

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

UNITED SERVICES AUTOMOBILE ASSOCIATION,
Petitioner,

v.

AUTO TELEMATICS LTD.,
Patent Owner

Case IPR2025-00812
U.S. Patent No. 12,236,728

**PETITIONER'S AUTHORIZED RESPONSE TO PATENT OWNER'S
REQUEST FOR DIRECTOR REVIEW**

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Pursuant to the authorization granted by e-mail on October 21, 2025 (Exhibit 3100), Petitioner United Services Automobile Associated (“USAA”) submits this response to Patent Owner Auto Telematics’ (“ATL”) Request for Director Review (“Request.”).

I. INTRODUCTION

The Board has already deemed claimed subject matter recited in the subject patent (U.S. Pat. No. 12,236,728 or “the ’728 patent”)¹ to be unpatentable in five distinct proceedings. *See* IPR2023-00518, IPR2023-00768, IPR2023-00487, IPR2023-00857, IPR2023-00911.

The Request neglects to address the Board’s findings in those proceedings, which ATL did not appeal. Notably, for example, the Board in IPR2023-00911 found similar claim features unpatentable based on the same core teachings of Callopy. *See* §IV.A, *infra*; *see also* Pet., 1-2, 15-19.

In this broader context, the Panel’s decision to institute the instant proceeding promotes consistency and aligns with prior merits-based findings by the Board. More, ATL’s unjustifiably delayed allegation that Callopy was

¹ The subject patent is in the same family as the patents the Board previously found unpatentable in IPR2023-00518, IPR2023-00768, IPR2023-00487, IPR2023-00857, and IPR2023-00911.

previously considered in original examination of the '728 patent serves only to confirm that institution of this proceeding is critical to correct material error during that examination. *See* §IV.B.

Even if one were to set aside those issues, the Panel's decision to grant institution of this *inter partes* review (IPR) was correct. Pap. 8 ("Decision"). In declining to consider ATL's discretionary arguments in the Preliminary Patent Owner Response ("POPR"), the Decision properly applied the procedure specified by the Interim Process Memo² and further elaborated in a governing FAQ.³ ATL waived these discretionary arguments when it chose not to file a discretionary denial brief. FAQ 9 ("If a patent owner chooses not to file a discretionary denial brief...the Office will enter a notice into the docket indicating the case is now before a Board panel to consider the non-discretionary issues[,]” and “Unless

² March 26, 2025 Memorandum titled “Interim Processes for PTAB Workload Management,” available at www.uspto.gov/sites/default/files/documents/InterimProcesses-PTABWorkloadMgmt-20250326.pdf.

³ FAQs for Interim Processes for PTAB Workload Management (“FAQ”), available at www.uspto.gov/patents/ptab/faqs/interim-processes-workload-management.

otherwise authorized by the Director, the Board panel will not address discretionary considerations.”).⁴

The Panel’s decision to decline to consider ATL’s discretionary denial arguments does not reflect an abuse of discretion—it instead reflects adoption of by the Office of procedures that provide a patent owner the opportunity to be heard on discretionary issues, an opportunity ATL opted not to take. ATL’s dissatisfaction post-institution does not merit Director review⁵ of the Decision. Much like their decision to forego appeal in related proceedings, ATL refused to participate in discretionary briefing. This does not reflect a lack of consideration by the Office, and ATL’s allegations that its due process rights were purportedly violated are baseless. *See* Req., 2.

ATL’s discretionary denial arguments related to §325(d) alleged that the Examiner previously considered disclosures of a key prior art reference (Callopy)

⁴ The interim process has been superseded by a memorandum issued on October 17, 2025. *See* Memorandum dated October 17, 2025 and titled “Director Institution of AIA Trial Proceedings,” available at https://www.uspto.gov/sites/default/files/documents/Director_Institution_of_AIA_Trial_Proceedings.pdf (“Director Memo”).

