

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

TOYOTA MOTOR CORP.,
Petitioner

v.

AUTOCONNECT HOLDINGS LLC,
Patent Owner

Case No. IPR2025-00891
Patent No. 9,147,296

PATENT OWNER'S REQUEST FOR DISCRETIONARY DENIAL

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PATENT OWNER’S EXHIBIT LIST

Exhibit	Description
2001	<i>DigitalDoors, Inc. v. International Business Machines Corporation</i> , Case No. 2:22-CV-00457-JRG-RSP, ECF No. 41 (E.D. Tex. Jul. 24, 2023) (Gilstrap, J.)
2002	<i>Uniloc USA, Inc. v. Motorola Mobility LLC</i> , Case No. 2:16-CV-00992-JRG, ECF No. 125 (E.D. Tex. Apr. 5, 2017)) (Gilstrap, J.)
2003	<i>Garrity Power Services LLC v. Samsung Electronics Co. Ltd. et al.</i> , Case No. 2-20-CV-00269-JRG, ECF No. 40 (E.D.Tex. Feb. 17, 2021) (Gilstrap, J.)
2004	<i>Clear Imaging Research, LLC, v. Samsung Electronics Co., Ltd.</i> , Case No. 2:19-CV-00326-JRG, ECF No. 127 (E.D.Tex. Dec. 21, 2020) (Gilstrap, J.)
2005	<i>Solas OLED Ltd. v. Samsung Display Co.</i> , No. 2:19-CV-00152-JRG, ECF No. 133, (E.D. Tex. July 17, 2020) (Gilstrap, J.)
2006	<i>Oyster Optics, LLV, v. Infierna Corp., et. al.</i> , Case No. 2:19-CV-00257-JRG, ECF No. 87 (E.D.Tex. July 17. 2020) (Gilstrap, J.)
2007	First Amended Docket Control Order, <i>AutoConnect Holdings, LLC v. Toyota Motor Corp.</i> , No. 2:24-CV-00802-JRG-RSP, ECF No. 53 (E.D. Tex. February 13, 2025) (Gilstrap, J.)
2008	Lex Machina Median time to trial Statistics for EDTX for 5 years preceding EDTX Litigation
2009	Lex Machina Median time to trial Statistics for Judge Gilstrap for 5 years preceding EDTX Litigation

2010	<i>Excerpts of Toyota’s Invalidity Contentions served April 1, 2025, AutoConnect Holdings, LLC v. Toyota Motor Corp., No. 2:24-cv-00802-JRG-RSP (E.D. Tex.)</i>
2011	Guidance on USPTO’s rescission of “Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation,” March 24, 2025
2012	USPTO FAQs for Interim Processes for PTAB Workload Management
2013	USPTO Office Action rejecting Toyota Patent App. No. 17/000,114 (US Patent No. 11,285,896) with Notice of References Cited, March 29, 2021
2014	AutoConnect’s Disclosure of Asserted Claims and Infringement Contentions, served Jan. 21, 2025, in <i>AutoConnect Holdings, LLC v. Toyota Motor Corp., No. 2:24-cv-00802-JRG-RSP (E.D. Tex.)</i>

I. INTRODUCTION

The Board should deny institution of this Petition to avoid duplication of effort with ongoing litigation in federal court that has a trial slated on July 20, 2026—over four months before a final written decision would issue in this proceeding.

In October 2024, AutoConnect Holdings LLC (“Patent Owner”) filed a lawsuit against Toyota Corp. (“Petitioner”) in which it asserted eleven patents, including the challenged ’296 patent. That matter (the “EDTX Litigation”) is pending before Judge Rodney Gilstrap in the U.S. District Court for the Eastern District of Texas and involves the same parties, the same patent claims, the same claim construction standard, the same arguments, and the same references that Petitioner set forth in its Petition. Although Petitioner recently filed a *Sotera* stipulation, that stipulation does little to reduce the overlap between this proceeding and the ongoing EDTX Litigation. Petitioner relies upon *the same prior art references in its invalidity contentions for six other asserted patents in the EDTX Litigation*, in addition to the ’296 patent at issue here. And because Petitioner waited to file its petition for over six months after being served with the Complaint (and 16 months after receiving a notice of infringement with supporting claim charts), trial in the EDTX Litigation is scheduled to occur over *four full months before a final written decision* would be issued here.

