


UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

TESLA, INC.,

Petitioner

v.

GRANITE VEHICLE VENTURES LLC,

Patent Owner

Case IPR2025-00943

Patent 11,597,402

**PATENT OWNER'S DISCRETIONARY DENIAL BRIEF
PURSUANT TO THE BOARD'S MARCH 26, 2025
INTERIM PROCESSES FOR PTAB WORKLOAD MANAGEMENT**

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EXHIBIT LIST

Exhibit	Description
EX2001	Complaint for Patent Infringement, <i>Granite Vehicle Ventures LLC v. Tesla, Inc.</i> , DKT No. 1, Case No. 2:24-cv-01007-JRG, (E.D. Texas, December 6, 2024)
EX2002	Docket Sheet for <i>Granite Vehicle Ventures LLC v. Tesla, Inc.</i> , Case No. 2:24-cv-01007-JRG
EX2003	First Amended Docket Control Order for <i>Granite Vehicle Ventures LLC v. Tesla, Inc.</i> , DKT No. 42, Case No. 2:24-cv-01007-JRG, (E.D. Texas, April 10, 2025)
EX2004	Docket Control Order for <i>Granite Vehicle Ventures LLC v. Tesla, Inc.</i> , DKT No. 38, Case No. 2:24-cv-01007-JRG, (E.D. Texas, March 27, 2025)
EX2005	RESERVED
EX2006	Plaintiff's Notice of P.R. 3-1 and P.R. 3-2 Disclosures, for <i>Granite Vehicle Ventures LLC v. Tesla, Inc.</i> , DKT No. 49, Case No. 2:24-cv-01007-JRG, (E.D. Texas, April 28, 2025)
EX2007	Defendants' Notice of Compliance Regarding Patent Rule 3-4(a) Disclosures for <i>Granite Vehicle Ventures LLC v. Tesla, Inc.</i> , DKT No. 58, Case No. 2:24-cv-01007-JRG, (E.D. Texas, May 8, 2025)
EX2008	Defendants' Notice of Compliance Regarding Patent Rule 3-3 and 3-4 Invalidity Contentions, <i>Granite Vehicle Ventures LLC v. Tesla, Inc.</i> , DKT No. 74, Case No. 2:24-cv-01007-JRG, (E.D. Texas, June 5, 2025)
EX2009	Defendant's Invalidity Contentions served June 4, 2025
EX2010	Declaration of Blaine A. Larson in Support of Discretionary Denial Brief
EX2011	Protective Order for <i>Granite Vehicle Ventures LLC v. Tesla, Inc.</i> , DKT No. 52, Case No. 2:24-cv-01007-JRG, (E.D. Texas, April 28, 2025)
EX2012	Notice of Broadened Sotera Plus Stipulation of Defendant Tesla, Inc., <i>Granite Vehicle Ventures LLC v. Tesla, Inc.</i> , DKT No. 88, Case No. 2:24-cv-01007-JRG, (E.D. Texas, July 24, 2025)
EX2013	Patent Owner Statutory Disclaimer, filed August 8, 2025
EX2014	37 Federal District Court Cases for District Court Judge Rodney Gilstrap
EX2015	Defendant Tesla, Inc.'s Amended and Supplemental Objections and

Exhibit	Description
	Responses to Plaintiff Granite Vehicle Ventures LLC's First Set of Interrogatories (Nos. 1–14) (Excerpted & Redacted) FILED UNDER SEAL

Tesla, Inc. (“Petitioner”) seeks to burden the Board and Granite Vehicle Ventures LLC (“Patent Owner”) with duplicative litigation over the validity of U.S. Patent No. 11,597,402 (the “’402 patent”). That issue will be resolved at trial in federal district court months before the Board’s projected date for a final written decision in this proceeding. The impending trial date in the parallel litigation, as well as a holistic consideration of the *Fintiv* factors, counsels in favor of discretionary denial because this proceeding would duplicate litigation in a parallel forum and waste public and private resources. Indeed, five of the six factors strongly favor discretionary denial. That is reason enough, but the Petition’s numerous flaws and defects—both substantive and procedural—present additional reasons to deny institution. Patent Owner therefore respectfully requests that the Board exercise its discretion to deny the Petition pursuant to 35 U.S.C. § 314(a).

I. INTRODUCTION

Congress created *Inter Partes* Review (“IPR”) to provide a “***quick and cost effective alternative***[] to litigation.” *WesternGeco LLC v. ION Geophysical Corp.*, 889 F.3d 1308, 1317 (Fed. Cir. 2018) (quoting H. Rep. No. 112-98, at 40, 48 (2011)) (emphasis added). But when a jury trial on the validity of the same patent is scheduled to occur before the conclusion of any potential IPR, as in this case, “[i]nstitution of an *inter partes* review . . . would not be consistent with ‘an objective of the AIA [] to provide an effective and efficient alternative to district

court litigation.” *NHK Spring Co., Ltd. v. Intri-Plex Techs., Inc.*, IPR2018-00752, Paper 8, at 20 (PTAB Sept. 12, 2018) (precedential) (quoting *Gen. Plastic Indus. Co. v. Canon Kabushiki Kaisha*, IPR2016-01357, Paper 19, at 16–17 (PTAB Sep. 6, 2017) (precedential in relevant part)). Applying the *Fintiv* factors in this case confirms that instituting IPR on the Petition would not be “quick” or “cost effective,” as shown herein. *See generally Apple, Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 (PTAB March 20, 2020) (precedential) [hereinafter “*Fintiv I*”].

Trial is scheduled for August 3, 2026 in parallel district court litigation (the “Parallel Litigation”) involving the ’402 patent and two other related patents¹ that Petitioner has challenged in three other IPR petitions. The trial court will therefore be able to resolve all validity challenges to the ’402 patent—rather than just the small subset raised in the Petition—roughly *four months before* the Board’s statutory deadline to issue a final written decision in this case in December 2026.

Moreover, the Parallel Litigation will have progressed considerably by the time the Board even decides whether to institute. Indeed, the parties have already conducted considerable discovery, including over 185,000 pages of documents produced, ten depositions taken, 143 hours of source code review, voluminous

¹ U.S. Patent No. 11,738,765 (“the ’765 patent”) and U.S. Patent No. 12,037,004 (the “’004 patent”).

