

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

Mail Stop “PATENT BOARD”

Patent Trial and Appeal Board
U.S. Patent and Trademark Office
P.O. Box 1450
Alexandria, VA 22313-1450

Tesla's Opposition to Discretionary Denial (Paper 14) mischaracterizes the factual record and sets forth arguments that do not withstand scrutiny.

First, Tesla's argument that its petition should be instituted to "rectify[]" an alleged "material error" during prosecution makes no sense. Opp., 1. **None** of the Asserted Grounds in Tesla's Petition rely on the art at issue in the prosecution history (*Stenneth*). See Pet., 3; Opp., 9–12. Instituting the Petition could not possibly "rectify" the alleged error.

Moreover, Tesla's alleged "material error" is nothing but second-guessing and pure speculation. Opp., 5–14. In allowing the claims over *Stenneth*, there is no evidence the Examiner relied on the two so-called "fault limitations" **both** being present in every claim, as Tesla speculates. Opp., 7–8. Tesla previously conceded that Applicant argued the two limitations separately, so there is no reason to think the Examiner's allowance relied on **both** limitations being present or somehow conflated the two. See Pet., 1–2 ("Applicant argued *Stenneth* does not teach 'whether a fault has occurred' Additionally, Applicant argued *Stenneth* does not teach a 'fault remediation table.'"). Indeed, the Notice of Allowance lists what *Stenneth* "discloses," and that list omits "whether a fault has occurred." EX1002 at 3411–12, 3401. That limitation is present in the final claims 4 and 9 (respectively corresponding to original claims 6 and 15). *Id.* at 3416. Tesla's argument thus rests on speculation about additional, unarticulated reasons for Allowance. This distinguishes this Petition

from *Skullcandy*, where the examiner identified a specific limitation as the reason for allowance, and that limitation was not contained in all the challenged claims. *See Skullcandy Inc. v. Earin AB*, IPR2025-00690, Paper 9, at 2 (PTAB July 31, 2025). Tesla also omits to mention that Applicant (i) distinguished original claim 6 over Stenneth based on “determining the operational states of the [SDV]” and (ii) amended original claim 15, *id.* at 3401–02. If any additional reasons for allowance are considered, the Board should start with Applicant’s actual arguments.

Tesla’s argument based on the Examiner’s searches is also fraught with error and speculation. *Opp.*, 9–12. Tesla misquotes the search terms to suggest the Examiner improperly focused the search. *Compare id.*, 10 n.2 (“(table OR database)”) with EX1002 at 3433 (“(table OR list OR database OR lookup OR case)”). Tesla also misstates the number of hits returned by the misquoted search string, which was “545,” not “6,685.”¹ *Opp.*, 10 n.2; EX1002 at 3433. Second-guessing the Examiner’s search strategy cannot be a basis for “material error,” as Tesla contends.

Second, regarding *Fintiv* Factor 2, Tesla admits the parallel litigation is set for trial 129 days—***over four months***—before the Final Written Decision deadline. *Opp.*, 14–15. Tesla argues the litigation *could* be delayed, and *if* it was delayed, it *could* be

¹ “6,685” refers to the hits from an intermediate step of the search. EX1002 at 3433.

Tesla does not argue that step was somehow relevant. *Opp.* at 10, n.2.

delayed by as much as 109 days. *Id.*, 15. Significantly, that 109-day delay is based on an average that arbitrarily excludes the three trials (one-sixth of the trials) that experienced zero delay. *Id.* Even with this indefensible cherry-picking, Tesla’s 109-day average delay still suggests a trial **20 days before** the Final Written Decision.

Tesla then switches from “average delay” to “median time to trial,” while continuing to silently ignore the three-out-of-eighteen trials that were **not** delayed. *Id.* Tesla’s own evidence shows that, when those trials are included, the median time to trial in Judge Gilstrap’s court is only 725 days from complaint to trial. EX1041 at 1. Applying this 725-day time to trial in the parallel litigation suggests a trial date of December 1, 2026, which is still a week before the Final Written Decision deadline.

Tesla’s attempt to blame **the Board** based on the “time it took” to issue a Notice of Filing Date should not be countenanced. Opp., 16. If Board resources did not permit an earlier Notice of Filing Date, that counsels in favor the efficient use of those resources, which is the fundamental purpose of discretionary denial under *Fintiv*. Tesla thus fails to rebut that Factor 2 favors discretionary denial.