Further minimizing any potential value of these proceedings, Petitioner has

filed petitions with respect to only two of the ten other patents asserted in the EDTX Litigation. Consequently, institution of the instant petition could not possibly avoid, or even meaningfully focus, the inevitable trial in the EDTX Litigation.

The EDTX Litigation is also rapidly advancing. By the November 29, 2025 deadline for an institution decision in this proceeding, the parties will have invested significant time and resources in a thirteen-month-old EDTX Litigation. It would be inefficient to force the Board, the Eastern District of Texas, and Patent Owner to address redundant issues, such as claim construction and validity, and engage in redundant activities involving the same prior art alleged here. And by the time of the final written decision, the parties will have completed duplicative expert discovery and a redundant trial. Further, simultaneous proceedings before both the district court and the PTAB creates a very real risk of inconsistent rulings, such as claim construction and validity determinations.

In addition to the traditional *Fintiv* factors, the parties' settled expectations support discretionary denial. The **'296 Patent issued about ten years ago** and the parties therefore have developed strong settled expectations.

Holistically, denying institution is the most efficient and fair result as it will avoid duplicative efforts by different tribunals and the risk of inconsistent claim construction and validity rulings while maintaining the parties' settled expectations.

II. THE BOARD SHOULD EXERCISE ITS DISCRETION UNDER 314(a) TO DENY INSTITUTION.

The decision whether to institute an *inter partes* review lies with the Board's discretion. *Nautilus Hyosung Inc. v. Diebold, Inc.*, IPR2017-00426, Paper 17 (PTAB June 22, 2017) (confirming that under § 314(a), "the PTO is permitted, but never compelled, to institute an IPR proceeding"); *see also NHK Spring Co. v. Intriplex Techs., Inc.*, IPR2018-00752, Paper 8 (PTAB Sept. 12, 2018) (precedential, designated May 7, 2019) (confirming the Board has discretion to deny institution of under 35 U.S.C. § 314(a) due to the advanced state of parallel district court litigation regarding the same issues).

The Board has identified a number of factors to consider when analyzing whether to discretionarily deny institution, which include:

1. Whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted;
2. The proximity of the court's trial date to the Board's projected statutory deadline for a final written decision;
3. Investment in the parallel proceeding by the court and the parties;
4. Overlap between issues raised in the Petition and the parallel proceeding;
5. Whether the petitioner and the defendant in the parallel proceeding are the same party; and
6. Other circumstances that impact the Board's exercise of discretion, including the merits.

Apple Inc. v. Fintiv, Inc., IPR2020-00019, Paper 11 at 5-6 (PTAB Mar. 20, 2020) (“*Fintiv I*”). “These factors relate to whether efficiency, fairness, and the merits support the exercise of authority to deny institution in view of an earlier trial date in the parallel proceeding.” *Id.* The Board should use these factors to develop “a holistic view of whether efficiency and integrity of the system are best served by denying or instituting review.” *Id.*

Consistent with *Fintiv*’s holistic analysis, the Board should also consider the “[s]ettled expectations of the parties, such as the length of time the claims have been in force” and “any other considerations bearing on the Director’s discretion.” Director’s March 26, 2025 Memorandum titled, “Interim Processes for PTAB Workload Management” at 2-3.

All these factors favor discretionary denial of the Petition.

A. *Fintiv* Factor 1 Favors Denial Because the EDTX Litigation Has Not and Will Not Be Stayed by Judge Gilstrap.

The EDTX Litigation is in full swing. Neither party has requested a stay, and Petitioner has not expressed any plans to seek one. Consequently, this factor supports discretionary denial. *See Mylan Labs. Ltd. v Janssen Pharm. NV*, IPR2020-00440, Paper 17 at 13-14 (PTAB Sep. 16, 2020) (“[N]o stay is likely to be entered [], and therefore *Fintiv* factor 1 leans towards denial of institution.”).