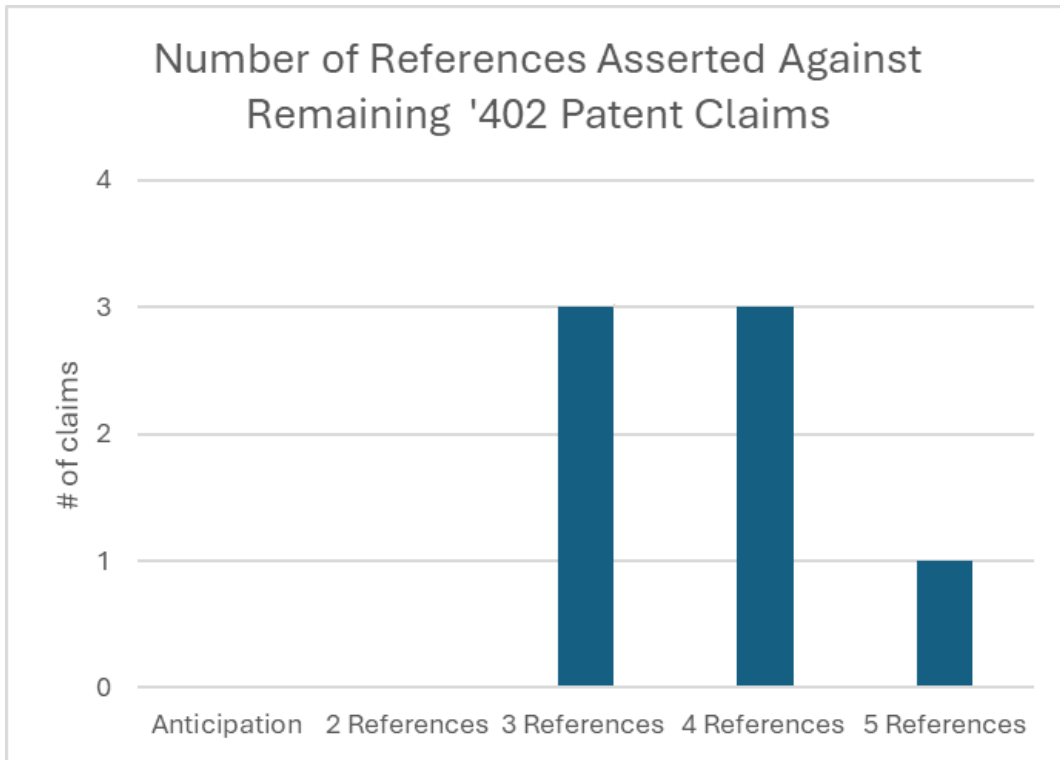
infringement and invalidity disclosures, a motion to compel already briefed and granted by the Court, and full discovery and briefing on Tesla's § 1404 Motion. Under the current case schedule, the substantial completion of document production, claim construction briefing, the claim construction hearing, and the close of fact discovery will follow each other in quick succession in the weeks after the institution deadline. Moreover, the parties have been diligent, and even moved some dates earlier, meaning no extension will likely be needed. Petitioner's *Sotera*-like stipulation may address the overlap² between the Parallel Litigation and this IPR (*Fintiv* Factor 4), but the combined weight of the other factors overwhelms that consideration.

In addition, other relevant considerations weigh heavily in favor of discretionary denial. The Petition fails to comply with the statutory requirement to identify, with particularity, the evidence that supports the asserted grounds. *See* 35 U.S.C. § 312(a)(3). And the merits are particularly weak:

- The Petition relies on combinations of a ***minimum*** of three references,

² Patent Owner has disclaimed claims 1, 3, 4, and 14–24. EX2013. The disclaimed claims are valid, but Patent Owner disclaimed them to streamline these proceedings. All the remaining claims are asserted in the litigation, so there is complete overlap of claims between this proceeding and the Parallel Litigation.

with most of the grounds relying on *four* or *five* references.



- The Petition fails to identify a motivation to combine the references to achieve the claimed invention, relying instead on hindsight reconstruction.
- The Petition presents a convoluted tangle of internal cross-references between Grounds without any explanation of how the arguments for one limitation in one claim relate to another limitation in a different claim. In some instances, the Petition tries (again, without explanation) to incorporate arguments from one Ground, based on one set of references, into a different Ground, based on different references.

- The Petitioner fails to address the construction of the phrase “active learning data,” which appears in every remaining challenged claim, and the evidence fails to show this limitation is met by the cited references.

This is a fatally weak petition with numerous substantive flaws and would not be resolved until four months after trial in the Parallel Litigation. Moreover, [REDACTED]

[REDACTED]

[REDACTED]

Petitioner thus chose not to challenge the '402 patent early when it had the chance to do so and cannot now rely on an early challenge as a reason not to deny institution. For all these reasons, and as explained below, this is a textbook candidate for discretionary denial.

II. FACTUAL BACKGROUND

A. Patent Owner Files the Lawsuit and Trial Is Set for June 2026

Patent Owner filed suit against Petitioner in the Eastern District of Texas on December 6, 2024 (the “Parallel Litigation”) asserting the '402 patent, as well as two other related patents to the same inventors. EX2001. The Parallel Litigation is assigned to the Honorable Rodney Gilstrap. EX2002. In a March 26, 2025 scheduling conference, Judge Gilstrap “provide[d] counsel with Claim Construction and Jury Selection/Trial dates.” EX2002 at 7. The claim construction hearing is

scheduled for February 19, 2026, and trial is scheduled to begin with jury selection on August 3, 2026. EX2003 at 1, 4. Although the Docket Control Order has been amended, these dates have not been changed; indeed, the amendment moved significant deadlines earlier. *See* EX2004; EX2003.

B. The Parties Vigorously Litigate the Lawsuit

The parties in the Parallel Litigation have vigorously litigated the lawsuit, as reflected by the almost 90 entries on the docket sheet, many of them substantive. EX2002. The parties have expended significant time and resources to develop their claims and defenses already, and even more will be done by the projected date for an institution decision. Petitioner has **not** filed a Motion to Stay the Parallel Litigation pending the IPRs filed against the '402 patent and its family. *See generally* EX2002.

First, the parties have developed their infringement and invalidity theories. Patent Owner served preliminary infringement contentions on April 28, 2025. EX2006. Petitioner's invalidity contentions—originally due May 7, 2025—were served on June 4, 2025 after an extension of the deadline. EX2007; EX2008; *see* EX2003 at 5. Petitioner's invalidity contentions are 91 pages long, not including the appended invalidity claim charts. EX2009. There are 35 such claim charts for each of the asserted patents (many of which are hundreds of pages each), including the '402 patent. *See id.* at 15–18. In total, Petitioner's invalidity claim charts are more

than 15,000 pages long. EX2010 ¶ 7.

Second, the parties have already invested significant effort into fact discovery, and document production will be substantially complete (and privilege logs exchanged) by January 8, 2026. EX2004 at 4. The close of fact discovery (and the deadline for filing motions to compel) is March 2, 2026. EX2003 at 3. But the parties' diligence thus far shows that substantial investment will be (and has already been) put into discovery by the institution deadline. As of the date of this filing, 35 interrogatories have been issued. EX2010 ¶ 3. Ten depositions have already been taken. *Id.* ¶ 4. The parties (and a third-party subpoena recipient) have collectively produced over 185,000 pages worth of documents so far. *Id.* ¶¶ 8–10. Pursuant to the district court's protective order, Patent Owner's designated source code reviewers have spent at least 143 hours reviewing Petitioner's highly confidential source code. *Id.* ¶ 5; EX2011. Given how near the close of fact discovery will be at the time, and the extent of discovery already conducted, the parties will have invested even more time and effort into the discovery process in the Parallel Litigation by the deadline for institution.

In addition, the parties will have begun the claim construction process by the December 10 institution deadline in this proceeding. *See* EX2003 at 4. Under the Eastern District of Texas Local Patent Rules ("P.R.") and the current schedule, the parties will have been required to disclose the proposed terms for construction, their

proposed constructions, and to file their joint claim construction statement. *Id.*; see P.R. 4-1, 4-2 available at <https://www.txed.uscourts.gov/?q=patent-rules>. Within about four weeks of the institution deadline, the parties will be required to have completed claim construction discovery, file opening claim construction briefing, and submit technical tutorials. The parties will be about eight weeks from completing claim construction briefing, and the claim construction hearing will occur only two weeks after that. EX2003 at 4.

C. Petitioner Files IPR Petitions

Approximately five months after the Parallel Litigation was filed, Petitioner began filing, over the month of May 2025, petitions for IPR. To date, Petitioner has filed four petitions, one each for the '402 patent (the subject of this proceeding) and the '765 patent, and two for the '004 patent. Patent Owner will file briefs supporting discretionary denial in each of these proceedings. As shown in the chart below, the anticipated deadline for final written decision in this IPR (indicated by underlining) is about four months *after* the August 2026 trial date in the Parallel Litigation.

