will not have issued any orders related to the '180 patent, which "weighs against" denial under *Fintiv*. Moreover, trial in the parallel litigation is unlikely to happen prior to a Final Written Decision, in view of (i) the median time to trial for this Court, (ii) Judge Albright's move to Austin and corresponding 40% increase in docket size, and (iii) the sheer number of patents asserted (eleven) by Patent Owner against Petitioner.

The additional factors listed in the Director Memo similarly weigh against denial. The United States has a compelling economic and national security interest in ensuring Tesla, a leading domestic manufacturer and innovator, has access to

cost-effective PTAB review when accused of infringement. Congress passed the AIA specifically to curtail counterproductive litigation costs. Intellectual Ventures (“IV”) has no compelling interest or expectation sufficient to avoid PTAB review under the circumstances here. IV only recently acquired the ’180 patent in October 2021, apparently for the sole purpose of monetization. IV is similarly wrong that denial is warranted based upon Petitioner’s use of expert testimony. Such testimony is appropriate (even necessary) under Federal Circuit precedent and supported by evidence. Most importantly, the merits of the Petition are strong and warrant review by a merits panel. Patent Owner’s 35 pages of technical arguments are not only inappropriate for this stage of the bifurcated process but also rely on untenable claims constructions.

For these reasons and the reasons below, Petitioner respectfully requests that the Director decline to exercise her discretion to deny and advance the Petition to a merits panel for consideration.

II. Discretionary denial under *Fintiv* is not warranted.

The *Fintiv* factors, considered as a whole, do not warrant denial. *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 (Mar. 20, 2020) (precedential). Every factor either favors institution or is neutral—where Factor 4 weighs ***strongly*** toward institution given Petitioner’s “*Sotera Plus*” stipulation that is broader than the scope of estoppel under 35 U.S.C. § 315(e)(2).

A. Factor 1 is neutral: No evidence regarding a stay.

No motion to stay has been filed, so the Board should not infer the outcome of such a motion. *Sand Revolution II, LLC v. Continental Intermodal Group – Trucking LLC*, IPR2019-01393, Paper 24 at 7 (June 16, 2020) (informative). This factor is thus neutral.

B. Factor 2 favors institution: The parallel proceeding trial date is speculative.

Factor 2 favors institution, or, at worst, is neutral. Trial is currently set for May 14, 2026, which is only slightly more than two months before the projected due date for the Final Written Decision on July 30, 2026. Ex.2003, 4. Under *Fintiv*, “[i]f the court’s trial date is at or around the same time as the projected statutory deadline..., the decision whether to institute will likely implicate other factors.” *Fintiv* at 9. Here, because the trial date is around the same time as the projected Final Written Decision, other factors—in particular Petitioner’s “*Sotera Plus*” stipulation (see below)—outweigh Factor 2.

Moreover, the limited two-month gap between the trial date and Final Written Decision (as opposed to the six-month trial gap in *Fintiv*) “increases the possibility here that any unforeseen delay in the district court proceeding could cause the order of those two events to reverse.” *Cisco Sys., Inc. v. Portsmouth Network Corp.*, IPR2024-00503, Paper 7 at 12-13 (Aug. 6, 2024) (citing *Fintiv* at 9). Such delay is likely here for several reasons.

First, the scheduled trial date of May 14, 2026, is inconsistent with the median time-to-trial in WDTX of 33.9 months—which instead puts trial in January of 2027, *after* the projected final written decision on July 30, 2026. *See* Ex.1053, 5; *see also Amazon.com, Inc. v. NL Giken Inc.*, IPR2025-00250, Paper 14 at 2 (May 16, 2025) (Acting Director finding discretionary denial inappropriate because “time-to-trial statistics suggest trial would not begin until” after the projected final written decision date); USPTO Guidance of March 24, 2025 (“Boalick Memo”) (“the Board may consider...median time-to-trial statistics”). It is likely the scheduled trial date will move more in line with the median time-to-trial statistics because Judge Albright is moving his chambers from the Waco division (a division with a limited docket) to the Austin division (a division with a much heavier docket). *See* Ex.1054 (WDTX 2024 Statistical Report), 1 (809 case filings in Waco, 1,765 case filings in Austin).

Moreover, Judge Albright's docket is further expanding beyond the median. For example, until the vacancy in Waco is filled, Judge Albright will retain his *entire* Waco docket while taking on **40%** of the docket in the Austin division, as ordered by Chief Judge Moses on January 31st:

Item VIII

U.S. District Judge Alan D. Albright:

- (a) Forty percent (40%) of the civil docket in the Austin Division;
- (b) Forty percent (40%) of the criminal docket in the Austin Division;
- (c) One hundred percent (100%) of the civil docket in the Waco Division, with the exception of patent cases;
- (d) One hundred percent (100%) of the criminal docket in the Waco Division;
- (e) Patent cases will be assigned as ordered on May 30, 2024, in the Court's Order Assigning the Business of the Court as it Relates to Patent Cases; and
- (f) All other proceedings in the Waco Division.

Ex.1055, 3. Further, in the three months since this order, at least 382 cases have been reassigned to Judge Albright, including 61 patent cases. *See* Ex.1056 (LexMachina report); Ex.1057 (LexMachina report). At least 16 of these 61 new patent cases on Judge Albright's docket were filed in the same month as the present parallel litigation or before. *See* Ex.1057. The sheer number, type, and timing of the new cases reassigned to Judge Albright will inevitably lead to delay, likely pushing the trial date in the instant parallel litigation past the Final Written Decision in this IPR.

Second, there are *eleven* patents asserted in the parallel litigation¹. Ex.1017,

¹ Patent Owner originally asserted twelve patents, but the parties jointly moved to dismiss with prejudice their respective claims for U.S. Patent No. 8,898,395. The court granted the motion on May 16, 2025.