Even if Petitioner were to request a stay based on this Petition, it would invariably be denied. The challenged ’296 patent is merely *one of eleven* asserted

patents. It is highly unlikely that any district court judge would stay a litigation based on a non-instituted petition challenging one of eleven asserted patents. This is even more clear for cases before Judge Gilstrap, who presides over the EDTX Litigation. He has unambiguously explained that he will not agree to stay proceedings under the circumstances present here. Ex. 2002 at 3 (finding a stay “especially” unwarranted where “the pending IPR petitions do not challenge every patent asserted in this case”). Here, where PTAB petitions have been filed against only three of the eleven asserted patents, a stay would serve no purpose even if all three were instituted. Yet none of the petitions have been instituted, and Judge Gilstrap routinely denies opposed motions to stay for non-instituted petitions. *See* Ex. 2001 at 5 (“The ‘universal practice’ in this District, as well as the practice of most district courts, is to deny a motion for stay when the PTAB has not yet acted on a petition for IPR.”); Ex. 2003 at 2-3; Ex. 2004 at 4 (“[I]t is the Court’s established policy that motions to stay pending IPR proceedings that have not been instituted are inherently premature.”). In fact, Judge Gilstrap often refuses to stay district court proceedings even when PTAB proceedings have been instituted with respect to *all* asserted patents. *E.g.*, Ex. 2005 at 1-2, 6; *see also* Ex. 2006 at 1-2, 6.

Because no stay has been or will be entered, this factor favors denial of institution. *Mylan*, IPR2020-00440, Paper 17 at 13-14.

B. *Fintiv* Factor 2 Favors Denial Because Trial in the EDTX Litigation Begins Almost Four Months Prior to a Final Written Decision.

Discretionary denial is also appropriate here because trial in the parallel proceeding will be completed well before a final written decision would issue here. “If the court’s trial date is earlier than the projected statutory deadline, the Board generally has weighed this fact in favor of exercising authority to deny institution under NHK.” *Fintiv I* at 9.

Trial is currently set for July 20, 2026, in the EDTX Litigation. Ex. 2007, p. 1. According to the scheduling order, this date is a “deadline that cannot be changed without an acceptable showing of good cause. Good cause is not shown merely by indicating that the parties agree that the deadline should be changed.” *Id.* at 6; *see also* E.D. Tex. L.R. CV-83(a) (characterizing set trial dates as “firm trial dates”). The scheduled trial date deadline coincides with the median time to trial for EDTX patent cases over the past 5 years. *See* Ex. 2008, p. 2 (data showing a median time to trial of 655 days, which equates to a July 20, 2026 trial date). This is also consistent with the median time to trial for patent cases before Judge Gilstrap for the same time period. *See* Ex. 2009, p. 1 (data showing a median time to trial of 643 days, which equates to a July 8, 2026 trial date).

The final written decision deadline for this *inter partes* review would not be until November 29, 2026. Thus, trial in EDTX Litigation will begin more than ***four months*** before any final written decision in this *inter partes* review. This timing

strongly favors discretionary denial. *See AT&T Services Inc. v. ASUS Tech. Licensing Inc.*, IPR2024-00992, Paper 14 at 10-11 (PTAB Dec. 16, 2024) (denying institution because *Fintiv* factor 2 substantially favored discretionary denial when there was a parallel trial scheduled “**four** to five **months** prior” to the final written decision deadline) (emphasis added). In fact, the Board denies petitions in cases with even shorter timeframes between the trial date and the deadline for the final written decision. *See, e.g., E-One, Inc. v. Oshkosh Corp.*, IPR2019-00161, Paper 16 at 6-9 (PTAB May 15, 2019) (denying institution where trial was scheduled one month before the final written decision deadline); *eClinicalWorks, LLC v. Decapolis LLC*, IPR2022-00229, Paper 10 at 9 (PTAB Apr. 13, 2022) (denying institution where “the beginning of the jury trial in the WDTX Cases is roughly one to two months” before the final written decision deadline.); *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 15 at 13 (PTAB May 13, 2020) (denying institution where trial was scheduled just over two months before the final written decision deadline); *Netflix, Inc. et al. v. Uniloc 2017 LLC*, IPR2020-00008, Paper 13 at 9-11 (PTAB Apr. 13, 2020) (same).

Because the currently scheduled trial date (which is consistent with both the median times to trial for the entire Eastern District of Texas and for Judge Gilstrap) is more than four months before a final written decision would be rendered for this post-grant review, and there is not any reason to believe this date would be extended

(which would require good cause), *Fintiv* factor 2 strongly favors discretionary denial.

C. *Fintiv* Factor 3 Favors Denial Because the EDTX Court and the Parties Already Have and Will Continue to Invest Significant Resources by the Institution Decision Deadline.