IPR No.	Patent	Filing Date	Notice of Filing Date Accorded	Institution Decision Deadline	Final Written Decision Deadline
<u>IPR2025-00943</u>	<u>'402</u>	<u>05-05-2025</u>	<u>06-10-2025</u>	<u>12-10-2025</u>	<u>12-10-2026</u>
IPR2025-00944	'765	05-02-2025	06-10-2025	12-10-2025	12-10-2026

IPR No.	Patent	Filing Date	Notice of Filing Date Accorded	Institution Decision Deadline	Final Written Decision Deadline
IPR2025-01034	'004	05-28-2025	06-24-2025	12-24-2025	12-24-2026
IPR2025-01035	'004	05-28-2025	06-24-2025	12-24-2025	12-24-2026

D. Petitioner's Invalidity Theories in the Parallel Litigation

On June 4, 2025, after Petitioner had filed all four of IPR Petitions, Petitioner served its invalidity contentions in the Parallel Litigation. EX2009. Petitioner asserted invalidity against the '402 patent based on all nine of the references cited in the Petition: *Attard*, *Hampiholi*, *McNew*, *Frazer*, *Scofield*, and *Grimm*. Compare *id.* at 15–18 (listed as Exhibits A-1, A-5, A-8, A-11, A-12, A-13) with Petition at 3. Petitioner also identified twenty-three other patents and printed publications and six systems as prior art against the '402 patent. See EX2009 at 16–18.

On July 24, 2025, Petitioner filed a Notice of Broadened Sotera Plus Stipulation in the Parallel Litigation for the '765 patent and the '402 patent. EX2012. According to this Stipulation,

[Petitioner] stipulates for [the Parallel Litigation] and against the '402 Patent that it will not raise or pursue (i) the specific grounds raised in IPR2025-00943, (ii) any other grounds that could have reasonably been raised before the PTAB in instituted IPR2025-00943 (i.e., any

ground that could have reasonably been raised under §§ 102 or 103 on the basis of only 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 IPR2025-00943.

EX2012 at 2. Petitioner left open any ground based on system prior art combined with patents and/or printed publications that are not cited as prior art in this IPR.

III. LEGAL PRINCIPLES

The USPTO considers the presence and status of parallel district court litigation in determining whether to deny institution. *See NHK Spring Co. Ltd.*, IPR2018-00752, Paper 8, at 20 (precedential); *Fintiv I*, at 5–6; *see also Gen. Plastic Indus. Co., Ltd.*, IPR2016-01357, Paper 19, at 16–17 (“[W]e recognize that an objective of the AIA is to provide an effective and efficient alternative to district court litigation . . .”).

Fintiv “sets forth factors that balance considerations of system efficiency, fairness, and patent quality when a patent owner raises an argument for discretionary denial due to the advanced state of a parallel proceeding.” *Apple, Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 15, at 7–8 (PTAB May 13, 2020) (informative) [hereinafter “*Fintiv II*”]. The factors are:

1. whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted;
2. 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 in 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.

Fintiv I, at 6. “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.* “In evaluating the factors, the Board takes a holistic view of whether efficiency and integrity of the system are best served by denying or instituting review.” *Fintiv II*, at 8.

IV. ARGUMENT

A. The Fintiv Factors Weigh in Favor of Discretionary Denial

Instituting a proceeding on the Petition would undermine the policy goals that Congress sought to promote by creating, in IPRs, a “quick and cost effective alternative[] to litigation.” *WesternGeco LLC*, 889 F.3d at 1317. An analysis of the *Fintiv* factors confirms this, as shown in greater detail below. Trial is scheduled about four months before the projected date for a final written decision, and there is no evidence to suggest that trial will be delayed. Consistent with the district court's track record of denying motions to stay pending IPRs, a stay is highly unlikely given the advanced stage of the Parallel Litigation. The Petition's lack of statutorily

mandated particularity and the weakness of the merits further urge discretionary denial in this case. The combined weight of the factors favoring denial far outweigh that of Petitioner's stipulation, the lone consideration weighing in the other direction. The Director should therefore exercise discretion under 35 U.S.C. § 314(a) and deny institution.

1. *Fintiv* Factor 1 Favors Discretionary Denial

Fintiv Factor 1—namely, “whether a stay exists or is likely to be granted if a proceeding is instituted,” *Fintiv I*, at 6—militates in favor of discretionary denial. Petitioner has not even requested a stay. EX2002. For that reason alone, a stay cannot be “likely.” Moreover, the facts of this case make it highly unlikely for a stay to be granted in the jurisdiction where the Parallel Litigation is pending.

Assuming Petitioner eventually requests a stay, the district court is unlikely even to consider the request without decisions instituting IPR on all four of the Petitions. The district court “has a consistent practice of denying motions to stay when the PTAB has yet to institute post-grant proceedings.” *E.g., Force Mos Tech., Co. v. Asustek Comput., Inc.*, No. 2:22-cv-00460-JRG, 2024 U.S. Dist. LEXIS 66423, at *9 (E.D. Tex. Apr. 10, 2024) (quoting *Nanoco Techs. Ltd. v. Samsung Elecs. Co. Ltd.*, No. 2:20-CV-00038-JRG, 2021 U.S. Dist. LEXIS 134729, at *4 (E.D. Tex. Jan. 8, 2021)). Moreover, “[i]t has been [the district court’s] consistent and long established practice to deny motions to stay pending IPR . . . when the

PTAB [has] instituted review on less than all asserted claims of all asserted patents . . .” *AGIS Software Development LLC v. Google LLC*, No. 19-cv-361-JRG, 2021 U.S. Dist. LEXIS 24195, at *9 (E.D. Tex. Feb. 9, 2021); *see Force Mos Tech.*, 2024 U.S. Dist. LEXIS 66423, at *10 (similar).

By the time the Board reaches decisions on institution for all four IPRs, the parallel litigation will be in an advanced state. The Board is projected to decide whether to institute on the later-filed Petitions by December 24, 2025. *See* Section II.C, *supra*. By then, substantial completion of document production and opening claim construction briefs will be imminent (January 8, 2026). EX2004 at 4. Moreover, fact discovery will be nearing completion and trial will be about eight months away. In short, by the time the district court would be presented with any potential motion to stay, the parties will have already invested tremendous resources in the Parallel Litigation. *See* Section II.B, *supra*. As recognized in *Fintiv I*, significant work “completed by the parties and the court in the parallel proceeding” make a stay generally “less likely.” *Fintiv I*, at 10. Even if the Director finds the likelihood of a stay to be speculative, this factor would never weigh against discretionary denial. *See Samsung Elecs. Co. Ltd. v. Vasu Holdings, LLC*, IPR2025-00446, Paper 12, at 2 (PTAB July 10, 2025) (granting discretionary denial where, *inter alia*, “there is insufficient evidence that the district court is likely to stay its proceeding even if the Board were to institute trial”).