2. These eleven patents span *nine* different families that vary widely in subject matter:

Patent	Title	Family
6,894,639	Generalized hebbian learning for principal component analysis and automatic target recognition, systems and method	A
7,181,743	Resource allocation decision function for resource management architecture and corresponding programs therefor	B
7,336,805	Docking assistant	C
7,916,180	Simultaneous multiple field of view digital cameras	D
9,232,158	Large dynamic range cameras	D
9,706,500	Power control in a wireless network	E
10,136,416	Communicating on a shared channel in a wireless network	F
10,292,138	Determining buffer occupancy and selecting data for transmission on a radio bearer	G
10,952,153	Power control in a wireless network	E
11,206,670	Communication in a wireless network using restricted bandwidths	H
11,664,889	Communications in a wireless network	I

The notion that a jury will be asked to consider eleven patents across nine families in a single trial starting on May 14, 2026 is unreasonable. Indeed, Judge Albright has publicly stated that he does not think it is “fair to have a jury trying to handle more than two or three patents at a time.” Ex.1058; *see also* Ex.1059 (example Albright bifurcation order). A trial for any given patent of the eleven asserted is therefore likely to occur later than the currently scheduled date.

Accordingly, Factor 2 favors institution in view of the minimal trial gap and

inevitable delay in the parallel proceeding due to (i) Judge Albright's move and corresponding docket increase and (ii) the large number and scope of asserted patents.

C. Factor 3 favors institution: Minimal relevant investment and expeditious filing.

Factor 3 favors institution because, at institution, investment by the court and parties will have been minimal as to the activities pertinent to *Fintiv*. Patent Owner's Request for Discretionary Denial includes a laundry list of activities allegedly showing substantial investment, but very few relate to invalidity of the '180 patent. *See* PO Brief, 4-5. Under *Fintiv*, "[i]f, at the time of the institution decision, the district court has not issued orders *related to the patent at issue in the petition*, this fact weighs against exercising discretion to deny institution." *Fintiv*, 10. Here, even if the court issues a *Markman* order prior to institution, there are no disputed claim terms associated with the '180 patent. *See* Ex.1060 (Joint Claim Construction Statement), 2-3. Thus, under *Fintiv*, the lack of an order related to the '180 patent weighs against discretionary denial.

Further, *Sotera* explains that, even after *Markman* is complete, "much other work remains in the parallel proceeding as it relates to invalidity," including "fact discovery," "expert reports," and "substantive motion practice." *Sotera Wireless, Inc. v. Masimo Corp.*, IPR2020-01019, Paper 12 at 16 (Dec. 1, 2020) (precedential as to § II.A). The informative *Fintiv* and *Sand* decisions similarly observe that even

after *Markman*, much work remains. *See Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 15 at 13-14 (May 13, 2020) (informative) (“We recognize that much work remains in this case as it relates to invalidity: fact discovery is in its early stages, with document production ongoing and depositions just getting underway, expert reports are not yet due, and substantive motion practice is yet to come.”); *Sand Revolution*, 10 (“But aside from the district court’s *Markman* Order, much of the district court’s investment relates to ancillary matters untethered to the validity issue itself.”).

Here, although the *Markman* hearing occurred prior to institution, much work will remain in the nine months between institution (July 30, 2025) and the scheduled trial date (May 14, 2026)—especially given that the district court will not construe any terms for the ’180 patent. Fact discovery will be in its early stages and will not close until November 6, 2025. Ex.2003, 3. Opening expert reports are not due until November 20, 2025, and expert discovery will not close until January 15, 2026. *Id.* Substantive motion practice, similarly, will be yet to come. *Id.* at 3-4. Accordingly, because much of the investment relevant to issues of invalidity will occur after institution, this factor weighs against denial. Notably, a recent PTAB panel analyzing *Fintiv* under the Boalick Memo came to the same conclusion under similar facts. *See Bio-Rad Labs., Inc. v. California Inst. of Tech.*, IPR2024-01451, Paper 11 at 9-10 (Mar. 27, 2025) (finding that Factor 3 “weighs against

exercising our discretion to deny institution” where the *Markman* hearing has been held but “much more work remains, including, expert reports, expert discovery, expert depositions, and pretrial motions and disclosures”).

This factor also weighs against denial because “the petitioner filed the petition expeditiously.” *Fintiv*, 11. As such, “this fact [] weigh[s] against exercising the authority to deny institution.” *Id.* Here, Petitioner worked diligently to file the instant petition less than five months after receiving Patent Owner’s Preliminary Infringement Contentions and more than four months prior to the statutory deadline of April 15, 2025. At the time of filing, the parallel litigation was in its early stages and claim construction briefing had yet to begin. Petitioner submits that its diligence in filing is more than reasonable—especially given that it prepared and filed *eleven* IPR petitions challenging *121* claims in the same time frame. *See Sotera*, 17 (finding Petitioner’s explanation “reasonable” in part because “of the large number of patents and claims challenged in this and Petitioner’s [eight] other related petitions for *inter partes* review”). Several post-Boalick Memo panels have agreed that similar diligence is reasonable and weighs against denial. *See Samsung Elecs. Co., Ltd. v. Mullen Industries LLC*, IPR2024-01472, Paper 9 at 10 (Mar. 31, 2025) (“Petitioner’s diligence in filing its Petition (a) less than five months after receiving Patent Owner’s infringement contentions and (b) prior to the parties briefing claim construction issues weighs against

exercising discretionary denial.”); *Samsung Elecs. Co., Ltd. v. Headwater*

Research LLC, IPR2024-01396, Paper 13 at 7 (Apr. 1, 2025) (“[W]e find Petitioner’s diligence in filing its Petition approximately 4 months before it was statutorily required to do so, and while litigation is in its early stages, weighs against denial, not for it.”).

Accordingly, Factor 3 weighs in favor of institution because (i) no substantive court order related to the ’180 patent will have issued prior to institution, and (ii) Petitioner’s diligence in filing this petition.