The substantial effort and resources expended in the EDTX Litigation also supports discretionary denial of institution. Under *Fintiv* Factor 3, the Board is to consider the “amount and type of work already completed in the parallel litigation by the court and the parties at the time of the institution decision.” *Fintiv I* at 9. Due to the fast-paced nature of cases in the Eastern District of Texas, it should be no surprise that by the time the Board decides on institution (November 29, 2025), the parties and the court will have heavily invested in the EDTX Litigation.

Discovery is already well underway. The parties served Infringement Contentions with 26 exhibits totaling 330 pages on January 21, 2025 and Invalidity Contentions with 218 exhibits totaling 19,634 pages on April 1, 2025. *See* Exs. 2014, 2010. Petitioner’s Invalidity contentions, as discussed further in Section II.D. below, assert dozens of references in combination with Ikeda with respect to the ’296 patent, which Patent Owner has already invested time addressing before an institution decision will be rendered.

Additionally, the parties have served and responded to multiple rounds of written discovery, and together produced over 275,000 pages of documents with

productions ongoing. Petitioner has served multiple third-party subpoenas. And Patent Owner is currently undergoing extensive review of source code and technical documentation, which requires intensive expert review and analyses. Significant fact discovery has already been completed as of the filing of this request, with months of additional fact discovery, likely including depositions, to be completed before the institution deadline.

Petitioner has moved to dismiss claims based on an asserted patent other than the '296 patent challenged here. Patent Owner responded on July 16, 2025, explaining why that motion is procedurally flawed and substantively baseless. Thus, well before the institution deadline, the court will have also invested time in disposing of that motion.

Claim construction proceedings will also be substantially advanced prior to any institution decision. The parties are scheduled to exchange claims terms for construction on September 16, 2025 (more than two months before the institution decision deadline), exchange preliminary claim constructions by October 7, 2025, prepare a joint claim construction statement by October 28, 2025 (more than a month before the institution decision), and conclude Claim Construction Discovery by November 25, 2025. When the time for the institution decision arrives, the parties will be in the middle of expert depositions and drafting claim construction briefs. And while the Court will not yet have ruled on claim construction, that will happen

long before a final written decision in these proceedings.

Finally, Petitioner filed this petition more than six months after service of the complaint in the EDTX Litigation, and 16 months after receiving a detailed claim chart demonstrating infringement of the '296 patent. Petitioner's delay resulted in the parties and the Court investing over six months of efforts in the EDTX Litigation before the Petition was filed, and more than thirteen months of effort leading up to the institution deadline.

Accordingly, *Fintiv* Factor 3 weighs in favor of discretionary denial.

D. *Fintiv* Factor 4 Favors Denial Because the Issues in the Parallel Proceeding Completely Overlap with the Issues Raised in the Petition

The Board should also deny the present Petition because the grounds set forth therein completely overlap with Petitioner's invalidity contentions in the EDTX Litigation. "[I]f the petition includes the same or substantially the same claims, grounds, arguments, and evidence as presented in the parallel proceeding, this fact has favored denial." *Fintiv I* at 12.

In its contentions, Petitioner relies on the same references Ikeda (U.S. Patent Pub. No. 2008/0215209) and Hendry (U.S. Patent App. Pub. No. 2012/0303178) as set forth in the Petition. Ex. 2010, pp. 2, 4-13, 20-28. The complete overlap of the issues illustrates the duplication of efforts that would occur if this Petition were to be instituted. Such inefficiencies weigh in favor of discretionary denial.

Acknowledging this complete overlap, Petitioner filed a “*Sotera*” stipulation. Paper 5, p. 2. This type of stipulation, however, is not dispositive. Ex. 2011, pp. 2-3. Indeed, the USPTO has indicated that reliance on system art and other invalidity theories renders a *Sotera* stipulation “not ... particularly meaningful because the efficiency gained by any AIA proceeding will be limited.” Ex. 2012, at 5. For example, this stipulation does not prevent Petitioner from relying on the same prior art in district court in support of combinations involving non-printed publication art, e.g., prior art based on public use or an on sale-bar. *Ingenico Inc. v. IOENGINE, LLC*, 136 F.4th 1354, 1365–66 (Fed. Cir. 2025) (“IPR estoppel does not preclude a petitioner from relying on the same patents and printed publications as evidence in asserting a ground that could not be raised during the IPR, such as that the claimed invention was known or used by others, on sale, or in public use.”).