2. *Fintiv* Factor 2 Favors Discretionary Denial

Fintiv Factor 2—namely, the “proximity of the court’s trial date to the Board’s projected statutory deadline for a final written decision,” *Fintiv I*, at 5–6—militates strongly in favor of the Board exercising its discretion to deny institution. In the Director’s recent decisions under Section 314(a), this factor looms large. Compare *Samsung Elecs. Co. Ltd. v. Sinotechnix LLC*, IPR2025-00331, Paper 13, at 2 (PTAB July 2, 2025) (discretionarily denying institution where “it is unlikely that a final written decision . . . will issue before district court trial”); *Lam Research Corp. v. Inpria Corp.*, IPR2025-00256, Paper 12, at 2 (PTAB July 2, 2025) (Acting Dir. C.M. Stewart) (same); *ARM Ltd. v. Daedalus Prime LLC*, IPR2025-00207, Paper 10, at 2 (PTAB May 16, 2025) (Acting Dir. C.M. Stewart) (same); *Ericsson Inc. v. Procomm Int’l PTE LTD*, IPR2024-01455, Paper 15, at 2 (PTAB May 16, 2025) (Acting Dir. C.M. Stewart) (discretionarily denying institution when “the related district court trial is set to conclude substantially before a final written decision will issue in this proceeding”) with *Charles River Labs., Inc. v. Seikagaku Corp.*, IPR2025-00440, Paper 9, at 2 (PTAB July 10, 2025) (Acting Dir. C.M. Stewart) (referring to merits panel where “Patent Owner and Petitioner are not engaged in a parallel litigation”); *Berkshire Hathaway Energy Co. v. Birchtech Corp.*, IPR2025-00274, Paper 23 (PTAB July 2, 2025) (Acting Dir. C.M. Stewart) (referring to merits panel where “a final written decision is expected to issue before

the case will be ‘trial ready’”).

Trial in the district court is scheduled for August 3, 2026, EX2003 at 1, over four months *before* the projected statutory deadline for this IPR proceeding. Similar timelines have recently been found to support discretionary denial. *See Samsung v. Sinotechnix*, IPR2025-00331, Paper 13, at 2 (discretionarily denying institution where trial would precede final written decision by about four months); *Lam Research Corp.*, IPR2025-00256, Paper 12, at 2 (discretionarily denying institution where trial would precede final written decision by about three-and-a-half months). Indeed, the Board has previously held that a trial date that precedes a final written decision deadline by as little as one-to-two months favors discretionary denial. *Fintiv II*, at 12–13 (informative) (second factor favors denial when “the currently scheduled District Court trial is scheduled to begin two months before our deadline to reach a final decision”); *see NXP USA, Inc. v. Impinj, Inc.*, PGR2022-00005, Paper 18, at 8–9 (PTAB May 2, 2022) (two-month difference favors discretionary denial); *E-One, Inc. v. Oshkosh Corp.*, IPR2019-00161, Paper 16, at 6–9 (PTAB May 15, 2019) (one-month period between trial date and deadline for final written decision favored discretionary denial); *eClinicalWorks, LLC v. Decapolis LLC*, IPR2022-00229, Paper 10, at 9 (PTAB Apr. 13, 2022) (similar).

The Director has rescinded the Memorandum that directed parties and the Board to consider evidence of the median time-to-trial in the relevant jurisdiction;

such evidence need not be considered. Even if time-to-trial statistics are considered, the August trial date is roughly consistent with statistical evidence (from Lex Machina) showing that cases pending before the presiding judge³ (Judge Gilstrap) that went to trial in the previous year have a median time-to-trial of 672 days (about 22 months). EX2014 at 1. Based on these statistics, the median case before Judge Gilstrap with the same December 6, 2024 filing date as the Parallel Litigation, *see* EX2001, would get to trial two months later than the current schedule, but still a couple months before the final written decision in this proceeding. There is no reason, however, to think that these statistics presage even that short a delay of the trial *in this case*.

Indeed, the parties have diligently maintained the pace of progress in the district court case. A substantial amount of document production has already been completed, including production responsive to a third-party subpoena. EX2010 ¶¶ 8–10. Patent Owner’s expert has spent 143 hours reviewing source code for both the accused product and Petitioner’s alleged prior art system. *Id.* ¶ 7. In addition, the parties have amended the docket control order to make critical deadlines *earlier* than originally scheduled. EX2005 at 3 (amending deadlines for the close of fact

³ To the extent Petitioner tries to suggest that district-wide statistics would be more probative, such an argument would be frivolous.

discovery and opening expert disclosures to be 2 weeks and 1 week earlier, respectively). In short, nothing indicates the parties will be unprepared for trial by the scheduled date, and there is considerable evidence indicating the case will be ready for trial by that date.

To the extent Petitioner may argue that the trial date could change if the pending motion for transfer in the district court is granted, the Board should reject that argument as it has rejected similar arguments in the past. As it has explained before, the Board “decline[s] to speculate on how the district court might rule on Petitioner’s motion to transfer.” *Solus Advanced Materials*, IPR2024-01463, Paper 14, at 14 (citing *Samsung Display Co., Ltd. v. Pictiva Displays Int’l Ltd.*, IPR2024-00855, Paper 12, at 8–9 (PTAB Nov. 19, 2024) for the proposition that the Board refuses to speculate how the district court might rule on pending motions). Indeed, the Director recently found that a petitioner’s arguments regarding the likelihood of a district court granting a transfer motion were “speculative” and “not sufficiently persuasive.” *Advanced Micro Devices, Inc. v. Concurrent Ventures, LLC*, IPR2025-00223, Paper 9, at 3 (U.S. Pat. & Trademark Off. June 12, 2025) (Acting Dir. C.M. Stewart).

3. *Fintiv* Factor 3 Favors Discretionary Denial

Fintiv Factor 3 relates to the “investment in the parallel proceeding by the court and the parties,” *Fintiv I*, at 5–6, “at the time of the institution decision,” *id.* at

9. This factor weighs in favor of the Board exercising its discretion to deny institution because of the significant investment the parties have already made, as well as the work that will be done before the institution decision. *See* Section II.B, *supra*. As recognized in *Fintiv I*, significant investment by the parties undermines the likelihood of a stay and increases the risk of duplicative costs. *Fintiv I*, at 10 (“This investment factor is related to the trial date factor, in that more work completed by the parties and the court in the parallel proceeding tends to support the arguments that the parallel proceeding is more advanced, a stay may be less likely, and instituting would lead to duplicative costs.”).

The Board’s December 24, 2025 deadline for resolving institution decisions on all the Petitions, *see* Section II.C *supra*, is only two weeks prior to the deadline for document production to be substantially completed and for opening claim construction briefs to be filed. EX2004 at 4. The parties will have completed claim construction disclosures, and the claim construction hearing, scheduled for February 19, 2026, will be less than two months away. EX2003 at 4. Fact discovery will be nearing completion; the parties have already moved the deadline two weeks earlier (from March 16 to March 2, 2026). *See id.* at 3. For that matter, the parties have ***already*** invested considerable resources into fact discovery, producing over 185,000 pages of documents, serving 35 interrogatories, and taking 10 depositions. EX2010 ¶¶ 3–4, 8–10. The investment by the parties in fact discovery and claim construction

supports finding that Factor 3 favors discretionary denial. *See Arthrex, Inc. v. Medshape, Inc.*, IPR2025-00053, Paper 11, at 10–11 (PTAB Apr. 25, 2025) (noting relevance of work on fact discovery and claim construction); *Fintiv II*, at 14 (“Based on the level of investment and effort already expended on claim construction and invalidity contentions in the District Court, this factor weighs somewhat in favor of discretionary denial in this case.”).

The parties have already invested considerable time and resources in the development of their infringement and invalidity contentions. *Sand Revolution II*, IPR2019-01393, Paper 24, at 10 (noting that investment in invalidity contentions is relevant to this factor) (informative). As noted above, Petitioner’s invalidity contentions span thousands of pages, including 35 appendices worth of claim charts for the ’765 patent alone. EX2010 ¶ 7. The parties’ investment in developing their contentions would, on its own, make Factor 3 at least neutral. *See Int’l Business Machines Corp. v. Digital Doors, Inc.*, IPR2023-00968, Paper 7, at 10–11 (PTAB Dec. 1, 2023). But the parties have already invested more much than that and will invest even more before the date of any institution decision.