D. Factor 4 strongly favors institution: Petitioner’s “Sotera Plus” stipulation.

Factor 4 weighs strongly in favor of institution because Petitioner has made a stipulation ***broad***er than a *Sotera* stipulation in district court. *See* Ex.1067 (stipulation filed in parallel district court proceeding). Specifically, Petitioner stipulated that:

[I]f the PTAB institutes an IPR (and does not subsequently vacate institution) in response to Defendant’s petition against Plaintiff’s U.S. Patent No. 7,916,180 (IPR2025-00339), Defendant will not pursue in this litigation against the claims challenged in IPR2025-00339, (i) the specific grounds raised in IPR2025-00339, (ii) any other grounds that could have reasonably been raised before the PTAB in that instituted proceeding (i.e., any ground that could have reasonably been raised under §§ 102 or 103 on the basis of prior art patents or printed publications), or (iii) any ground based on a combination of system prior art and the references asserted as

part of a ground raised in IPR2025-00339, as reflected in the table summarizing the Statutory Grounds for Challenges on page 10 of the Petition.²

Petitioner's broad stipulation goes beyond the scope of estoppel under 35 U.S.C. § 315(e)(2). *See Ingenico Inc. v. IOENGINE, LLC*, No. 2023-1367, 2025

² To the extent Patent Owner alleges Petitioner should have submitted a stipulation at some earlier point in time, Petitioner notes that it filed the Petition prior to the creation of the bifurcated process described in the Director Memo. At the time of filing on December 30, 2024, PTAB precedent provided that the "appropriate time for a petitioner to offer a stipulation related to the *Fintiv* factor 4 analysis is prior to the Board's decision of whether to institute review." *NXP USA, Inc. v. Impinj, Inc.*, IPR2021-01556, Paper 13 at 4 (Sept. 7, 2022) (de-designated precedential Apr. 25, 2025); *see also Nike, Inc. v. ADIDAS AG*, 955 F.3d 45, 52 (Fed. Cir. 2020) ("In interpreting the APA's notice provisions in the context of IPR proceedings, we have cautioned that an agency may not change theories in midstream without giving respondents reasonable notice of the change and the opportunity to present argument under the new theory.") (citation and quotation marks omitted).

Petitioner does not oppose the Director granting Patent Owner a reply for the limited purpose of addressing the above stipulation.

WL 1318188, at *8 (Fed. Cir. May 7, 2025) (“IPR estoppel did not preclude Ingenico from relying on the DiskOnKey System with related printed publications at trial...”). This stipulation also specifically addresses the Acting Director’s comment regarding remaining overlap in *Motorola Solutions* (combinations of system art with the references asserted in the IPR). IPR2024-01205, Paper 19 at 3-4 (“Petitioner’s invalidity arguments in the district court are more expansive and include combinations of the prior art asserted in these proceedings with unpublished system prior art, which Petitioner’s [*Sotera*] stipulation is not likely to moot.”). Petitioner respectfully submits that this expansive stipulation outweighs all other *Fintiv* factors as it conclusively eliminates overlap with invalidity issues raised in the parallel proceeding.

Also favoring institution under Factor 4 is the lack of overlapping claims between the IPR and the parallel litigation. The Petition challenges *fourteen* claims (1-3, 10-12, 22-25, 28, 30, 32-33), but only *three* claims (22, 28, 30) are currently asserted against Petitioner (*i.e.*, 79% of the challenged claims are not asserted). And only those three asserted claims are the subject of Petitioner’s invalidity contentions in the parallel litigation. *See* Ex.2004, 9 (asserting invalidity of “**the Asserted Claims of the Asserted Patents**”). Petitioner elected to challenge additional, unasserted claims for efficiency reasons—for example, to avoid filing a second IPR in the event Patent Owner asserts additional claims in the parallel

litigation.

These additional challenged (but unasserted) claims differ in claim scope from the asserted claims, meaning that key issues in the petition will not be resolved by the district court—further reducing the degree of overlap under Factor 4. *See Fintiv*, 13 (examining whether the district court will “resolve key issues in the petition”). For example, in its request for discretionary denial, Patent Owner construes the term “*image having a relatively high resolution*”—but this term is recited ***only in unasserted claim 1***. PO Brief, 17-18. Based on this construction, Patent Owner alleges a prior art deficiency with respect to unasserted claims 1-3, and 10-12. *See id.* at 25-27. This dispute involving unasserted claims will not be resolved by the district court.

Accordingly, Factor 4 weighs heavily in favor of institution because of (i) Petitioner’s *Sotera Plus* stipulation and (ii) key issues in the Petition that will not be resolved by the district court.

E. Factor 5 is neutral: Petitioner is a defendant in the parallel litigation.

Petitioner is a defendant in the parallel litigation. That is true of most IPR petitioners, making this factor neutral. *See HP Inc. v. Slingshot Printing LLC*, IPR2020-01084, Paper 13 at 9 (Jan. 14, 2021); *see also NVIDIA Corp. v. Invensas Corp.*, IPR2020-00603, Paper 11 at 23 (Sept. 3, 2020) (this factor weighs against discretionary denial where the district court trial and IPR final written decision are

expected “around the same time”).

F. Factor 6 favors institution: The merits of the Petition remain strong because Patent Owner's arguments are deficient on their face.

Factor 6 favors institution because the Petition plainly shows that the '180 patent claims no more than well-known subject matter. Patent Owner alleges that “the challenges set forth in the Petition are seriously flawed,” but does so based on claim constructions inconsistent with the disclosure in the '180 patent, as shown in Section III.D below.

G. The *Fintiv* factors as a whole favor institution.

In summary, each *Fintiv* factor is either neutral or weighs against denial:

Factor	Weight	Reason
1 (stay)	neutral	no evidence of a stay
2 (trial gap)	against denial	2-month gap as scheduled; trial before FWD under time-to-trial stats; Judge Albright move and court congestion will create delay
3 (investment)	against denial	no court orders for '180 patent; expeditious filing
4 (overlap)	strongly against denial	<i>Sotera</i> Plus stipulation; key issues not resolved by district court
5 (same party)	neutral	Petitioner is defendant
6 (merits)	against denial	merits remain strong in light of PO's facially deficient claim constructions

Because the *Fintiv* factors as a whole favor institution, the Director should not discretionarily deny institution under §314(a).

III. The additional factors set forth in the Director Memo favor institution.

The Director Memo invites the parties to “address all relevant [discretionary denial] considerations” and provides a list of potential factors. Director Memo, 2-3.

Each of the potential factors favors institution:

- The United States has a compelling economic and national security interest in ensuring Tesla, a leading domestic manufacturer and innovator, has access to cost-effective AIA proceedings.
- The Petition relies upon expert testimony to the extent necessary under Federal Circuit precedent, and such expert testimony is supported by evidence as required under 37 CFR § 42.65 and *Xerox*.
- Patent Owner cannot reasonably allege settled expectations regarding the '180 patent based on only 3.5 years of ownership and the lack of any post-issuance validity challenge to the '180 patent.
- The unpatentability challenges in the Petition remain strong because Patent Owner's contentions otherwise are based upon untenable claim constructions.
- Neither the PTAB nor any other forum has adjudicated the validity of the '180 patent.
- Patent Owner does not allege any relevant changes in the law or new judicial precedent since issuance of the claims.