Additionally, ***the Sotera stipulation will not simplify the issues in the EDTX Litigation because Petitioner has asserted the same prior art against other asserted patents.*** This also supports discretionary denial. See, e.g., *Motorola Sols. v. Stellar, LLC*, IPR2024-01205, Paper 19 at 3–4 (PTAB Mar. 28, 2025) (denying institution despite Petitioner’s *Sotera* stipulation, in part, because “Petitioner’s invalidity arguments in the district court are more expansive” and “Petitioner’s stipulation does not ensure that the[] IPR proceedings would be a ‘true alternative’ to the district court proceeding”); *SAP Am., Inc. v. Cyandia, Inc.*, IPR2024-01495, Paper 13, 8-9

(Apr. 7, 2025). For example, Petitioner relies on Ikeda to challenge five other patents in the EDTX Litigation. Ex. 2010 at 5-27 (addressing U.S. Patent Nos. 9,020,697; 9,123,186; 9,147,296; 12,039,243; and 9,290,153). Petitioner also cites its secondary reference Hendry in support of obviousness defenses to three other asserted patents not at issue here. Ex. 2010 at 5-6, 8-9, 12-13, 20-24, 28 (addressing U.S. Patent Nos. 8,793,034; 12,039,243; and 11,163,931). Not only does Petitioner rely on these same references for the '243 and '034 patents like it does for the '296 patent in the Petition, it addresses all three of those patents in a single, common section in its invalidity contentions, confirming it is relying on a common invalidity theory for all three patents. Ex. 2010, pp. 5-25. In addition, Petitioner has sought to rely on the same prior art asserted here in combination with alleged third-party system art in the EDTX Litigation—art that could not be presented to the PTAB here. *Id.* at 25. To the extent Petitioner has preserved any such arguments—which Patent Owner disputes—these arguments also confirm that its *Sotera* stipulation does not eliminate the overlap in the proceedings. Thus, regardless of whether this IPR is instituted, the parties and the EDTX will be required to address both references that Petitioner relies upon for its obviousness grounds in this IPR in the EDTX Litigation. *Id.* at 5-28. The objectives of efficiency and fairness behind *Fintiv* would be defeated if the Board were to institute *inter partes* review.

Petitioner's stipulation fails to render this post-grant proceeding from being a

true alternative to district court. Because of the significant overlap in issues between the petition and the parallel proceeding and the limited impact of Petitioner's stipulation, this factor favors discretionary denial.

E. *Fintiv* Factor 5 Favors Denial Because the Parties in the Parallel Proceeding are Identical.

The parties in this proceeding are the same as in the EDTX Litigation. Thus, *Fintiv* Factor 5 favors denial. *Fintiv*, Paper 11 at 13-14; *see also Sotera Wireless, Inc. v. Masimo Corp.*, IPR2020-01019, Paper 12 at 19 (PTAB Dec. 1, 2020).

F. *Fintiv* Factor 6 Favors Denial Because Petitioner Fails to Identify How the Challenged Claims are to be Construed and Because the Merits of the Petition are Not Compelling

The Petitioner has the burden to *construe* the claims and explain how the *construed* claims are unpatentable. 37 CFR 42.104(b)(3)-(4); *Orthopediatrics Corp. v. K2M, Inc.*, IPR2018-01548, Paper 9 at 10 (PTAB Mar. 1, 2019) (“our rules place an affirmative burden on petitioners to ‘set forth: . . . How the challenged claim is to be construed.’ *Medicines Co. v. Mylan, Inc.*, 853 F.3d 1296, 1308 (Fed. Cir. 2017); 37 C.F.R. § 42.104(b)(3). This burden continues by requiring petitioners to adequately explain ‘[h]ow the *construed* claim is unpatentable.’ 37 C.F.R. § 42.104(b)(4) (emphasis added).”). Petitioner has not met its burden on identifying how each of the challenged claims is to be construed, and therefore cannot meet its burden on explaining how the construed claims are allegedly unpatentable.