4. *Fintiv* Factor 4 Does Not Justify Denying Discretionary Denial

Petitioner recently filed a *Sotera*-like stipulation in the district court. EX2012. In it, Petitioner agrees not to assert (i) the same invalidity grounds raised

in the Petition, (ii) invalidity grounds under §§ 102 or 103 that reasonably could have been raised “on the basis of only 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 [this IPR]” or IPR2025-00943. *Id.* at 2, 3. The scope of this stipulation is only slightly broader than that of the stipulation in *Sotera*, insofar as item (iii) is not within the scope of a *Sotera* stipulation. *See Sotera Wireless, Inc. v. Masimo Corp.*, IPR2020-01019, Paper 12, at 18 (PTAB Dec. 1, 2020) (precedential). Following the February 28, 2025 rescission of the “Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation,” a “timely-filed *Sotera* stipulation . . . is highly relevant, but will not be dispositive by itself.” Memorandum, USPTO’s rescission of “Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation,” at 2–3 (Mar. 24, 2025).⁴ Petitioner’s stipulation, therefore, is not dispositive and does not overcome the overwhelming weight of the five factors favoring discretionary denial. The rest of the *Fintiv* factors weigh in favor of discretionary denial, as does the combination of factors.

⁴ Available at https://www.uspto.gov/sites/default/files/documents/guidance_memo_on_interim_procedure_rescission_20250324.pdf

5. *Fintiv* Factor 5 Favors Discretionary Denial

Fintiv Factor 5—namely, “whether the petitioner and the defendant in the parallel proceeding are the same party,” *Fintiv I*, at 6—clearly weighs in favor of the Board exercising its discretion to deny institution.

Petitioner is the defendant named in the Parallel Litigation. EX2001 ¶ 2. Trial in the Parallel Litigation is scheduled to occur about four months before the projected deadline for a final written decision in this proceeding. EX2003 at 1. Under these circumstances, “factor 5 generally follows factor 2, such that this factor ‘favors denial if trial precedes the Board’s Final Written Decision.’” *Nikon Corp. v. Optimum Imaging Tech., LLC*, IPR2024-01374, Paper 19, at 23 (PTAB April 29, 2025) (quoting *Huawei Tech. Co. v. WSOU Inv., LLC*, IPR2021-00225, Paper 11, at 14 (PTAB June 14, 2021) (internal quotation marks omitted)); see *Fintiv II*, at 15 (“Because the petitioner and the defendant in the parallel proceeding are the same party, this factor weighs in favor of discretionary denial.”); *Samsung Elecs. Co. v. Clear Imaging Research, LLC*, IPR2020-01401, Paper 12, at 21–22 (PTAB Feb. 17, 2021) (same).

To the extent Petitioner may assert that this factor is only “neutral,” the Board should reject that unjustified assertion, as it has done in similar cases. See *Sotera*, IPR2020-01019, Paper 12, at 19 (precedential); *Samsung Elecs. Am., Inc. v. Collision Commnc’ns, Inc.*, IPR2025-00011, Paper 12, at 23 (PTAB Apr. 28, 2025)

(“There is no dispute that the parties are the same in both proceedings. Petitioner nonetheless argues that Factor 5 is neutral We agree with Patent Owner that Factor 5 favors denial.”); *Solus*, IPR2024-01463, Paper 14, at 17 (“To the extent that trial in the district court may precede the deadline for a final written decision in this proceeding, this factor favors exercising our discretion to deny institution.”); *Liberty Energy, Inc. v. U.S. Well Servs., LLC*, IPR2025-00031, Paper 9, at 16 (PTAB Apr. 29, 2025) (“Petitioner is the Defendant in the District Court Litigation, and the parties agree *Fintiv* factor 5 therefore weighs in favor of denying institution.”); *Nokia of Am. Corp. v. Pegasus Wireless Innovation LLC*, IPR2025-00037, Paper 14, at 14 (PTAB Apr. 25, 2025) (“We find this factor weighs in favor of exercising our discretion because the parties involved in this proceeding and the district court litigation at issue are the same.”).

6. *Fintiv* Factor 6 Favors Discretionary Denial

The Petition seeks to combine no fewer than three to five references to show obviousness in each of the asserted Grounds, with most Grounds relying on four or five references, yet the Petition fails to justify why or how a POSITA would be motivated to combine so many references to reach the claimed invention. Rather, Petitioner commits the cardinal sin of results-oriented hindsight, using the claims as a blueprint to piece together disparate references. Even if a POSITA could piece the cited art together as Petitioner proposes, the combinations are still lacking many

elements that the claims require. Accordingly, *Fintiv* Factor 6—namely, “other circumstances that impact the Board’s exercise of discretion, including the merits,” *Fintiv I*, at 6—weighs strongly in favor of exercising discretion to deny institution.

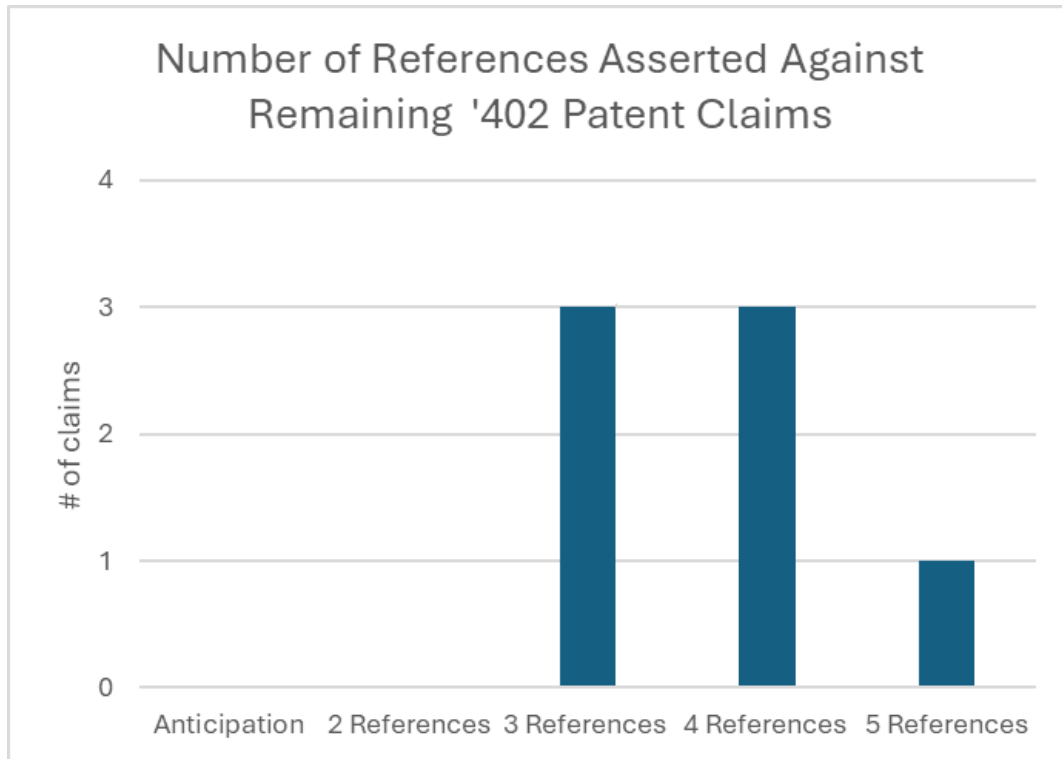
First, the uncommonly high number of references Petitioner proposes to combine underscores the uncommon weakness of the Petition. All of the Petition’s Grounds require at least three references, and most require *four* or *five*.

