

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE OFFICE OF THE UNDER SECRETARY OF COMMERCE
FOR INTELLECTUAL PROPERTY AND DIRECTOR OF THE
UNITED STATES PATENT AND TRADEMARK OFFICE

VOLKSWAGEN GROUP OF AMERICA, INC.,
Petitioner,

v.

LONGHORN AUTOMOTIVE GROUP LLC,
Patent Owner.

IPR2025-01064
Patent 8,265,353 B2

Before COKE MORGAN STEWART, *Deputy Under Secretary of
Commerce for Intellectual Property and Deputy Director of the United
States Patent and Trademark Office.*

DECISION
Referring the Petition to the Board

Longhorn Automotive Group LLC (“Patent Owner”) filed a request for discretionary denial (Paper 6, “DD Req.”) in the above-captioned case, and Volkswagen Group of America, Inc., Volkswagen AG, and Audi AG. (collectively, “Petitioner”) filed an opposition (Paper 8, “DD Opp.”).

After considering the parties’ arguments and the record, and in view of all relevant considerations, discretionary denial of institution is not appropriate in this proceeding. This determination is based on the totality of the evidence and arguments the parties have presented.

Although the parties are engaged in a parallel proceeding involving the challenged patent, it is unclear whether a final written decision in this proceeding will issue after the district court trial occurs. The projected final written decision due date in the Board proceeding is December 23, 2026. *See* DD Req. 4. The district court’s scheduled trial date is August 17, 2026, but the time-to-trial statistics suggest trial will begin in January 2027. DD Opp. 34. As such, these considerations neither favor nor counsel against discretionary denial.

Other considerations, however, weigh against discretionary denial. In particular, Petitioner provides persuasive evidence that the Office materially erred by issuing claim 1 with incorrect language, which has not been corrected post-issuance. DD Opp. 4–10. Specifically, the issued claims do not recite the limitation the patent examiner identified as the allowable subject matter. *Id.* Petitioner, therefore, appears to show a material error by the Office, and it is an appropriate use of Office resources to review the error.

Although the challenged patent has been in force for over thirteen years, Petitioner explains that “Patent Owner and its predecessors never attempted to correct this known error, despite making other corrections after

the patent issued.” DD Opp. 9 (citing Ex. 1002, 851–859) (emphasis omitted). Under these circumstances, Patent Owner’s settled expectations do not outweigh the considerations that counsel against discretionary denial.

Although certain arguments are highlighted above, the determination not to exercise discretion to deny institution is based on a holistic assessment of all of the evidence and arguments presented. Accordingly, the Petition is referred to the Board to handle the case in the normal course, including by issuing a decision on institution addressing the merits and other non-discretionary considerations, as appropriate.

In consideration of the foregoing, it is:

ORDERED that Patent Owner’s request for discretionary denial is *denied*;

FURTHER ORDERED that the Petition is referred to the Board; and

FURTHER ORDERED that neither party shall file a request for rehearing or Director Review of this decision until the Board issues a decision on institution.

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