In its claim construction section, Petitioner fails to set forth even the bare

minimum of arguing that each claim should be given its plain and ordinary meaning, that the claim terms require no express construction, or that none of the claim terms are in dispute. Petition at 14-15. Based on these failures, the Board and the Patent Owner are, therefore, left to speculate as to how the Petitioner believes the claims are to be construed. This improperly shifts the burden from the Petitioner, in direct conflict of the requirements under 37 CFR 42.104(b)(3). The Petition should be denied on this basis alone.

Additionally, though not dispositive on its own (Ex. 2011, p. 3), the Board considers other circumstances impacting its exercise of discretion, including the strength of the merits of the petition. “If the merits of the grounds raised in the petition are a closer call, then that fact has favored denying institution when other factors favoring denial are present.” *Fintiv I* at 14–15. Institution may not be appropriate even when the merits of the petition are strong. *E.g., Samsung Elecs. Co., Ltd. v. Sionyx, LLC*, IPR2025-00065, Paper 16 at 19-20 (PTAB June 6, 2025) (denying institution despite “Petitioner’s strong case on the merits”); Ex. 2011.

Here, the strength of the merits are inadequate to warrant institution. As explained below, there are flaws in Petitioner’s arguments that ensure there will be claims that have to be litigated despite any institution of these proceedings. To be clear, Patent Owner is not attempting to catalog every omission or weakness in the Petition; rather, the examples discussed below highlight the most glaring

deficiencies—deficiencies so significant that they cannot reasonably support Petitioner’s invalidity position.

Regarding ground 1a, Petitioner fails to show that Ikeda anticipates each of the challenged claims, including, for example, claims 14-15, 17-18, and 20. For example, Petitioner alleges that Ikeda’s discussion of a computer readable medium and program instructions discloses “a program identification module contained in memory,” as required by element 14[a]. Petition at 54. Not so. A general reference to a computer readable medium and program instructions in a summary section of Ikeda (Ex. 1005 at ¶ 15) fails to explicitly disclose the claimed program identification module.

Acknowledging this weakness in its anticipation argument, Petitioner pivots and alleges that “a POSITA would have understood that the driver identifying and environment setup processing in *Ikeda*, including all the claimed processing discussed below, is carried out by a profile identification module contained in a memory and executed by a processor of the vehicle control system.” *Id.* at 55. But Petitioner’s own statement that its argument relies upon a POSITA’s understanding is an admission that Ikeda fails to explicitly disclose claim 14.¹ And Petitioner chose

¹ Alternatively, the “a POSITA would have understood...” language is an improper attempt to construe a claim term without any evidentiary basis or, as noted above, an

not to argue inherency or challenge claim 14 under obviousness, such that Petitioner's arguments as to a POSITA's understanding of 14[a] is irrelevant. Petition at 2 (illustrating in Petitioner's 35 USC 312(a)(3) grounds identification that claim 14 was only addressed under Petitioner's anticipation ground 1a). Accordingly, Petitioner's arguments for claim 14 (and its dependents) fail to set forth compelling merits.

For ground 1b, Petitioner fails to show that Ikeda renders obvious all challenged claims (e.g., claims 2, 6, 10, 13, 16, and 19). For example, in alleging obviousness of claim 2, which is not challenged in ground 1a, Petitioner attempts to rely on "knowledge of a skilled artisan" and Expert testimony to fill gaps in Ikeda's disclosures. Petition at 26-27. Petitioner argues that "*Ikeda* acknowledges that a known user—with settings saved for the driver's seat—may sit 'in any seat except the driver's seat.' *Ikeda*, [0115]. Thus, according to Petitioner, a skilled artisan would have been motivated to store information corresponding to the adjustable components of multiple seats (such as adjustable seats, temperature settings, etc.) in a vehicle for registered users so that a user's preferences can be applied regardless of where the user sits." *Id.* But this argument is conclusory, based on no evidence,

attempt to skirt Petitioner's 37 C.F.R. § 42.104(b)(3) burden to identify how claim 14 is to be construed.