Second, the Petition fails to articulate the bases for the asserted Grounds, notably failing to explain how or why an ordinary artisan would have combined the elements of the cited references in the same manner as the claims recite.

Third, the Petition fails to make a compelling challenge on the merits, both because of the failure to adequately identify the bases for the asserted Grounds and also because the Petition relies on an implicit and incorrect construction of “active learning data” that (among other things) reads out the word “learning.” These considerations, as well as *Fintiv* Factors 1–5, outweigh the relative newness of the ’402 patent, [REDACTED]. Despite this, Petitioner chose to delay its challenge to the patent. Given that delay, Petitioner should not be permitted to assert the importance of early challenges as a reason for referring this case to a merits panel.

a) *The Director Should Exercise Discretion to Deny Institution Because the Petition Combines a Large Number of References without Justification*

Each Ground in the Petition relies on an unusually large number of references. No Ground relies on fewer than three references, and the majority rely on *four or five* references. Combining so many references requires a strong justification, which the Petition fails to provide. The Petition lacks the requisite particularity in identifying evidence showing “why a person of ordinary skill in the art would have combined elements from specific references *in the way the claimed invention does*,” as required to show obviousness. *ActiveVideo Networks, Inc. v. Verizon Commnc’ns, Inc.*, 694 F.3d 1312, 1328 (Fed. Cir. 2012) (citing *KSR Int’l Co. v. Teleflex Inc.*, 550 U.S. 398, 418 (2007)). This defect is all the more pronounced, given the sheer number of references Petitioner proposes to combine. As shown in the chart below, the Petition challenges over half of the seven challenged claims based on combinations of *four or five references*.



See Petition at 2–3; EX2013. Only claims 9–11 are challenged on the basis of a three-reference combination. *See* Petition at 3. Even that Ground is more complicated than it appears. As shown in Section IV.A.6.b) below, the arguments for claim 9 (and thus its dependent claims) incorporate other arguments, which rely on additional references that are not part of the combination asserted against claim 9.

When a Petition needs to use so many references, this is red flag that the Petitioner has relied on hindsight and used the claims as a blueprint. To overcome this, the Petition would need to present compelling motivations for these large, complicated combinations. But, as discussed in more detail below, Petitioner does

not adequately support or explain its proposed combinations. The Petition would, therefore, require the PTAB to conduct its own burdensome archeological dig through a patchwork of unconnected art to try to make sense of Petitioner's arguments. This is not a good use of limited resources and favors discretionary denial.

b) The Director Should Exercise Discretion to Deny Institution Because the Petition Is Procedurally Deficient and Will Be Unduly Burdensome for the PTAB to Review

The Petition fails to articulate the bases for the asserted Grounds with sufficient particularity, and the Director should exercise discretion to deny for at least that reason. "A petition for [IPR] must identify '**with particularity**, each claim challenged, the grounds on which the challenge to each claim is based, and the evidence that supports the grounds for the challenge to each claim.'" *Adaptics Ltd. v. Perfect Co.*, IPR2018-01596, Paper 20, at 15 (PTAB Mar. 6, 2019) (informative) (emphasis added) (quoting 35 U.S.C. § 312(a)(3)). "In an IPR, the petitioner has the burden from the onset to show **with particularity** why the patent it challenges is unpatentable." *Harmonic Inc. v. Avid Tech., Inc.*, 815 F.3d 1356, 1363 (Fed. Cir. 2016) (emphasis added) (citing 35 U.S.C. § 312(a)(3)).

Although the deficiencies of the Petition extend to all the challenged claims, discretionary denial would be appropriate even if some challenges to some claims had merit. *See Samsung Elecs. Co. Ltd. v. KP Innovations 2, LLC*, IPR2025-00101,

Paper 13, at 27–28 (PTAB May 12, 2025) (finding “that it would not be an efficient use of the Board’s time and resources to institute review” where the Petition showed a reasonable likelihood of prevailing on “at most 25% of the overall challenge based on grounds and claims”); *Deeper, UAB v. Vexilar, Inc.*, IPR2018-01310, Paper 7, at 42–43 (PTAB Jan. 24, 2019) (informative) (“[I]nstituting a trial with respect to all twenty-three claims and on all four grounds based on evidence and arguments directed to only two claims and one ground would not be an efficient use of the Board’s time and resources.”); *Chevron Oronite Co. v. Infineum USA L.P.*, IPR2018-00923, Paper 9, at 10–11 (PTAB Nov. 7, 2018) (informative) (“Petitioner demonstrates, at most, a reasonable likelihood of prevailing with respect to two dependent claims out of a total of twenty challenged claims.”). If the Board were to institute review, the IPR would need to address every ground and every claim. *See SAS Inst. Inc. v. Iancu*, 584 U.S. 357, 367 (2018) (“[T]he petitioner’s contentions, not the Director’s discretion, define the scope of the litigation all the way from institution through to conclusion.”). Institution remains discretionary, however, and the Petition’s failure to adequately articulate its grounds warrants discretionary denial in this case.

First, despite purporting to offer motivations to combine some references, the Petition fails to identify how or why these motivations would result in the particular combination of elements recited in the challenged claims. For example, in the

Ground asserted against claim 8 (which incorporates the limitations of disclaimed claim 4), Petitioner relies on five different references in total. *See* Petition at 3, 28–39, 51–57. Claim 8 incorporates limitations from claim 4 reciting, in part, a computer system capable of (i) determining a competence level of the processor (CPCL), (ii) determining a competence level of a human driver (HDCL), and (iii) determining a corrective action using the CPCL and the HDCL (the “corrective-action determination”).⁵ EX1001 at 22:13–20. Claim 8 further adds, in part, that “the computer system determines the corrective action using weighted voting, wherein a weighted voting parameter is determined based on active learning data.” *Id.* at 22:66–23:2. Claim 8 also recites that the “corrective action comprises the computer system using the engine throttle.” *Id.* at 23:6–7.

The Petition falls short of explaining why and how the proposed combination of references would result in these recited elements. Regarding the limitations added by claim 8, for example, Petitioner relies on the combination of *Scofield* and *Attard* for the corrective-action determination. Petition at 51 (cross-referencing limitations “6(c)” and “4(j)”). But Petitioner admits that “[t]he *Attard-Scofield* Φ ”—the alleged CPCL—“does not use *weighted* voting.” *Id.* Rather, Petitioner relies on

⁵ Petitioner identifies these three determinations as limitation or claim “4(h),” “4(i),” and “4(j).” Petition at 84.

Grimm for weighted voting and a weighted voting parameter based on active learning data. *Id.* at 51–53. But the Petition fails to identify a motivation for using *Grimm*’s alleged weighted voting in determining the Attard-Scofield Φ , as proposed.

The motivation Petitioner does identify—“providing a more accurate and/or granular determination . . . by weighting variables”—is generic and lacks the necessary particularity. *Id.* at 54. Petitioner offers no reason why or how an ordinary artisan would have implemented *Grimm*’s teachings in determining the *Attard-Scofield Φ* . *Id.* at 54–55. *Grimm* teaches using the alleged weighted voting to determine the threat level (TL) of “a particular surrounding vehicle” (*i.e.*, not the vehicle doing the determination). EX1031 at 5:56–65 (describing this as an example of determining whether certain “types of threats or hazardous conditions” exist); *see* Petition at 52 (quoting EX1031 at 5:56–59). The value, Φ , does not relate to any specific condition or threat; according to the Petition, Φ represents “an **overall** confidence that [Attard’s] vehicle 101 can and/or should be operated autonomously.” Petition at 31 (emphasis added).