Several of these factors are of particular importance to the Director's discretion and are addressed individually below.

A. Compelling economic and national security interests favor institution.

The United States has compelling economic and national security interests in

affording Petitioner Tesla the opportunity to challenge the '180 patent under the more efficient IPR framework. For example, according to a recent Executive order, “[a] nation’s ability to produce domestically is the bedrock of its *national and economic security*” and “[t]he need to maintain robust and resilient domestic manufacturing capacity is *particularly acute in certain advanced industrial sectors like automobiles*” Exec. Order No. 14257, 90 Fed. Reg. 15041, 15043 (April 2, 2025). As a leading domestic automobile manufacturer, Tesla should be free to invest and innovate without being encumbered by defending expensive patent litigations where the asserted patents are likely invalid. A right to seek review of such patents before the U.S. Patent and Trademark Office ensures Tesla can continue its mission to accelerate the world’s transition to sustainable energy and that the United States leads in that mission.

Tesla has invested billions of dollars developing high-tech engineering and manufacturing facilities across the U.S., including in Texas, Nevada, and California. These investments have led to significant, positive economic impacts for the associated areas. Ex.1061 (IHS Markit economic report), 3 (“The contributions of Tesla to the California economy” in 2021 included \$16.6 billion in economic activity, \$10.3 billion in gross state product (GSP), ~80,500 jobs, +30% higher average wage, \$10.3 billion in total wages, and ~\$1.0 billion in federal, state, and local taxes.) (cited by Ex.1065 (“Tesla’s California Footprint” on

Tesla.com)). And, by design, Tesla's vehicles are "[a]s 'American-made' as you can get," and have topped "Car[s].com's American-Made Index since 2021." Ex.1062, 1-2 ("Tesla's manufacturing, both as location of final assembly and the componentry of the vehicles, is all as high (a score on the index) as you could possibly get for a US-made vehicle.").

This type of advanced domestic engineering and manufacturing capacity "is critical to U.S. national security." Exec. Order No. 14257, 90 Fed. Reg. 15041, 15043 (April 2, 2025) ("Both my first Administration in 2017, and the Biden Administration in 2022, recognized that increasing domestic manufacturing is critical to U.S. national security."). Domestic engineering and manufacturing not only provide good jobs for American workers but advance important technological developments and associated knowhow domestically. *See id.* ("Increased reliance on foreign producers for goods also has compromised U.S. economic security by rendering U.S. supply chains vulnerable to geopolitical disruption and supply shocks."), 15044 ("Importantly, U.S. manufacturing is the main engine of innovation in the United States, responsible for 55 percent of all patents and 70 percent of all research and development (R&D) spending.").

It is vital that companies, like Tesla, making huge investments in the U.S. are provided an effective and efficient mechanism for challenging invalid patents asserted against them. Congress created the AIA for this purpose. 77 Fed. Reg.

48612, 48612 (Aug. 14, 2012) (“The purpose of the AIA ... is to establish a more efficient and streamlined patent system that will improve patent quality and limit unnecessary and counterproductive litigation costs.”); *see also Gen. Plastic Indus. Co., Ltd. v. Canon Kabushiki Kaisha*, IPR2016-01357, Paper 19 at 16-17 (Sept. 6, 2017) (“[W]e recognize that an objective of the AIA is to provide an effective and efficient alternative to district court litigation.”). AIA proceedings create cost savings for its participants via “reductions in legal fees incurred and the greater probability of a settlement or early-stage resolution.” Ex.1063 (study of AIA economic benefits), 2, 8 (“[T]he total economic benefits of *inter partes* reviews resulting in stay of litigation in district court included **an increase in US business activity of \$1.87 billion in gross product and 8,530 job-years of employment**”; “In situations where an *inter partes* review was conducted parallel to a district court proceeding, the economic benefits of [*inter partes* reviews] include estimated **increases of \$135.4 million in US gross product and 617 person-years of employment**”).

Telsa is seeking review of the '180 patent consistent with the purpose of AIA post-grant proceedings: efficient, technically reliable assessments of validity. And Tesla's broad *Sotera* Plus stipulation makes the IPR a true district court alternative. Denying Tesla access to IPR in this scenario would frustrate the purpose of the AIA and deny Tesla the specific economic benefits envisioned by

Congress.

For these reasons, compelling economic and national security interests favor institution (or, at the very least, consideration of the Petition by a merits panel).

B. The Petition properly relies on evidence-supported expert testimony in accordance with Federal Circuit precedent.

Patent Owner's assertion that Petitioner's reliance on expert evidence is somehow detrimental contradicts Federal Circuit precedent. The foundational decisions upon which patent law is based—*Phillips*, *KSR*, etc.—require the adjudicator to evaluate the patent and prior art from the perspective of a POSITA. That perspective is established with evidence, often in the form of expert declarations. Attorney argument is insufficient. Here, Petitioner's expert, Michael Guidash, provides that perspective with testimony supported by dozens of tertiary references in accordance with 37 CFR § 42.65 and *Xerox Corp. v. Bytemark, Inc.*, IPR2022-00624, Paper 9 (Aug. 24, 2022) (precedential).

1. Federal Circuit precedent requires the perspective of a POSITA.

It is well established that patent claims are construed based on the understanding of a POSITA. *Phillips v. AWH Corp.*, 415 F.3d 1303, 1313 (Fed. Cir. 2005) (“We have made clear, moreover, that the ordinary and customary meaning of a claim term is the meaning that the term would have to a person of ordinary skill in the art in question at the time of the invention, i.e., as of the

effective filing date of the patent application.”) (*citing Innova/Pure Water, Inc. v.*

Safari Water Filtration Systems, Inc., 381 F.3d 1111, 1116 (Fed. Cir. 2004) (“A court construing a patent claim seeks to accord a claim the meaning it would have to a person of ordinary skill in the art at the time of the invention.”)); *Home*

Diagnostics, Inc. v. LifeScan, Inc., 381 F.3d 1352, 1358 (Fed. Cir. 2004)

(“customary meaning” refers to the “customary meaning in [the] art field”);

Ferguson Beauregard/Logic Controls v. Mega Sys., LLC, 350 F.3d 1327, 1338

(Fed. Cir. 2003) (claim terms “are examined through the viewing glass of a person skilled in the art”); *see also PC Connector Solutions LLC v. SmartDisk Corp.*, 406

F.3d 1359, 1363 (Fed. Cir. 2005) (meaning of claim “must be interpreted as of

[the] effective filing date” of the patent application); *Schering Corp. v. Amgen Inc.*, 222 F.3d 1347, 1353 (Fed. Cir. 2000) (same)).

