

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
U.S. Patent No. 9,147,296

**PATENT OWNER'S REPLY IN SUPPORT OF REQUEST FOR
DISCRETIONARY DENIAL**

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Patent Trial and Appeal Board
U.S. Patent and Trademark Office
P.O. Box 1450
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TABLE OF AUTHORITIES

Cases

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<i>Intelligent Bio-Sys., Inc. v. Illumina Cambridge Ltd.</i> , 821 F.3d 1359 (Fed. Cir. 2016)	2
<i>Tesla v. United States of Am. as represented by the Secretary of the Navy</i> , IPR2025-00341, Paper 12 (PTAB June 13, 2025)	2

Statutes

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35 U.S.C. § 325(d)	1, 2

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>

Virtually all of the 35 U.S.C. § 314(a) factors favor discretionary denial. Recognizing this, Petitioner offers irrelevant and novel arguments.

I. Petitioner's Rule 325(d) Arguments Are Irrelevant.

Patent Owner's request for discretionary denial is based entirely on 35 U.S.C. § 314(a). Despite this, Petitioner spends the first third of its opposition brief addressing an exception to 35 U.S.C. § 325(d). Opp. at 1-6. Under that statute, the Board may discretionarily deny a petition based on the same or substantially similar prior art already considered by the examiner during prosecution of the patent. The Board has recognized an exception when the examiner materially erred when considering the allegedly cumulative art. *Advanced Bionics, LLC v. MED-EL Elektromedizinische Geräte GmbH*, IPR2019-01469, Paper 6 at 7 (PTAB Feb. 13, 2020). Thus, only after determining that prior art previously considered by the Office is substantially similar to the art relied upon by the Petitioner, does the Board proceed to step two of the analysis and consider whether the examiner committed material error. *Id.* Because Patent Owner does not argue that § 325(d) applies, Petitioner's arguments based on the exception to that law are misplaced. Indeed, all of the cases on which Petitioner relies (Opp. at 1, 5-6) for its argument involved Patent Owner requests for discretionary denial under § 325(d).

The problems with Petitioner's argument do not end there. Petitioner identifies two alleged errors by the examiner, and neither cut against discretionary

denial. Petitioner first contends the examiner erred by failing to realize the art relied upon in the petition even existed. This misses the entire point of § 325(d), which is whether the examiner misunderstood cumulative art. Petitioner next argues that the examiner materially erred in considering Lovitt without ever suggesting that error has anything to do with the references cited in the Petition. In fact, Lovitt was not even included as an exhibit to the Petition, and was improperly introduced and substantively discussed in Petitioner’s Opposition. *See* 35 U.S.C. § 312(a)(3); *Intelligent Bio-Sys., Inc. v. Illumina Cambridge Ltd.*, 821 F.3d 1359, 1369 (Fed. Cir. 2016). For these additional reasons, Petitioner’s “material error” arguments should be disregarded.

II. Petitioner Wrongly Argues that Complexity of the Parallel Proceeding Outweighs Other Factors.

Petitioner contends that “the complexity of the parallel litigation may outweigh other factors.” Opp. at 17. The Director has never identified this as a § 314(a) factor; instead, Petitioner relies on a single distinguishable case that states “[t]he large number and vast scope of the patents asserted in the district court litigation ... weighs against discretionary denial.” *Tesla v. United States of Am. as represented by the Secretary of the Navy*, IPR2025-00341, Paper 12, 2 (PTAB June 13, 2025). In *Tesla*, the petitioner had filed IPR challenges to all eleven asserted patents and those patents “spann[ed] nine different families” and “involve[d] a diverse range of subject matter.” *Id.* The decision concluded the “Board [rather than

the court] is better suited to review a large number of patents involving diverse subject matter.” *Id.* at 2-3. Here, Petitioner filed petitions against only three of the eleven asserted patents, and relies upon the same prior art for several unchallenged patents, such that a trial will invariably involve analysis of Petitioner’s prior art even if the challenges are instituted. Paper 6 at 11-12; Opp. at 16 (admitting same). Thus, the complexity of the case would not be simplified by institution, and this alleged consideration does not weigh against discretionary denial—much less “outweigh” all other factors as argued by Petitioner. *See* Opp. at 17.

III. Petitioner’s Speculation that Trial Will Be Delayed Is Unsupported

Petitioner’s suggestion that trial in the parallel proceeding will be delayed is pure speculation belied by the data. Judge Gilstrap’s scheduling of numerous trials for the same day is not a new practice. And the objective data provided by Patent Owner’s for Judge Gilstrap—which encompasses all patent cases on his congested docket over the last five years—confirms the scheduled trial date will not meaningfully move. Ex. 2009. Petitioner’s district-wide data does not refute this.

Accordingly, Patent Owner requests discretionary denial of the Petition.

Date: September 10, 2025

Respectfully submitted,
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CERTIFICATE OF SERVICE

The undersigned hereby certifies that the foregoing **PATENT OWNER'S
REPLY IN SUPPORT OF REQUEST FOR DISCRETIONARY DENIAL** was served electronically via e-mail on September 10, 2025, in its entirety on the following counsel of record for Petitioner:

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