The Ground against claim 8 specifically relies on the combination of *Grimm* with the *Attard-Scofield Φ* for a reason. According to the Petition, “*Scofield* teaches determining the [CPCL] based on active learning data including information from other SDVs.” *Id.* at 51 (cross-referencing limitation “6(c)”). That is not what claim 8 recites, however; the claim requires *determining the corrective action using*

weighted voting wherein a *weighted parameter* is based on *active learning data*. Hence, the Petition further alleges that the *Attard-Scofield* combination results in *determining the corrective action* using the CPCL such that, **if** the CPCL is determined using *weighted voting* and based on *active learning data*, **then** the subsequent corrective-action determination would use *weighted voting*. *Id.* The Petition fails to identify any reasoning to support this attenuated chain of logic. *See id.* Accordingly, the Petition not only fails to show a reason for combining *Grimm* with *Attard-Scofield* in the manner proposed, it also fails to show that the proposed combination could actually achieve the claimed invention.

Independent of that failure, the Petition also fails to identify a reason for combining elements of *Scofield* with *Attard* in the manner claimed. For this combination, Petitioner relies on the argument presented in connection with limitation 6(c). *Id.* at 51; *see id.* at 42–44. The Petition itself admits that *Scofield*, like *Grimm*, describes evaluating certain data (alleged to be *active learning data*) “to determine **a driving condition**.” *Id.* at 42 (quoting EX1022 at 3:53–56) (emphasis added). Again, similar to the arguments for *Grimm*, the Petition’s arguments for *Scofield* do not explain how or why an ordinary would have used its teachings to implement *Attard*’s Φ , which is an overall confidence assessment. *See id.* at 43–44. Nothing in the Petition supports a conclusion that Φ constitutes a determination that a particular condition exists or exceeds a threshold. The Petition

therefore fails to identify evidence that *Attard-Scofield* renders obvious either “the computer system determines the competence level of the processor using active learning data” (claim 6) or, in combination with *Grimm*, “the computer system determines the corrective action using weighted voting” (claim 8).

For the Grounds asserted against claims 9–11 and 13, the Petition relies on the arguments based on *Grimm* and *Attard-Scofield* for claim 8. Petition at 60–62 (cross-referencing limitation “8(c)” for limitations “9(e)(iv)” and “9(e)(v)”); *see* EX1001 at 23:38–51, 23:62–24:2 (claims 10, 11, and 13 depending from claim 9); Petition at 63–66 (incorporating “9(Pre)” for the preambles of claims 10, 11, and 13).

Second, the Petition relies extensively on unexplained cross-references to arguments involving different claim language and different combinations of art. For example, the Petition’s arguments against claims 8–11 and 13 largely consist of cross-references incorporating arguments against other claims. Apart from arguments relating to limitation “8(c),” the Ground for claim 8 consists almost entirely of cross-references to other arguments relating to either claim 6 or claim 4, with a single sentence of explanation for limitation “8(e)” alone. *See* Petition at 51 (“*See* 4(Pre),” “*See* 6(a),” “*See* 6(b)”), 57 (“*See* 6(d)”). Similarly for claim 9, the Petition relies on cross-references with minimal (if any) explanation for seven of the eleven limitations of the claim. *See id.* at 58–62. Claims 10, 11, and 13 depend from

and incorporate the limitations of claim 9. EX1001 at 23:38–51, 23:62–24:2. Moreover, the arguments for claim 11 consist entirely of unexplained cross-references. Petition at 64–65.

Moreover, the cross-references in the Petition conceal fatal defects in the Grounds asserted against at least claims 9–11 and 13 by incorporating arguments that rely on *Scofield* and *Frazer*, even though *Scofield* is not cited against any of those claims, and *Frazer* is not cited against any of claims 9–11. For example, the Petition asserts that claims 9–11 would have been obvious over *Attard*, *Hampiholi*, and *Grimm*; *Scofield* and *Frazer* are not part of the basis for Ground 5. Petition at 58; *see id.* at 3 (describing Ground 5 as the basis for challenging claims 9–11). After the heading for “Claim 9(e)(ii),” the Petition merely reads “*See*, 1(b), 1(c), 1(d),” without any further explanation. *Id.* at 59. Petitioner’s argument for “Claim 1(d)” includes arguments that *Frazer* teaches the mechanism for determining a corrective action, *id.* at 19–21, apparently cross-referenced for the “determining a corrective action” of 9(e)(ii), *see id.* at 85.

The Petition also cross-references the arguments for limitation “8(c)” in connection with the arguments regarding *Grimm* for “Claim 9(e)(iv)” and “Claim 9(e)(v).” *See id.* at 61–62. The Petition’s arguments for “Claim 8(c)” expressly start from the proposition that “*Scofield* teaches determining the competence level of the processor based on active learning data including information from other SDVs.”

Id. at 51. The Petition proposes using *Grimm* to modify the “Attard-Scofield Φ ,” *id.*, and alleges a motivation to combine *Grimm* with “Attard-Hampiholi-Scofield’s similar system,” *id.* at 54. The Petition does not assert *Scofield*’s absence (which it does for other references in other Grounds). Compare *id.* at 61–62 (silent as to *Scofield*) with *id.* at 39 (“Frazer’s teachings are not utilized here.”). The Petition also does not explain how the absence of *Scofield*’s alleged *active learning data* would affect the operation of the combined system or what an ordinary artisan would have been motivated to do. See *id.* at 61–62.

This reliance on additional references that are not part of the asserted Ground is fatal to the challenge to claim 9. The same fatal defect is also present in the challenges to claims 10 and 11, which incorporate claim 9 and are subject to the same Ground of challenge. See *id.* at 63–65; EX1001 at 23:38–51. Likewise, Ground 6 is fatally flawed because of its reliance on the arguments applying *Scofield* against limitations of claim 9 that are incorporated into claim 13 by its dependency. Petition at 65–66; EX1001 at 23:63–24:2; see also Petition at 51–57, 61–62.

Third, even setting aside the foregoing specific failures, the Petition’s reliance on unsupported cross-references imposes an undue burden on the merits panel of the PTAB by asking it to “play archaeologist with the record” just to decipher the Petition’s actual arguments. Cf. *Parus Holdings, Inc. v. Google LLC*,

70 F.4th 1365, 1372 (Fed. Cir. 2023) (“[T]he Board should not be forced to ‘play archaeologist with the record.’” (citing *DeSilva v. DiLeonardi*, 181 F.3d 865, 866–67 (7th Cir. 1999))). In adopting the rule against incorporation by reference, *see* 37 C.F.R. § 42.6(a), the USPTO also cited *DeSilva*, explaining that “incorporation is a pointless imposition on [a] court’s time as it requires the judges to play archeologist with the record,” and “[t]he same rationale applies to Board proceedings.” 77 Fed. Reg. 48612, 48617 (Aug. 14, 2012); *see Cisco Sys., Inc. v. C-Cation Techs., LLC*, IPR2014-00454, Paper 12, at 8 (PTAB Aug. 29, 2014) (informative) (“The practice, here, of using footnotes to cite large portions of another document, without sufficient explanation of those portions, amounts to incorporation by reference.”). That same principle also holds true when arguments for one claim limitation are incorporated against a different limitation without explaining why those same arguments apply in multiple contexts. *Cf. In re Magnum Oil Tools Int’l, Ltd.*, 829 F.3d 1364, 1378 (Fed. Cir. 2016) (“Neither the Board nor the petitioner explained why borrowing the rationale for combining the first set of references equally applies to the second set of references.”).