⁵ Available at <https://www.uspto.gov/patents/ptab/decisions/director-reviewprocess>.

in original examination of the '728 patent. *See* Req., 7-9. But even if the Panel had reached this issue, ATL's incomplete showing in the POPR was insufficient to justify discretionary denial. *See* §II.B, *infra*. Again, the Panel simply followed the policy set forth in the memo ("Office Guidance"). The panel then limited its analysis to the substantive merits of the Petition, and found it sufficient to meet the standard for institution.

II. THE INSTITUTION DECISION PROPERLY DECLINED TO REACH §325(D) ARGUMENTS THAT PATENT OWNER WAIVED

A. Patent Owner Waived Its §325(d) Arguments By Failing To Timely Request Discretionary Denial Under Office Guidance

ATL's primary grievance is that the Board "erred by not considering Patent Owner's reasons for discretionary denial in the Preliminary Response." Req., 7. This asks the Director to find error in the Decision because the Panel merely applied controlling procedural rules in effect at that time. FAQ 9. The Panel did not reach ATL's discretionary arguments because ATL refused to participate in the briefing afforded by the Office. This constitutes waiver.

ATL then dedicated a majority of its POPR—11 of 19 pages—to discretionary arguments based on §325(d). *See* POPR, 10-21. In doing so, ATL attempted to argue points that it had already waived by explicitly disregarding Office Guidance. Vacating the Decision now would reward ATL's conduct and encourage similar conduct by others in disregard of settled expectations that the

parties comply with specified briefing schedules. It invites parties—like ATL—to re-litigate discretionary factors when the Office has made clear that it expects parties to brief these issues *before* a decision on institution is reached.⁶ It also undermines administrative efficiency and encourages procedural gamesmanship. The purpose of Director Review is to promote fair policies, not to provide a mulligan for a party’s strategic miscalculations.

The Decision also did not merely overlook or misapprehend ATL’s discretionary arguments. It instead made clear that the Panel did not reach them because Patent Owner “did not file a brief requesting discretionary denial of institution.” Dec., 2. The Decision also cited to FAQ 9, confirming that the lack of consideration arose out of ATL’s waiver of discretionary arguments. *Id.*; *see also*

⁶ While the interim process has been superseded by the Director Memo, this change in Office Guidance does not itself justify ATL’s Request for Director Review. The interim process was controlling when ATL was required to file its discretionary denial brief (6/18/2025) and at the time the Decision issued (10/6/2025). Moreover, ATL’s §325(d) arguments are not sufficient to demonstrate discretionary denial. *See* §II.B, *infra*.

FAQ 9⁷ (“Unless otherwise authorized by the Director, the Board panel will not address discretionary considerations.”). Simply put, ATL’s waiver meant that its discretionary arguments were not properly before the Panel. *See id.*

ATL even attempts to sidestep its failure to act by undermining the very process designed to afford thorough consideration of discretionary issues. The Request alleges that the Interim Process Memo “fails to comport with” 37 C.F.R. § 42.107. Req., 8. But the Interim Process Memo did not eliminate ATL’s opportunity to be heard on discretionary issues—it established a procedural vehicle that afforded ATL greater latitude to be heard on them. Had ATL filed a discretionary denial brief, the discretionary issues that ATL now asks the Director to consider post-institution would have received consideration under the interim process.

ATL also misreads the language of 37 C.F.R. § 42.107. This regulation specifies the scope of arguments available in a POPR, explaining that such briefing “is limited to setting forth the reasons why no *inter partes* review should be instituted under 35 U.S.C. 314 and can include supporting evidence.” 37 C.F.R. §

⁷ Available at www.uspto.gov/patents/ptab/faqs/interim-processes-workload-management.

42.107(a). It does not preclude the Office from issuing guidance relating to interim processes for briefing regarding discretionary factors.