Obviousness grounds are likewise evaluated from the perspective of a POSITA. *KSR Int’l Co. v. Teleflex Inc.*, 550 U.S. 398, 417 (2007) (“If a person of ordinary skill can implement a predictable variation, §103 likely bars its patentability. For the same reason, if a technique has been used to improve one device, and a person of ordinary skill in the art would recognize that it would improve similar devices in the same way, using the technique is obvious unless its actual application is beyond his or her skill.”), 418 (“[I]t can be important to identify a reason that would have prompted a person of ordinary skill in the

relevant field to combine the elements in the way the claimed new invention

does.”), 421 (“A person of ordinary skill is also a person of ordinary creativity, not an automaton.”).

The Federal Circuit has also made it clear that attorney argument alone is not evidence and should be given little weight. *Icon Health & Fitness, Inc. v. Strava, Inc.*, 849 F.3d 1034, 1043 (Fed. Cir. 2017) (“Attorney argument is not evidence.”) (citing *Gemtron Corp. v. Saint-Gobain Corp.*, 572 F.3d 1371, 1380 (Fed. Cir. 2009) (“[U]nsworn attorney argument . . . is not evidence and cannot rebut . . . other admitted evidence . . .”)); see also *Elbit Sys. Of Am., LLC, v. Thales Visionix, Inc.*, 881 F.3d 1354, 1359 (Fed. Cir. 2018) (“Elbit fails to present any evidence supporting this contention beyond attorney argument . . . and ‘[a]ttorney argument is not evidence’ and cannot rebut other admitted evidence.”). Because attorney argument is not evidence, expert testimony is *essential* to properly support IPR claim construction and obviousness positions that are evaluated from the perspective of a POSITA. The Board recently confirmed this: “It is well settled that mere attorney argument unsupported by factual evidence is entitled no probative value.” *PLR Worldwide Sales LTD. v. Flip Phone Games, Inc.*, IPR2024-00209, Paper 28 at 32 (April 24, 2025).

The Petition presents and relies upon the testimony of Mr. Guidash as required. See Petition, 6-93 (relying on testimony of Mr. Guidash to support claim

construction positions and obviousness grounds). The unpatentability grounds set forth in the Petition are fully supported by the references themselves—Mr. Guidash's testimony serves to confirm, support, and explain the disclosures of the references from the perspective of a POSITA. *See id.*

Importantly, Mr. Guidash was a POSITA as of the critical date of the '180 patent (Ex.1003, ¶¶ 3, 7-19), and his testimony is supported by corroborating evidence in the form of the disclosure of the references relied upon in the unpatentability grounds (e.g., Matsushima (Ex.1007), Yu (Ex.1005), Weldy (Ex.1014), Choi (Ex.1008), and/or Labaziewicz (Ex.1010)) and one or more tertiary references (e.g., Exs.1006, 1009, 1011-1013, 1016, 1021-1034, 1036, 1037, 1039-1043, and/or 1046-1051). *See generally*, Ex.1003. Further still, Mr. Guidash repeatedly provides technical reasoning to support his statements and understandings of the references. *See generally*, Ex.1003.

Moreover, the Federal Circuit has recognized that “when the technology is complex and ‘beyond the comprehension of laypersons,’ expert testimony is ‘sometimes essential.’” *Synopsys, Inc. v. Mentor Graphics Corp.*, 814 F.3d 1309, 1320 (Fed. Cir. 2016) (internal quotations removed), *overruled on other grounds by Aqua Prods., Inc. v. Matal*, 872 F.3d 1290, 1296 n.1 (Fed. Cir. 2017) (en banc); *see also Perfect Web Techs., Inc. v. InfoUSA, Inc.*, 587 F.3d 1324, 1330 (Fed. Cir. 2009) (“If the relevant technology were complex, the court might require expert

opinions.”). This is precisely the situation here. Mr. Guidash’s expertise is utilized to explain the technical background of complicated concepts relevant to the ’180 patent (*see, e.g.*, Ex.1003, ¶¶ 24-55). Mr. Guidash also provides detailed explanations regarding how a POSITA would have understood the technical descriptions found in the ’180 patent and the prior art references (*see, e.g.*, Ex.1003, ¶¶ 56-248). Mr. Guidash’s testimony serves these essential purposes and is a strength of the Petition.

2. Mr. Guidash’s testimony is fully supported by evidence under *Xerox*.

Patent Owner fails to even allege that Mr. Guidash’s testimony is not supported by evidence or lacks technical reasoning. Nor could it—Mr. Guidash’s testimony is fully supported by extensive underlying evidence including specific quotes from the references relied upon in the unpatentability grounds and a variety of tertiary references establishing the knowledge of a POSITA. For example, in the paragraphs identified by Patent Owner alone (¶¶56, 59-66, 68-76, 81-119 and 122-248), Mr. Guidash relies upon at least a dozen different tertiary references to support his opinions:

- Kodak CMOS Image Sensors White Paper (Ex.1009);
- US 7,206,136 (Ex.1010);
- EP 0858208A1 (Ex.1014);
- “Image Mosaicing for Tele-Reality Applications” (Ex.1024);

- “On Being Undigital With Digital Cameras” (Ex.1025);
- “Recovering High Dynamic Range Radiance Maps from Photographs” (Ex.1026);
- The Panorama Factory – “What is 35mm equivalent focal length” (Ex.1030);
- “Guideline for Noting Digital Camera Specifications in Catalogs” (Ex.1031);
- Barbara London, “Photography” (Ex.1032);
- American National Standard for Photography (Ex.1033);
- US 4,831,403 (Ex.1036); and
- The Manual of Photography (Ex.1040).