The Petition’s failure to comply with the statutory requirement of particularity, and its failure to clearly articulate the Grounds in general, weigh heavily in favor of discretionary denial. Doing so preserves the limited resources of the Board for challenges that have been more clearly presented than the tangled web

of cross-references and convoluted combinations of four to nine references in the Petition here.

c) The merits of the Petition are far from compelling

Under *Fintiv*, the “strengths or weaknesses regarding the merits” may be “consider[ed] as part of [the Board’s] balanced assessment.” *Fintiv I*, at 15–16. This means that the relative strength or weakness of the Petition’s showing must be balanced against the weight given to the other *Fintiv* factors. *See id.* at 15 n.29 (noting prior institution “when ‘the strength of the merits **outweigh relatively weaker** countervailing considerations of efficiency’”) (emphasis added) (quoting *Illumina, Inc. v. Natera, Inc.*, IPR2019-01201, Paper 19, at 8 (PTAB Dec. 18, 2019)). Importantly, “if the merits of the grounds raised in the petition are a closer call, then that fact has **avored denying institution** when other factors favoring denial are present.” *Id.* at 15 (emphasis added). Stated slightly differently, the merits are not “compelling or particularly strong” if Patent Owner raises “issues and concerns” that “warrant further development if trial were to be instituted.” *Arashi Vision*, IPR2025-00017, Paper 11, at 15–16.

The merits of the instant Petition are exceptionally weak. For at least the reasons explained above and below—and as will be discussed with more detail in Patent Owner’s forthcoming Preliminary Response—Petitioner fails to show that the cited references teach or render obvious *any* claim. *First*, the sheer number of

references per Ground (no fewer than three, with most Grounds relying on four or five), is a red flag for hindsight bias and requires a strong justification.

Second, the Petition relies on an incorrect implicit construction for the claim phrase “active learning data,” which appears in every remaining challenged claim.⁶ Petitioner was required to identify “[h]ow the challenged claim[s] [are] to be construed,” 37 C.F.R. § 42.104(b)(3), but the Petition fails to disclose its overly broad implicit construction. *See* Petition at 3 (asserting “the plain and ordinary meaning of all claim terms” without addressing the scope associated with that meaning). Had it done so, it would have been evident that Petitioner’s implicit construction of “active learning data” is incompatible with the intrinsic evidence.

Petitioner contends that, “[b]ecause [*Scofield’s*] driving condition data is data from other autonomous vehicles, it is *active learning data including information from other SDVs*.” Petition at 42. Similarly, Petitioner contends that “Grimm teaches obtaining data from other vehicles (*active learning data*) to determine the reduced visibility (*a fault*).” *Id.* at 63; *see id.* at 53 (arguing that using a “property of another vehicle” in an equation constitutes a determination “*based on active learning data including information from other SDVs*”), 62 (same). Hence, the

⁶ Patent Owner has disclaimed claims 1, 3, 4, and 14–24. EX2013. The remaining challenged claims—claims 6, 8, 9–11, and 13—all recite “active learning data.”

Petition presumes a construction of “active learning data” that encompasses essentially any data that is obtained from other vehicles. The patent does not, however, support so broad a construction of the phrase “active learning data.”

The claim language alone demonstrates that the “active learning data” is capable of being used as the basis for a “weighted voting parameter” for use in “weighted voting.” For example, claim 8 recites, in part:

[T]he computer system determines the corrective action using *weighted voting*, wherein a weighted voting parameter is determined based on *active learning data*, said active learning data including information from other SDVs;

EX1001 at 22:66–23:3 (emphases added). Almost all of the challenged claims recite using this “weighted voting” to determine a “corrective action.” *See id.* at claims 8–11 and 13. Also, claim 6 recites using “active learning data” to determine “the competence level of the processor.” *See id.* at claim 6.

The specification also refutes Petitioner’s implicit construction. For example, the patent teaches:

[T]he SDV **202** “learns” about how significant operational anomalies are. That is, by taking information from other SDVs and their driving history as well as the driving history of SDV **202** itself, SDV **202** is able to autonomously “learn” what operational anomalies are significant to

the safe operation of SDV 202 (e.g., faulty brakes, faulty throttle controls, tires with little or no tread, etc.) and those which are comparatively insignificant (e.g., a cabin air conditioning system that is low on refrigerant, etc.).

EX1001 at 14:28–37 (underline added). The specification also describes how this information about the significance of “operational anomalies” would be used in a “weighted voted” system or process:

For example, assume that a first sensor detects faulty windshield wipers and the second sensor detects a faulty cabin air conditioning system. Assume further that historical data shows that many more accidents are caused by poor visibility (e.g., caused by faulty windshield wipers) than a warm cabin of the SDV. As such, the sensor readings from sensors that the faulty windshield wipers *are weighted more heavily* than sensor readings about cabin temperature.

Id. at 14:11–19 (emphasis added). The bare fact that the driving condition data in *Scofield* is allegedly obtained from other autonomous vehicles on the same roadway is not sufficient to make it “active learning data.” See Petition at 42. Petitioner’s contention that it does reveals that the Petition relies on an undisclosed and overly broad claim construction that reads out the word “learning” from “active learning data.” The same is true for Petitioner’s contentions that *Grimm* teaches “active learning data” simply because it allegedly “teaches obtaining data from other

vehicles.” *Id.* at 63.

d) The Age of the Patents Does Not Outweigh Other Considerations

Although the fact a patent has only recently issued has been cited as a factor that “might favor referral to the Board,” *Phison Elec. Corp. v. Vervain, LLC*, IPR2025-00213, Paper 14, at 3 (PTAB July 10, 2025) (Acting Dir. C.M. Stewart), that factor is outweighed here by other factors. First, as noted above, the deficiencies of the Petition and the weakness of the merits tilt Factor 6 heavily in favor of discretionary denial and outweigh the age of the ’402 patent. Second, Petitioner’s notice of the ’402 patent before the Parallel Litigation mitigates any weight that should be given to the recency of the patent’s issuance.

Petitioner therefore had ample opportunity to challenge the ’402 patent early, yet Petitioner chose to wait. *Cf. iRhythm Techs., Inc. v. Welch Allyn, Inc.*, IPR2025-00363, Paper 10, at 2–3 (PTAB June 6, 2025) (Acting Dir. C.M. Stewart) (granting request for discretionary denial, noting in part the Petitioner’s prior knowledge of the patent). The Board has observed that “[e]arly challenges favor robust, predictable patent rights.” *Charles River Labs., Inc. v. Seikagaku Corp.*, IPR2025-00440, Paper 9, at 2 (PTAB July 10, 2025) (Acting Dir. C.M. Stewart). But that also means would-be petitioners should

be discouraged from waiting to bring challenges, as Petitioner did here. If Petitioner truly felt an early challenge to the '402 patent was important, it could have and should have filed its challenge earlier [REDACTED]

[REDACTED] Petitioner's delay in challenging the '402 patent counteracts any weight from the patent's recent issuance.

V. CONCLUSION

For the foregoing reasons, Patent Owner respectfully requests that the Board exercise its discretion to deny institution of the Petition pursuant to Section 314(a).

Dated: August 11, 2025

Respectfully submitted,

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CERTIFICATE OF SERVICE

The undersigned certifies that pursuant to 37 C.F.R. § 42.6(e), true and correct copies of the foregoing **Patent Owner's Discretionary Denial Brief Pursuant to the Board's March 26, 2025 Interim Processes for PTAB Workload Management, and accompanying Exhibits 2001–2015**, were served to the following counsel of record for Petitioner addressed as follows:

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CERTIFICATE OF COMPLIANCE

Pursuant to 37 C.F.R. § 42.24(d), the undersigned hereby certifies that this brief complies with the type-volume limitation of 37 C.F.R. § 42.24 because this brief contains 8,906 words.

Dated: August 11, 2025

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