

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

FORD MOTOR COMPANY
Petitioner,

v.

AUTOCONNECT HOLDINGS, LLC
Patent Owner.

U.S. Patent No. 9,020,697

Case No.: IPR2025-01342

**PETITIONER'S OPPOSITION TO PATENT OWNER'S
REQUEST FOR DISCRETIONARY DENIAL**

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1001	U.S. Patent No. 9,020,697 (“the ’697 Patent”)
1002	U.S. Patent No. 9,020,697 Certified File History (“the ’697 File History”)
1003	Expert Declaration of Todor Cooklev
1004	Todor Cooklev Curriculum Vitae
1005	Complaint, <i>AutoConnect Holdings LLC v. Ford Motor Company</i> , Case No. 1:24-cv-01327-JCG (D. Del)
1006-1009	<i>Intentionally left blank</i>
1010	U.S. Patent No. 8,768,539 B1 to Clement (“Clement”)
1011	U.S. Patent No. 7,388,466 B2 to Ghabra (“Ghabra”)
1012	U.S. Patent Application Pub. No. 2012/0092129 A1 to Lickfelt (“Lickfelt”)
1013	U.S. Patent Application Pub. No. 2011/0093153 to Moinzadeh (“Moinzadeh”)
1014-1049	<i>Intentionally left blank</i>
1050	Bosch Handbook, (Automotive Handbook October 2004 6 th Edition) (“Bosch”)
1051	IEEE Dictionary, (IEEE 100 The Authoritative Dictionary of IEEE Standards Terms 2000 7 th Edition) (“IEEE Dictionary”) (Excerpts)
1052	“Specification of The Bluetooth System” (June 30, 2010). Version 4.0 (Volumes 0-6) Available at https://www.bluetooth.com/specifications/specs/core-specification-4-0/ (Accessed June 27, 2025) (“Bluetooth Specification”)
1053	Hossain et al., “A Comprehensive Study of Bluetooth Signal Parameters for Localization,” 2007 IEEE 18 th International Symposium on Person, Indoor and Mobile Radio Communications Available at https://www.ieeexplore.ieee.org/document/4394215 (“Hossain”)

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1054	McCartt, et al. “Driver Cellphone and Texting Bans in the United States: Evidence of Effectiveness,” Engaged Driving Symposium Annals of Advances in Automotive Medicine, March 31, 2014 (“McCartt”) Available at https://pmc.ncbi.nlm.nih.gov/articles/PMC4001674/ (Accessed July 1, 2025.)
1055	NHTSA Traffic Safety Facts Research Note “Distracted Driving 2010” published September 2012. Available at https://www.nrd.nhtsa.dot.gov/CATS/index.aspx (Accessed June 24, 2025) (“NHTSA”)
1056	Peterson, Andrew, “Do not disturb, Ford Fights Distracted Driving with Limited In-Motion Sync Access,” July 12, 2010. Available at https://www.motortrend.com/news/163-news100712-ford-sync-do-not-disturb (Accessed June 24, 2025) (“Motor Trend”)
1057	Allen, Leslie “Ford launches parental control technologies,” October 7, 2008. Available at https://www.autonews.com/article/20081007/ZZZ_SPECIAL/310079921/ford-launches-parental-control-technologies/ (Accessed June 24, 2025) (“Auto News”)
1058	Ghangurde, Mujund “Ford SYNC and Microsoft Windows Embedded Automotive Make Digital Lifestyle a Reality on the Road,” <i>SAE International</i> , Volume 3, Issue 2, October 19, 2010 SAE2010-01-02319 (Accessed April 25, 2025) (“Ghangurde”)
1059	Austin, Michael “Ford introduces Next-Gen Connectivity Suite Called MyFord; Should be Awesome,” January 6, 2010. Available at https://www.caranddriver.com/news/a15128939/ford-introduces-next-gen-connectivity-suite-called-myford-should-be-awesome-car-news/ (“Car and Driver”)
1060	<i>Intentionally left blank</i>
1061	Ford SYNC Supplemental Guide, November 2007 (“SYNC Guide 2007”)
1062	Ford SYNC Supplemental Guide, January 2010 (“SYNC 1 Guide 2010”)