Patent Owner's reliance on *Xerox* is misplaced. PO Brief, 9-10 (citing *Xerox* at 15-17). Patent Owner alleges that “paragraphs of the expert declaration essentially parrot the Petition word-for-word” and “[f]or that reason, the declaration of [sic] relied on by the Petition is entitled to little if any weight.” PO Brief, 10. *Xerox*, however, does not stand for the proposition that a petition and supporting declaration cannot be similar. Instead, *Xerox* instead focuses on whether the expert testimony cites to “supporting evidence or provide[s] any technical reasoning.” *Xerox*, 15. Expert testimony is only afforded less weight if it “adds little to the conclusory assertion for which it is offered to support.” *Id.* Here, as illustrated above and in the declaration itself, Mr. Guidash's testimony is fully

supported by evidence. Further, Patent Owner's reference to the length of Mr.

Guidash's declaration has no bearing on whether the Petition impermissibly relies on expert testimony. Instead, Mr. Guidash's fulsome explanations that are supported by objective evidence are a "feature, not a bug of his testimony." *Tesla, Inc. v. Charge Fusion Tech., LLC*, IPR2025-00032, Paper 11 at 39 (May 19, 2025) ("To the contrary, that [Petitioner's expert] Mr. Andrews's supports his extensive explanations of his opinions with citations to dozens of pieces of objective evidence, *is a feature, not a bug of his testimony*. Mr. Andrews, and Petitioner by extension, leave virtually none of the substance of his testimony unsupported by objective evidence, *a practice that we applaud.*").

Accordingly, the Petition's proper reliance on evidence-backed expert testimony to support the unpatentability grounds favors institution.

C. The lack of settled expectations favors institution.

Patent Owner points out that the '180 patent has been in force for fourteen years but does not explain how or why this fact, standing alone, favors denial. PO Brief, 11. Patent Owner, for example, does not allege that this length of time has created "settled expectations" as to any aspect of the '180 patent. Nor could Patent Owner reasonably make such allegations—it only recently acquired the '180 patent three and a half years ago. Ex.1064, 1 (assignment showing transfer to IV in Oct 2021). Similarly, as a non-practicing entity, IV cannot claim it has any settled

expectations arising from practicing the '180 patent. Instead, IV appears to have acquired the '180 patent solely for the purpose of monetizing it through litigation, significantly decreasing any potential relevance of this factor.

With respect to expectations of validity, no tribunal has ever adjudicated the validity of the '180 patent after it issued. Moreover, IV itself elected to assert the '180 patent, which should have given rise to the possibility of an IPR challenge. The '180 patent is not entitled to a presumption of validity in this proceeding.

Accordingly, IV's failure to allege any settled expectations and the lack of any reasonable basis for such expectations favors institution.

D. The unpatentability challenges set forth in the Petition are strong.

Patent Owner asserts that the merits of the Petition are "seriously flawed" and that this weighs toward denial. PO Brief, 11-47. Patent Owner is incorrect. Patent Owner's characterization of the strength of the Petition is erroneously based upon misdirection, mischaracterization, and improper attempts to introduce extraneous limitations by claim construction. The merits of the Petition are strong and favor institution.

In its Discretionary Denial Brief, Patent Owner's advances thirty-five (35) pages of merits arguments that would require the Director to (i) construe multiple claim terms, (ii) evaluate the credibility of Petitioner's expert, and (iii) consider alleged, but untethered, synthesis problems from a 2001 paper on "ghosting and

exposure artifacts” (see PO Brief, 12-47)—all before evaluating the strength of the Petition’s grounds and extensive evidentiary record. This is not bifurcation and is inappropriate under the PTAB’s guidance on the Interim Process: “The parties should not treat a discretionary denial brief or opposition as an additional opportunity for merits briefing.” Ex.1066, 7. This merits briefing is also inappropriate because it creates redundant work for the Director and merits panel. For the sake of completeness, however, Petitioner nevertheless presents counterarguments below.

1. Patent Owner’s Ground 1 arguments fail

Patent Owner presents distinct sets of arguments for independent claims 1 and 22 with respect to Ground 1 of the Petition (based on the combination of Matsushima and Yu). PO Brief, 11-47. As described below, both sets of arguments rely on improper constructions of claim terms and thus fail to rebut any of the Petition’s arguments.

a. The claim 1 arguments are based on an improper claim construction

Claim 1 recites that the “*processing component*” is “*configured to combine data of a frame from at least one of the plurality of channels to provide an image having a relatively high resolution.*” Ex.1001, claim 1. Patent Owner argues that this limitation requires that the “image having a relatively high resolution” recited in this limitation “must be an image formed from multiple **high-resolution** images

with different fields of view acquired simultaneously.” PO Brief, 21 (emphasis added). But claim 1 simply does not include any language that can be reasonably read to require that the data from which a combined image is formed be “high resolution.” Patent Owner thus commits “one of the cardinal sins of patent law—reading a limitation from the written description into the claims.” *Phillips*, 415 F.3d at 1320.

Patent Owner's alleged intrinsic support is similarly deficient. Patent Owner asserts that the description of a “foveal image sensor” in the '180 patent's Background functions as a disclaimer that necessitates the addition of this “high resolution” limitation to claim 1. PO Brief, 18-21 (citing Ex.1001, 2:10-16, 2:21-24). But nothing in these passages constitutes “a clear and unmistakable disclaimer” of claim scope to justify rewriting claim 1 to require an “image formed from multiple high-resolution images.” *Thorner v. Sony*, 669 F. 3d 1362, 1366-67 (Fed. Cir. 2012) (“To constitute disclaimer, there must be a clear and unmistakable disclaimer.”); *Continental Circuits v. Intel*, 915 F. 3d 788, 797 (Fed. Cir. 2019) (“To disavow claim scope, the specification must contain expressions of manifest exclusion or restriction, representing a clear disavowal of claim scope.”).

For example, the cited portions of the '180 patent describe a foveal image sensor as capable of “acquir[ing] both a wide and narrow field of view” with “high resolution only in the narrow field of view” due to the particular arrangement of

pixels found in such sensors. Ex.1001, 2:10-24. Even if these passages narrowed the scope of the term, at most they disclaim a camera system *using a single foveal image sensor* to produce the claimed “image having a relatively high resolution” of claim 1. *See id.* Moreover, the cited discussion lacks any mention of “combin[ing]” multiple images to form a composite image, much less an “image having a relatively high resolution” as recited in claim 1. *See id.*

Accordingly, Patent Owner does not identify, and indeed the '180 patent does not contain, “a clear and unmistakable disclaimer” of appropriate scope to justify rewriting claim 1 to include its proposed “high resolution” limitation. *See Thorner*, 669 F.3d at 1366-67; *Continental Circuits*, 915 F.3d at 797. Patent Owner's proposed construction thus amounts to nothing more than improperly “reading a limitation from the written description into the claims” and should not be adopted. *Phillips*, 415 F.3d at 1320.