B. Even If There Was No Waiver, Consideration of Patent Owner's §325(d) Arguments Would Have Still Resulted In Institution

Even if the Director sets aside ATL's waiver, the POPR's §325(d) arguments were defective because they failed to apply the *Advanced Bionics* framework. By contrast, not only did the Petition address each individual prong of the *Advanced Bionics* framework, but also demonstrated that "the Office clearly did not appreciate Callopy's disclosures and how those references in combination with other prior art references (Curry, Thompson, Warren, Katayama) render the Challenged Claims obvious." Pet., 80. Original examination of the '728 patent thereby "involved multiple material errors" because it "provides little insight into the examiner's evaluation of prior art" and because "the Examiner issued a single prior art rejection based on one reference." *See id.*, 78-80.

The POPR's §325(d) arguments focused on the contention that Callopy was effectively presented to the Office during original examination of the '728 patent through the Examiner's application of Collopy. But this analysis lacked the precision demanded by a proper §325(d) analysis. For example, despite urging that the two references be "considered the same" (POPR, 12), ATL nonetheless conceded that certain paragraphs in Callopy are "[n]ot explicitly recited in" the other (*see id.*, 14-17). ATL even admitted that "paragraphs [0014], [0017], [0018],

[0024], [0165], and [0388]” of Callopy are not literally present. *Id.*, 17. Indeed, as discussed below, paragraphs [0017], [0018], [0165], and [0388] of Callopy are specifically relied upon in the Petition in demonstrate combinability of the teachings from Callopy, Curry, and Thompson and demonstrating unpatentability of the challenged claims based on the proposed Callopy-Curry-Thompson combination. *See Pet.*, 11, 35, 38, 44.

ATL thereby mischaracterizes the Petition in alleging within its Request that the POPR “demonstrated that Petitioner did not substantively rely on any material found exclusively in Callopy, alone...” Req., 6. This is plainly not true—Ground 1 cites to paragraph [0165] of Callopy to demonstrate combinability of the teachings from Callopy, Curry, and Thompson. *Pet.*, 11. The same ground also cites to paragraphs [0017], [0018], and [0388] in demonstrating unpatentability of the challenged claims based on the proposed Callopy-Curry-Thompson combination. *See id.*, 35, 38, 44. As noted above, the POPR admitted that paragraphs [0017], [0018], [0165], and [0388] of Callopy are not literally present in Callopy (and thus unique to Callopy). POPR, 17.

Regardless, even if the Petition had relied only on overlapping portions in addressing unpatentability of the ’728 patent’s claims, the POPR’s §325(d) arguments still fall short because every ground in the Petition mapped teachings

from Curry and Thompson—references that were never substantively applied in a ground of rejection in original examination of the '728 patent. Pet., 3; *id.*, 77-80.

The POPR's §325(d) arguments also failed to rebut the Petition's showing of material error under the second prong of the *Advanced Bionics* framework. The POPR only explained that references other than Collopy (such as Curry, Thompson, Warren, Katayama) were cited in Information Disclosure Statements (IDSs), but otherwise did not address whether their teachings were cumulative over those from Collopy that were substantively considered by the Examiner prior to allowance. *See* POPR, 20-22; *see also* USAA-1002, 232-61. Also absent from the POPR was any contention that the teachings of these references were specifically considered in combination with the teachings of Collopy in the same manner applied in the Petition's grounds. Thus, even if the Panel had been able to reach the POPR's §325(d) arguments, the POPR still failed to provide a sufficient basis to justify institution denial on this basis. Instead, consistent with the Petition, the limited nature of original examination of the '728 patent (single Office Action based on a single reference) calls the examination quality into question, reinforcing that discretionary denial is not appropriate. *See* §IV.B, *infra*.