Exhibit No.	Description
1063	Saltzstein, William E. “Bluetooth: The Future of Wireless Medical Technology?” February 1, 2002. Available at https://www.mddionline.com/new-technologies/bluetooth-the-future-of-wireless-medical-technology- (Accessed June 30, 2025) (“MDDI”)
1064	MyFord Touch Ford User Guide Ford Motor Company, February 2012 (“MyFord Touch Guide”)
1065	SUSE LINUX – Administration Guide. Published by SUSE LINUX AG, 2004. (“Linux”)
1066-1099	<i>Intentionally left blank</i>
1100	United States District Courts – National Judicial Caseload Profile, March 2025
1101	<i>Intentionally left blank</i>
1102	U.S. Patent and Trademark Office - U.S. 9,020,697 Maintenance Fee Payment Records
1103	U.S. Patent and Trademark Office - U.S. 9,123,186 Maintenance Fee Payment Records
1104	U.S. Patent and Trademark Office - U.S. 9,140,560 Maintenance Fee Payment Records
1105	U.S. Patent and Trademark Office - U.S. 9,147,296 Maintenance Fee Payment Records
1106	U.S. Patent and Trademark Office - U.S. 9,147,297 Maintenance Fee Payment Records
1107	U.S. Patent and Trademark Office - U.S. 9,173,100 Maintenance Fee Payment Records
1108	U.S. Patent and Trademark Office - U.S. 9,290,153 Maintenance Fee Payment Records
1109	U.S. Patent No. 9,147,296 Certified File History (“the ’296 File History”)
1110	Flextronics “Flex celebrates 10 years of maintaining Ford’s prestigious Q1 quality certification in Guadalajara, Mexico” (Posted April 2, 2024) Available at https://flex.com/resources/10-years-of-maintaining-fords-q1-quality-certification
1111	US 9,020,697 Patent Assignment Abstract (“the ’697 Patent Assignment Abstract”)

Exhibit No.	Description
1112	Scheduling Order, <i>AutoConnect Holdings LLC v. Ford Motor Company</i> , Case No. 1:24-cv-01327-JCG (D. Del)
1113	U.S. Provisional Application No. 61/811,981 File History (“the ’981 File History”)
1114	United States Courts - Judiciary Funding Runs Out; Only Limited Operations to Continue (Published October 17, 2025) (Available at https://www.uscourts.gov/data-news/judiciary-news/2025/10/17/judiciary-funding-runs-out-only-limited-operations-continue)

I. INTRODUCTION

The Board should deny Patent Owner AutoConnect's Request for Discretionary Denial (Paper 7, "Request") because (1) settled expectations favor Petitioner Ford, not AutoConnect, (2) the *Fintiv* factors strongly favor institution, and (3) the PTAB is best suited to handle the complexity of this post-grant proceeding.

First, the settled expectations in this case were that the '697 Patent could not and would not be asserted against Ford, who regularly did business with the patent's original owner. Although the '697 Patent issued over ten years ago, AutoConnect owned it for only a portion of that term during which AutoConnect allowed it to lapse, contradicting AutoConnect's "settled expectations" assertions. AutoConnect raised infringement allegations in December 2023, however the '697 Patent was not in-force at that time, providing Ford with settled expectations that the '697 Patent would not be enforced because it was ***not enforceable***. AutoConnect has a history of "unintentionally" allowing its patents to lapse. AutoConnect allowed six of its thirteen asserted patents to lapse—five of which lapsed for over three years between 2019-2022. However, AutoConnect paid maintenance fees for other asserted patents during the same timeframe—demonstrating that AutoConnect knew about its maintenance fee obligations yet chose to forgo payments for certain patents including the '697 Patent. This history of selectively paying maintenance fees

undermines AutoConnect’s “unintentional delay” certifications to the USPTO and assertions of settled expectations here.

Ford also commercialized the accused products in 2007—establishing constructive notice of Ford’s product to the public. Later, Patent Owner cited to Ford’s technology in its earliest claimed provisional application in 2013—demonstrating actual notice of Ford’s technology. Yet, AutoConnect waited **over a decade** to assert the ’697 Patent against Ford. AutoConnect ignores the inconvenience of its delay in its discretionary denial assertions. Further, the ’697 Patent was filed by Flextronics, who supplies infotainment system technology, including the accused product, to Ford. Ford had the settled expectation that its supplier (Flextronics) would protect its intellectual property and not allow it to be asserted against a Flextronics customer (e.g., Ford).

Second, the *Fintiv* factors strongly favor institution. For example, trial in this matter is not scheduled until more than **eight months after** the expected Final Written Decision, all 13 patents asserted against Ford will be subject to a post-grant validity challenge, and Ford plans to file a motion to stay the litigation.