Critically, Patent Owner's arguments addressing claim 1 of ground 1 are predicated upon this improper construction and thus fail. *See* PO Brief, 23-27.

b. The claim 22 arguments are similarly based on an contradictory claim construction

Claim 22 recites “*independently controlling ... data acquisition ... during a frame.*” Patent Owner argues that “‘during a frame’ as used in claim 22 means ‘at some point between the beginning and the end of the *exposure interval* during which an image sensor captures a single image.’” PO Brief, 23. But the '180 patent

specification never describes an “exposure interval” or how it relates to data

acquisition. Patent Owner appears to be instead relying on extrinsic evidence (and attorney argument) to support its interpretation. PO Brief, 21 (“The phrase ‘*during a frame*’ corresponds to the ***exposure interval during which an image sensor captures a single image.***’ See, e.g., **Ex. 2009, 11:49-51**”) (italics in original, bold added).

Even worse, Patent Owner's construction excludes the very embodiments its own brief identifies as relevant. Specifically, Patent Owner points to a specific embodiment related to “integration time control” as “the subject of claim 22.” See PO Brief, 14-15. This embodiment does ***not utilize exposure control*** used by conventional digital cameras:

In contrast to exposure control, which is used by conventional digital cameras to manage dynamic range, ***the digital camera systems of an embodiment use integration time control to control the time the electrical signal is integrated on a charge storage device*** (capacitance) within a sensor (pixel), as described herein. Integration time control, also referred to as “focal plane shutter” control, ***controls the time the electrical signal is integrated or accumulated*** by controlling a switch (e.g., charge integration switch) coupled or connected to the sensor or a photo-detection mechanism of a sensor. ... ***Digital camera components or circuitry are configured to allow independent control of the charge integration switch*** associated with each sensor, thereby making possible dynamic range control for each sensor.

Ex.1001, 20:29-48. Patent Owner's contradictory construction that excludes the very embodiment its own brief identifies as the "subject matter" of the claim cannot be correct. *See Helmsderfer v. Bobrick*, 527 F.3d 1379, 1383 (Fed. Cir. 2008) ("a construction that excludes [a] preferred embodiment is rarely, if ever correct").

Patent Owner's arguments addressing claim 22 of Ground 1 rely entirely on this improper construction of the "*during a frame*" limitation and thus fail. *See* PO Brief, 27-46. The merits of Ground 1 remain strong because the portions of the Matsushima reference cited in the Petition for this limitation disclose the same integration/accumulation time control concept in the '180 patent Patent Owner identifies as the subject of claim 22. *See, e.g.*, Petition, 25-26 (citing and quoting Ex.1007, [0023] ("the CCDs 18 have a so-called electronic shutter function that *controls the accumulation time (shutter speed) of the charge accumulated by each sensor via shutter gate pulses*"), [0022], [0024], [0029], [0031]-[0034]; Ex.1003, ¶98).

c. Patent Owner fails to address the disclosure from both Matsushima and Yu identified in the Petition as teaching the "independent control" feature of claim 22.

Patent Owner argues that Matsushima fails to teach independent control of integration time or exposure time for its imaging systems during a frame. PO Brief, 31-37. But Patent Owner's analysis of Matsushima focuses exclusively on

paragraphs [0034]-[0035] and ignores the disclosure in paragraph [0032] the Petition specifically identifies as teaching independent control. *See* PO Brief, 31-37 (no citations to paragraph [0032] of Matsushima); *see, e.g.*, Petition, 28 (citing Ex.1007 (Matsushima), [0032])). The Petition shows—citing paragraph [0032] of Matsushima—that “the CPU ***independently controls*** the apertures 17A and 17B based on the ‘appropriate aperture values’ calculated using the first subject luminance and the second subject luminance for the respective imaging systems.” Petition, 28 (emphasis added) (citing Ex.1007 (Matsushima), [0032] (“The motors 56A and 56B are driven to[] set the apertures 17A and 17B to the appropriate aperture values.”)). Patent Owner thus fails to even address the disclosure from Matsushima relied on by the Petition for this claim feature. Its arguments with respect to the “independent control” feature of claim 22 therefore fail.

Patent Owner similarly argues that Yu fails to teach the “independent control” limitation, but again completely ignores the portions of Yu identified in the Petition as teaching this feature. *See* PO Brief, 44-45 (citing Ex.1005 (Yu), 1:12-2:16, 2:23-49, 6:17-21, 7:9-18); *see, e.g.*, Petition, 30-31 (citing Ex.1005 (Yu), 6:52-58, 9:66-10:2). As noted in the Petition, Yu describes that “each of the image sensors is ***respectively and independently controlled*** to expose to the same imaging target.” Ex.1005 (Yu), 9:66-10:2 (cited at Petition, 30-31) (emphasis in original); *see also id.*, 6:32-42, 6:52-58, 9:50-52 (cited at Petition, 30-32). Thus,

Patent Owner also fails to address the very disclosure from Yu relied upon for this claim feature.

Accordingly, because Patent Owner fails to address the pertinent disclosure from both Matsushima and Yu, its arguments with respect to the “independent control” feature of claim 22 fail.

2. Patent Owner's arguments for Grounds 2 and 3 fail for the same reasons as those for Ground 1

Patent Owner's arguments for Grounds 2 and 3 simply refer back to the earlier arguments for Ground 1 and thus fail for the same reasons discussed above.

See PO Brief, 46-47; *supra* §§ IV.A-B.³

IV. The new Interim Process should not govern the decision to institute.

The above briefing addresses the USPTO's most recent guidance on institution as best as Petitioner understands it. But, for at least the reasons articulated below, Petitioner respectfully requests the USPTO Director to maintain the standards for institution in place at the time this Petition was filed, until such

³ Petitioner notes that Patent Owner did not request discretionary denial on the basis of 35 U.S.C. § 325(d) in the PO Brief, and thus Petitioner does not address that issue. *See* Ex.1066 (FAQs for Interim Processes), 6 (“If a patent owner wishes to raise any applicable bases for discretionary denial, it must do so in a discretionary denial brief.”).

time as new guidance is issued following a notice and comment period, as required by the Administrative Procedure Act (“APA”).