III. THE INSTITUTION DECISION PROPERLY DISMISSED PATENT OWNER'S CLAIM CONSTRUCTION ARGUMENTS

The Request also misleadingly suggests the Panel abused its discretion by preliminarily finding synonymy between “throughout” and “during.” In reality,

the Panel’s preliminary finding was evidence-based, procedurally proper, and invited the very merits-based debate that ATL now seeks to avoid through the Director Review process. The Decision’s preliminary findings related to a routine claim construction dispute, which is not a basis for vacating institution.

These preliminary findings are also supported by evidence—the Institution Decision cited a dictionary definition of “during” as meaning “[t]hroughout the duration of.” Dec., 9 (fn. 8). And while ATL appears to dispute the propriety of this dictionary definition in the context of the ’728 patent, this is precisely the type of merits-based dispute that is resolved through IPR institution. The Panel recognized this, inviting the parties to “further argue claim construction at trial” through “a clearly designated section of their briefing.” Dec., 9-10. This invitation reflects ordinary and routine PTAB procedure, not an abuse of discretion.

The weakness in ATL’s positions is reflected in its limited showing within the POPR. ATL dedicated roughly one page of briefing to this topic in the POPR and failed to support it with any expert testimony addressing how a person of ordinary skill would have understood a purported difference between the “during” and “throughout” terms. *See* POPR, 7-8. With such limited briefing, and without supporting evidence, the Panel was left with no other option but to dismiss ATL’s claim construction positions. Dec., 9 (“Patent Owner does not provide support for

any specific construction or explain why any claim construction would be necessary for resolution of this proceeding.”).

IV. ***INTER PARTES* REVIEW IS CRITICAL TO PROMOTE CONSISTENCY AND CORRECT OFFICE ERROR**

A. *Institution Promotes Consistency With Prior Findings With Respect To A Related Patent Based On The Same Prior Art*

Institution of this proceeding is also appropriate because it promotes consistency with the Board’s unpatentability findings in IPR2023-00812, which involved a related patent—U.S. Pat. No. 9,311,271 (“the ’271 patent”). In that proceeding, the Board reached a Final Written Decision (“’271 FWD”) and found claims 6 and 7 of the ’271 patent unpatentable based on Callopy and Curry (each of which is applied in every ground of the Petition). *See* ’271 FWD, 82-91. The Panel’s analysis of Callopy and Curry in the ’271 FWD is pertinent to this proceeding because, as shown below, claim 6 of the ’271 patent recites elements and features similar to those recited in claim 1 of the ’728 patent:

’728 Patent, Claim 1	’271 Patent, Claim 6
A <u>data-logging system</u> configured to monitor how safely a vehicle is being driven by a driver throughout a driving period...	A <u>data-logging system</u> for logging driving information received from a remote mobile telecommunications device...

a <u>database</u> for storing a plurality of accounts, at least one of the plurality of accounts having a unique identifier...	a <u>database</u> for storing a plurality of accounts, each account having a unique identifier...
a <u>communications interface</u> configured to communicate with the mobile telecommunications device...	a <u>communications interface</u> arranged to communicate with the remote mobile telecommunications device...
...derived <u>driving information</u> representing how safely the vehicle is being driven by the driver throughout the driving period... generate the derived driving information <u>without data from vehicle sensors</u> throughout the driving period in which the mobile telecommunications device is within the vehicle and the vehicle is being driven by the driver...	<u>driving information</u> to be logged to that corresponding account, the driving information derived based on inputs received by a user interface of the remote mobile telecommunications device and sensor data from a sensor set of the remote mobile telecommunications device, the driving information derived <u>without data from vehicle sensors</u> ; wherein the driving information comprises at least one of a <u>driving score</u> ...

the derived driving information includes a <u>driving score</u> ...	
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The Board has therefore not only endorsed applying Callopy’s teachings for institution, but has already found on the merits that those teachings render similar claims unpatentable. Affirming institution here promotes fairness and predictability across PTAB proceedings involving related patents and similar unpatentability challenges (based on Callopy and Curry).