and supported only by conclusory parroting by Petitioner’s expert. *Compare* Petition at 26-27; *with* Ex. 1004 at ¶¶ 88-91. Indeed, Petitioner is improperly attempting to use “knowledge of a skilled artisan” to supply a wholly missing element without evidentiary support. *K/S Himpp v. Hear-Wear Techs., LLC*, 751 F.3d 1362, 1366 (Fed. Cir. 2014) (“the Board cannot accept general conclusions about what is ‘basic knowledge’ or ‘common sense’ as a replacement for documentary evidence for core factual findings in a determination of patentability.”); *Xerox Corp. et al. v. Bytemark*, IPR2022-00624, Paper 9, 14-16 (PTAB Aug. 24, 2024) (finding expert’s verbatim restatement of Petitioner’s attempt to supply a missing element without support or technical reasoning “particularly problematic”). This argument is also impermissible hindsight as it relies on Patent Owner’s claims as a road map. *Otsuka Pharm. Co. v. Sandoz, Inc.*, 678 F.3d 1280, 1296 (Fed. Cir. 2012) (“The inventor’s own path itself never leads to a conclusion of obviousness; that is hindsight.”).

Petitioner’s argument also mischaracterizes Ikeda. Paragraph 115 does not support applying “user’s preferences ...regardless of where the user sits,” and the surrounding discussion shows the opposite. Paragraphs 114-117 describe various configurations of users and portable devices—for example, Mr. A with his device in the driver’s seat alone (¶114), Mr. A with his device 20 driving while Mr. B sits elsewhere with his own device (¶ 115), Mr. A driving with Mr. B’s device while Mr.

B sits elsewhere with Mr. A's device (§ 116), and Mr. A driving with his device while Mr. B has no device (§ 117). In each scenario, Ikeda emphasizes that "the vehicle 100 is set as the driving environment for user A which rides in the driver's seat." *Id.* at 114-117. Paragraph 118 explains that this is true even if the portable devices is placed in a bag, rear seat, or trunk, so long as it can communicate with the vehicle device. Ikeda thus never teaches setting the driving environment for anyone besides the driver and does not apply a user's preferences "regardless of where the user sits" as alleged by Petitioner, nor does it disclose claim 2's requirement of "prior to determining the location inside the vehicle associated with the user the method further comprises: storing, in the user profile memory, information corresponding to locations inside the vehicle occupied by the user."

Regarding claim 6, Petitioner implicitly acknowledges that *Ikeda* fails to disclose "determining that the user made a change to the adjusted at least one vehicle control" as required by element 6[a]. Petition at 34 ("To the extent it is argued that *Ikeda* does not explicitly disclose [element 6[a]]..."). Petitioner attempts to cure this deficiency with conclusory attorney argument and "knowledge of a skilled artisan," which Petitioner's expert again parrots in the same conclusory fashion. *Compare* Petition at 34-37; *with* Ex. 1004 at §§ 117-125. As noted above for claim 2, this is improper. *Otsuka Pharm. Co* at 1296; *K/S Himpp* at 1366; *Xerox Corp.* at 14-16. Petitioner cannot substitute attorney argument and conclusory Expert testimony for

actual evidence of obviousness based on combinations of patents or printed publications with detailed rationales and motivations to combine such patents or printed publications. Petitioner does the same with respect to element 6[c]. Petition at 37 (alleging that “Ikeda’s ‘environment setup information item’ consists of data that captures ‘the user’s external operation in the vehicle 100,’ which is *the change made to the adjusted at least one vehicle control*” despite Ikeda never disclosing updates or changes to the stored environment setup information item). This is improper and fails to set forth compelling merits.

Petitioner’s analyses for claims 10 and 16 fail for the same reasons as claim 2. Petitioner’s analysis for claim 13 fails for the same reasons as claim 6. And Petitioner’s analysis for claim 19 fails to cure the deficiencies identified above for claim 14 upon which claim 19 depends. Therefore, Petitioner’s ground 1b also fails to set forth compelling merits.

Regarding ground 2, Petitioner fails to show the obviousness of many claims, including claim 19. Although Petitioner adds Hendry in ground 2, Hendry is not relied upon to cure, nor does it actually cure the deficiencies of claim 14 (identified above) and claim 19 depends upon claim 14. Accordingly, ground 2 does not set forth any compelling merits.