Petitioner developed the Petition and corresponding litigation strategy based on the standards outlined in the June 21, 2022, Interim Procedure for Discretionary Denials issued by the Office (the “June 2022 Procedures”). After the Petition was filed, however, the USPTO rescinded the June 2022 Procedures and reverted to former procedures through a short posting on the USPTO website followed by the March 24, 2025 Memorandum of Chief Administrative Patent Judge Scott Boalick (the “Boalick Memo”). Two days later, on March 26, Acting Director Stewart issued a Memorandum (the “Director Memo”) introducing an entirely new “interim procedure” that bifurcates institution between “(i) discretionary considerations and (ii) merits and other non-discretionary statutory considerations.” Director Memo, 1. Under this new procedure, “the Director, in consultation with at least three PTAB judges” will determine whether discretionary denial is appropriate based on “all relevant considerations,” including several newly enumerated factors. *Id.* Three weeks after the Director Memo issued, the USPTO held an oral webcast setting forth additional substantive details of the new interim procedure not found in the Director Memo. Then, eight days after the webcast, the USPTO posted on its website “FAQs for Interim Processes for PTAB Workload Management” with even more substantive details, some potentially in

conflict with details provided during the oral webcast. Petitioner submits that the recission notice, the Boalick Memo, the Director Memo, the oral webcast, and the FAQs (together, the “Announcements”) do not satisfy the requisite statutory and constitutional obligations for new regulations.

By way of example, 35 U.S.C. § 316(a) mandates that “[t]he **Director shall prescribe regulations**” including regulations “(2) setting forth the standards for the showing of sufficient grounds to institute a review under section 314(a).” The Announcements fall short of 35 U.S.C. § 316(a) by:

- (1) Making changes to substantive rules or directives without going through notice-and-comment rulemaking, particularly given the agency’s representation that it will make any further changes to the institution process through notice-and-comment rulemaking. *See* 88 Fed. Reg. 24,503 (April 21, 2023). The Announcements violate the notice-and-comment requirements under the APA and are arbitrary and capricious.
- (2) Proposing considerations that lack clarity so that they fail to set “forth the standards for the showing of sufficient grounds to institute review.” 35 U.S.C. § 316(a). For example, many of the new “considerations” set forth in the Director Memo lack basis in Federal Circuit or PTAB case law such that petitioners cannot anticipate how the Director will apply them. *See* Director Memo, 2-3 (“[s]ettled expectations,” “reliance on expert testimony,”

“workload,” and “[c]ompelling economic, public health, or national security interests”).

(3) Lacking a sufficiently reasoned explanation for the changes in the factors relevant to institution, including changes that directly contradict the agency’s prior guidance in the June 2022 Procedures—such as the controlling effect of a *Sotera* stipulation and the relevance of compelling merits. The reference to “workload needs of the PTAB” in the Announcements does not explain how the changes will aid that goal.⁴ *See Food & Drug Admin. v. Wages & White Lion Invs., L.L.C.*, 145 S. Ct. 898, 906 (2025) (explaining that when an agency changes position, it must “offer ‘good reasons for the new policy’”); *see also F.C.C. v. Fox Television Stations, Inc.*, 556 U.S. 502 (2009) (agency changing position must show “that the new policy is permissible under the statute, that there are good reasons for it, and that the agency believes it to be better, which the conscious change of course adequately indicates”).

(4) Applying the Announcements retroactively to petitions filed prior to

⁴ The Director Memo does not contain any objective data illustrating how the workload of the PTAB has changed, or, if it has changed, how such change impacts the PTAB’s ability to meet its statutory obligations.

issuance of the new policies (such as in this case), thereby undermining stakeholders' reliance interests and prejudicing petitioners, including the Petitioner in this case, with respect to strategies between district court and USPTO proceedings. This is particularly true where the retroactive application of a new rule was not first subjected to notice-and-comment rulemaking under the Administrative Procedure, despite the agency's stated intent to follow such procedures. *See NetworkIP, LLC v. F.C.C.*, 548 F.3d 116, 122–23 (D.C. Cir. 2008).

- (5) Implementing the new bifurcated process without first collecting input from stakeholders or adequately apprising stakeholders of the logistics. The Director Memo lacks procedural details, and the later-created FAQs webpage that purportedly “controls the interim processes” is “frequently” updated. Ex.1066, 1 (encouraging stakeholders to “check back frequently for updates”). Further, there is no way for the parties to know who is designated to advise the Director and, thus, whether there are any conflicts of interest or other procedural concerns related to the process. *See, e.g.*, IPR2025-00250, Paper 14 at 1 (caption of Acting Director's decision on request for discretionary denial listing only the Acting Director).

In the face of this non-exclusive list of deficiencies in the Announcements, Petitioner urges the Board and Director to consider whether to institute based on

the standards articulated in the June 2022 Procedures until such time as the Board issues new regulations in accordance with 35 U.S.C. § 316 and the rulemaking procedures of the APA.⁵

V. Conclusion

For the above reasons, Petitioner respectfully requests that the Director refrain from exercising her discretion to deny this petition, and instead pass it to a merits panel for consideration.

Respectfully submitted,

Date: May 20, 2025

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⁵ If the Office alters the “Interim Processes” before the decision on IV’s request for discretionary denial, Petitioner requests authorization to address such changes.

CERTIFICATE OF WORD COUNT

Pursuant to 37 C.F.R. § 42.24(d), Petitioner hereby certifies, in accordance with and reliance on the word count provided by the word-processing system used to prepare this Opposition, that the number of words in this paper is 8,321.

Pursuant to 37 C.F.R. § 42.24(d), this word count excludes the table of contents, table of authorities, mandatory notices under § 42.8, certificate of service, certificate of word count, appendix of exhibits, and any claim listing.

Date: May 20, 2025

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CERTIFICATE OF SERVICE

The undersigned certifies, under 37 C.F.R. § 42.6, that service was made on the Patent Owner as detailed below.

Date of service May 20, 2025

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Documents served Petitioner's Opposition to Patent Owner's Request for Discretionary Denial; Exhibits Ex.1053 – Ex.1067.

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