More specifically, in the ’271 FWD, the Board’s resolution of unpatentability was based on disclosure of the system disclosed in Callopy’s Figure 40—the same system disclosure applied in the Petition. *Compare* ’271 FWD, 86 (citing FIG. 40 of Callopy) *and* Pet., 20 (same); *see* ’271 FWD, 86 (“Callopy’s mobile device 4005 captures and processes data during a driving period to derive driving information”). The ’271 FWD and the Petition also each addresses the “driving information” feature commonly recited in the ’271 and ’728 patents in relation to the disclosure in Callopy’s paragraph [0307]. *See* Pet., 28 (“Callopy similarly describes that its mobile device derives, from acceleration and position data, ‘information regarding driver 4010’s driving skills, habits, etc.’”) (citing Callopy, [0307]); *see also* ’271 FWD, 86. The Board’s analysis in the ’271 FWD thereby reinforces the Petition’s application of Callopy to the challenged claims of the ’728 patent.

ATL has also failed to establish any meaningful distinction between the respective claims of the '728 patent and the '271 patent that would warrant a merits-based denial of institution in this proceeding. By focusing its POPR almost exclusively on §325(d), ATL failed to establish any meaningful distinction between the claimed subject matter and the asserted prior art, leaving the pre-institution record devoid of any such argument. Nonetheless, the Petition addressed patent-specific features recited in claim 1 of the '728 patent based on the disclosure of Thompson (which was not applied in unpatentability grounds resolved in IPR2023-00911). And yet, the POPR only addressed Thompson's disclosure on discretionary grounds. *See* POPR, 20-21.

B. Institution Enables Correction Of Office Error In Original Examination Of The '728 Patent

As explained in §II.B, *supra*, the POPR's §325(d) arguments presume that Callopy (applied in the Petition) and Collopy (applied in original examination) have substantially overlapping disclosures and the Request reinforces ATL's position that they reflect the "same or substantially the same prior art or arguments." *See* Req., 2. But this overlap only confirms the Petition's showing that "original examination involved multiple material errors in failing to consider relevant disclosures of Callopy, Curry, Thompson, Warren, and Katayama." Pet., 78.

Indeed, if the two references are “considered the same” (as urged in the POPR), then the Examiner’s allowance over Callopy is potentially at odds with the Panel’s findings in the ’271 FWD with respect to Callopy. POPR, 12; *see* ’271 FWD, 86 (finding claim 6 of the ’271 patent unpatentable based on the teachings of Callopy). Thus, the POPR’s position that two references are effectively the “same” only suggests errors in the original examination of the ’728 patent.

In *Anthony Inc. v. ControlTec LLC* (“*Anthony*”), discretionary denial was deemed not appropriate because “Petitioner appears to show a material error by the Office.” IPR2025-00559, Paper 12, at 2 (PTAB July 16, 2025). Here, as noted in the Petition and addressed above in §II.B, *supra*, “the Office clearly did not appreciate Callopy’s disclosures and how those references in combination with other prior art references (Curry, Thompson, Warren, Katayama) render the Challenged Claims obvious.” Pet., 80; *see also id.*, 79 (citing USAA-1002, 231-62). This weighs in favor of IPR institution being an “appropriate use of Office resources to review the potential error.” *Anthony*, at 2.

V. CONCLUSION

For the foregoing reasons, the Panel properly determined that “*inter partes* review of the ’728 patent shall proceed in this case on all of the grounds raised in the Petition.” Dec., 40. Thus, Director Review of the Institution Decision is not warranted, and Patent Owner’s request should be denied.

Respectfully submitted,

Date: October 28, 2025

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CERTIFICATE OF SERVICE

Pursuant to 37 C.F.R. §§42.6(e), the undersigned certifies that on October 28, 2025 a complete and entire copy of this Petitioner's authorized response to Patent Owner's request for Director Review was provided via email to the Patent Owner by serving the correspondence email address of record as follows:

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