Third, the Director should not give weight to Tesla’s attempt to downplay the discovery that has occurred. Tesla’s “*Logikull Article*” is nothing more than marketing material from an eDiscovery vendor that boasts saving its clients “thousands in discovery.” EX1044 at 1. Tesla cites this “article” as evidence that the nearly 200k

pages of documents produced in this case is nothing compared to an average case.² Opp. at 19. There is zero evidence that the parallel litigation *here* will require the production of anywhere near 6.5M pages of documents—an extraordinary amount for a typical patent case. Additionally, most of the production has been technical in nature. And while most of the depositions were conducted for venue discovery, many of the facts elicited from witnesses were dual-purpose. For example, Tesla questioned Granite’s witnesses about licenses, which have limited relevance for venue.

Fourth, Tesla points to neither a “misunderstand[ing]” of law or “mischaracteriz[ation]” of any ground by Patent Owner. Opp., 24. Tesla only argues “a large number of references does not, without more, weigh against the obviousness of the claimed invention.” *Id.* Patent Owner does not just rely on Tesla’s unusually high number of references, but rather argues that such a large number of references requires a strong motivation to combine them, which Tesla does not come close to providing. Paper 11, 22–39.

Tesla’s cited cases (which are directed to original examination or reexamination, not IPRs) do nothing to rectify the issue. In *In re Gatabi*, the Federal Circuit affirmed the Board’s combination of “as many as *three* prior art references[,]”

² This “article” makes several other dubious claims such as “attorneys spend 6 hours a day on non-billable work, such as configuring technology.” *Id.* at 4–5.

calling this a “large” number. 2023 U.S. App. LEXIS 11896, at *9, (Fed. Cir. May 16, 2023) (emphasis added). Such a “large” combination is a starting point in the instant action, where most grounds involve four or more references. Paper 11 at 25. Tesla also ignores that the Federal Circuit has cast doubt on the effectiveness of “large” (3+ reference) combinations in IPR proceedings. *See, e.g., Biogen, Inc. v. Iancu*, No. 19-1364, Oral Argument at 0:59–1:19, 29:40–30:00 (“[A five reference combination is] such a large number of references combining in such an unpredictable area”), available at <https://www.cafc.uscourts.gov/oral-arguments/2019-1364.mp3>.

Tesla even admits that, here, the claims involve “convoluted permutations” of a “large number of disparate limitations.” Opp., 26. The complexity of the challenged claims and Tesla’s poor explanations of motivations to combine its large numbers of cited references underscore the amount of labor the Board will need to exert in parsing the Grounds asserted and the evidence cited by the Petition. This is part of why *Fintiv* Factor 6 strongly favors discretionary denial.

Fifth, Tesla’s hail-Mary policy arguments should be disregarded. Opp., 36–37, 42. Neither 35 U.S.C. § 314 nor § 316 give a petitioner a right to an IPR. Instead, § 314(a) gives specific guidance to the Director when she may *not* institute an IPR. Nothing compels the Director to institute. *See SAS Inst. Inc. v. Iancu*, 584 U.S. 357, 358 (2018) (“[Section] 314(a) invests the Director with discretion on the question *whether* to institute review.”).

Dated: September 18, 2025

Respectfully submitted,

By: /Kyle E. Friesen/
Kyle E. Friesen (Reg. No. 65,371)
Attorney for Patent Owner
Granite Vehicle Ventures LLC

CERTIFICATE OF SERVICE

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

Lead Counsel for Petitioner	Back-up Counsel for Petitioner
Jennifer C. Bailey (Reg. No. 52,583) jennifer.bailey@eriseip.com PTAB@eriseip.com Postal and Hand-Delivery Address: ERISE IP, P.A. 7015 College Blvd., Suite 700 Overland Park, Kansas 66211 Telephone: (913) 777-5600 Fax: (913) 777-5601	Adam M. Sandwell (Reg. No. 72,484) adam.sandwell@eriseip.com Kevin J. Rongish (Reg. No. 78,716) kevin.rongish @eriseip.com Justin Grimes (Reg. No. 81,059) justin.grimes@eriseip.com Postal and Hand-Delivery Address: ERISE IP, P.A. 7015 College Blvd., Suite 700 Overland Park, Kansas 66211 Telephone: (913) 777-5600 Fax: (913) 777-5601
	Ashraf Fawzy, (Reg. No. 67,914) afawzy@tesla.com Tesla, Inc. 1 Tesla Road Austin, Texas 78725 Tel: 202-905-9221

Dated: September 18, 2025

By: /Kyle E. Friesen/
Kyle E. Friesen (Reg. No. 65,371)
Attorney for Patent Owner
Granite Vehicle Ventures LLC