Lastly, although Petitioner submitted an expert declaration with their Petition (Ex. 1004), it almost exclusively parrots (essentially word for word) the Petition

without providing additional compelling analysis. *Compare* Petition pp. 15-66; *with* Ex. 1004, ¶¶ 65-246. Such parroting provides little to no value, especially when such remarks are conclusory. *Xerox Corp.* at 14-18 (denying institution and according “little weight” to expert’s verbatim restatement of a petition’s conclusory assertions without additional supporting evidence or reasoning); *Facebook, Inc. v. Windy City Innovations, LLC*, 973 F.3d 1321, 1340–41 (Fed. Cir. 2020) (affirming Board decision giving no weight to expert testimony that “merely repeated Petitioner’s argument, nearly verbatim”). Expert testimony providing little to no weight certainly doesn’t establish compelling merits.

For all of these reasons, Factor 6 supports discretionary denial.

G. The Parties Settled Expectations Do Not Support Institution of the Petition.

In determining whether to deny a Petition, the Board should consider the “[s]ettled expectations of the parties, such as the length of time the claims have been in force” and “any other considerations bearing on the Director’s discretion.” Director’s March 26, 2025 Memorandum titled, “Interim Processes for PTAB Workload Management” at 2-3. “Although there is no brightline rule on when expectations become settled, in general, the longer the patent has been in force, the more settled expectations should be.” *Dabico Airport Solutions Inc. v. AXA Power APS*, IPR2025-00408, Paper 21 at 3 (Acting Director Stewart June 18, 2025).

The ’296 Patent has been in force for about 10 years, which in and of itself

creates settled expectations. *Id.* at 2 (finding “the challenged patent has been in force almost eight years, creating settled expectations.”); *see also Samsung Electronics Co., Ltd. v. Sinotechnix LLC*, IPR2025-00331, Paper 13 at 2 (PTAB July 2, 2025) (“[T]he challenged patents have been in force for more than 10 years, creating strong settled expectations....”); *Kingston Tech. Co., Inc. v. Vervain, LLC*, IPR2025-00614, Paper 12 at 2 (Acting Director Stewart July 16, 2025) (“[T]he challenged patent ... has been in force for more than 10 years, creating strong settled expectations. Accordingly, the circumstances in this case favor discretionary denial.”).

Even further, however, Petitioner has had full visibility of the claims over the last decade and chose not to pursue post-grant challenges. Although issued patents on their own “provide notice to the public, other inventors, competitors, and commercial interests” such that actual notice is not required to create settled expectations (*Dabico* at 3), Petitioner had actual notice of the ’296 Patent at least as early as March 29, 2021, when the examiner of US Patent No. 11,285,896 (App. No. 16/000,114) rejected pending claims based on the ’296 Patent (Ex. 2013 at 3-27, 30) and Petitioner amended its claims in an ensuing response in an effort to address the ’296 patent. In addition, Patent Owner sent a letter to Petitioner in 2023 raising infringement concerns with Petitioner’s infringement of nineteen patents, including the ’296 patent. Petitioner’s inaction subsequent to these notices reflects a conscious decision to accept the validity of the ’296 Patent claims, reinforcing the existence of

settled expectations. *See iRhythm Techs., Inc. v. CardioNet, LLC*, IPR2025-00363, Paper 10 at 3 (Acting Director Stewart June 6, 2025) (“failure to seek early review of the patents favors denial.”). The parties’ settled expectations alone are enough to deny institution of this petition.

III. CONCLUSION

The ’296 Patent has been in force for nearly a decade. And the ’296 patent is but one of eleven patents asserted in the parallel EDTX Litigation. The EDTX Litigation is well underway, and trial is scheduled to be completed over four months before a final written decision would issue in this case. Further, regardless of whether the Petition is instituted, the trial will involve presentation of the same invalidity arguments based on the same prior art with respect to multiple other patents. It would wholly defeat the goals of discretionary denials—efficiency and integrity of the system—to institute on the ’296 patent. In view of the foregoing, Patent Owner requests discretionary denial of the Petition.

Date: July 29th, 2025

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CERTIFICATE OF COMPLIANCE

I hereby certify that this paper complies with the type-volume limitation of 14,000 words (as determined by the Microsoft Word word-processing system used to prepare this paper) because it contains 5,239 words, excluding the parts of the paper exempted by 37 C.F.R. § 42.24(c).

Dated: July 29th, 2025

/Eric A. Zelepugas/

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that the foregoing **PATENT OWNER'S REQUEST FOR DISCRETIONARY DENIAL** and associated exhibits (Exhibits 2001-2014) were served electronically via e-mail on July 29th, 2025, in their entirety on the following counsel of record for Petitioner:

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