Third, the PTAB is best suited to analyze and resolve complex legal and technical questions concerning the patentability of the ’697 Patent. In late 2024, AutoConnect sued three unrelated entities: Toyota, General Motors, and Ford—in three separate lawsuits in two different jurisdictions. Across the three lawsuits,

AutoConnect asserted various combinations of fifteen different patents, including asserting thirteen patents against Ford. Of the thirteen patents asserted against Ford, Ford has filed petitions for *inter partes* reviews (IPR) challenging four patents to date; other parties have filed *ex parte* reexaminations (EPRs) challenging five different patents; and Ford plans to file IPRs and/or EPRs challenging the remaining four asserted patents. These post-grant proceedings raise many different combinations of prior art and arguments. Due to the complexity of these patents, the PTAB is best suited to analyze patentability and reduce issues for the district courts.

For these reasons, and the additional ones presented below, and in the Petition, Ford respectfully submits that the Director grant institution under 35 U.S.C. § 314.

II. BACKGROUND

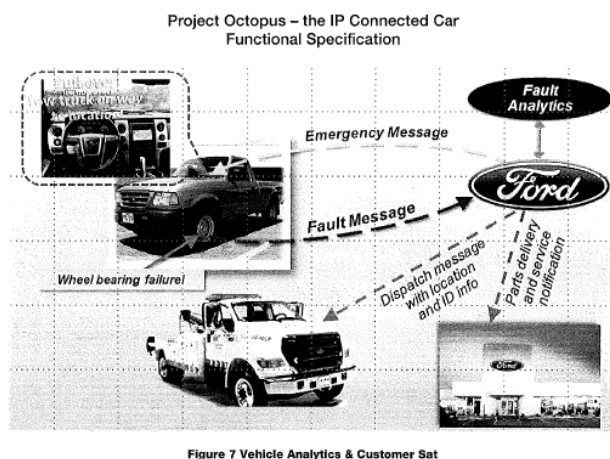
The '697 Patent is directed to a vehicle communication system with a device discovery daemon (computer program) that limits access to onboard vehicle network functionality based on the location of a mobile device. (Corrected Petition, Paper 6 (“Pet.”), 1.) As explained in the Petition, such technology was well known in the art at the time of the alleged invention. (*Id.*).

Ford released its first-generation SYNC infotainment system in 2007 and released SYNC 2 in 2010. (*See* Ex. 1061; Ex. 1062.) Both SYNC systems included user convenience features and features to limit driver access to their mobile phone and certain vehicle system functionality while the vehicle was in motion, e.g., hands-

free calling, voice activated music control, and text-to-voice online messaging control. (Pet., 1-2, *citing* Ex. 1003, ¶¶90-92, 114-115.)

The '697 Patent was filed on April 15, 2014 by Flextronics, and claims priority to a series of provisional patent applications, including U.S. 61/811,981 filed April 15, 2013. (Ex. 1113, 2.) The '697 Patent issued to Flextronics on April 28, 2015. (Ex. 1001, Cover; Ex. 1002, 183-188.)

Ford has been working with Flextronics since at least 2013 to source infotainment technology for use in Ford vehicles and Flextronics markets this long-term relationship. See Ex. 1110, “Flex celebrates 10 years of maintaining Ford’s prestigious Q1 quality certification in Guadalajara, Mexico.” Flextronics included a “Functional Specification” as an Exhibit to its '981 provisional application, which was filed on April 15, 2013, that referenced Ford:



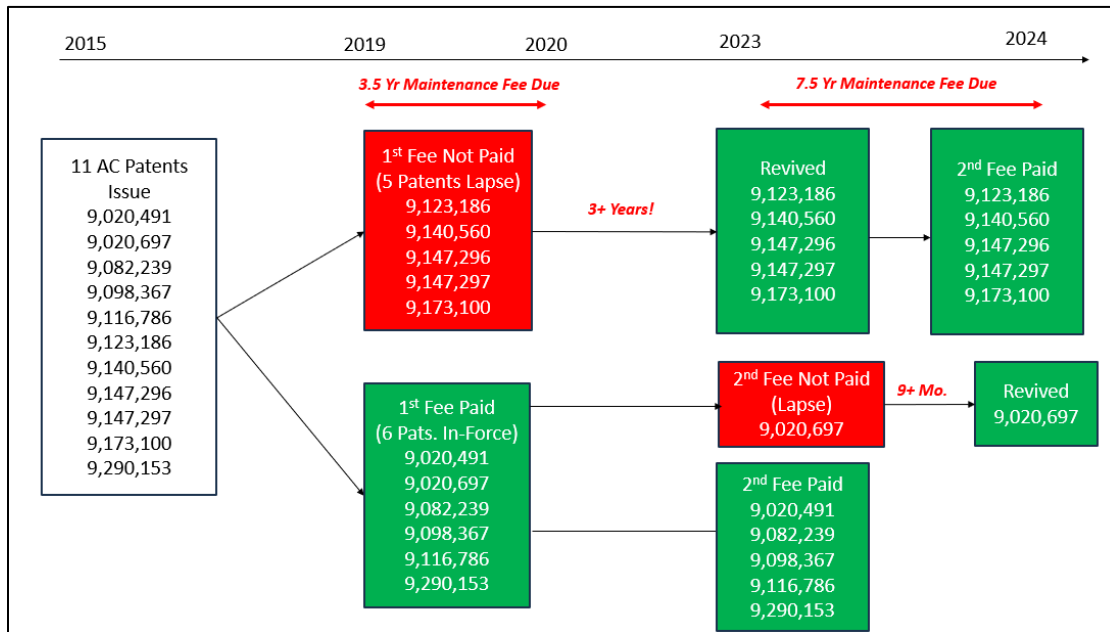
Ex. 1113, 158

Flextronics assigned the '697 Patent to AutoConnect on May 20, 2015, less

than one month after the patent issued. (Ex. 1111, 2.) AutoConnect then assigned the '697 Patent to IP Optimum Limited on May 20, 2019; and IP Optimum Ltd. assigned it back to AutoConnect on March 27, 2020. (*Id.*, 1-2.)

AutoConnect timely paid the first maintenance fee on April 29, 2019, but failed to pay the second maintenance fee by the April 28, 2023 deadline—resulting in the '697 Patent lapsing. (Ex. 1102; Ex. 1002, 898-904.) Thus, when AutoConnect contacted Ford in December 2023 regarding its patents, the '697 Patent had lapsed and was unenforceable. (Ex. 2001.) AutoConnect later revived the '697 Patent on February 16, 2024. (Ex. 1102; Ex. 1002, 898-904.)

AutoConnect's failure to keep the '697 Patent in force is not an isolated incident. AutoConnect has a history of allowing its patents to lapse. In addition to the '697 Patent, AutoConnect allowed five other asserted patents to lapse for failure to pay maintenance fees including: U.S. 9,123,186 (Ex. 1103); U.S. 9,140,560 (Ex. 1104); U.S. 9,147,296 (Ex. 1105); U.S. 9,147,297 (Ex. 1106); and U.S. 9,173,100 (Ex. 1107). These five patents lapsed in September-October 2019 and were not reinstated until several years later in February-April 2023.



Patent Lapse Timeline

As illustrated in the above Timeline, during these time periods when AutoConnect missed maintenance fee payment deadlines on certain patents (Red), it timely paid maintenance fees on other patents (Green). For example, asserted patent U.S. 9,290,153 issued on March 22, 2016; Patent Owner paid the first maintenance fee on March 17, 2020; and timely paid the second maintenance fee on June 5, 2023. (Ex. 1108, 1-3.) AutoConnect’s certifications that its delayed payments were “unintentional” on certain patents, e.g., the ’697 Patent and the ’296 Patent, are undermined by the fact that it paid maintenance fees on other patents in its portfolio during the same time periods. (See *e.g.*, Ex. 1002, 898-899; Ex. 1109, 1071-1074.)

AutoConnect contacted Ford about the AutoConnect patent portfolio, including the ’697 Patent, in December 2023. (Ex. 2001.) Notably, the ’697 Patent

had lapsed and was unenforceable when Ford was contacted by AutoConnect. (Ex. 1102.) Despite its history of delinquent payments to the PTO, AutoConnect ultimately filed suit against three automakers: Toyota and General Motors in the Eastern District of Texas and Ford in the District of Delaware (Ex. 1005.)

III. ARGUMENT

A. The *Fintiv* Factors Favor Institution

The *Fintiv* factors strongly favor institution. *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 (PTAB Mar. 20, 2020) (Precedential); *see also* March 26, 2025 Memorandum: Interim Processes for PTAB Workload Management (“March 2025 Memo”).

1. Factor 1: The Likelihood of a Stay Favors Institution or is Neutral

Factor 1 favors institution or is neutral. AutoConnect argues that a stay is unlikely because not all asserted patents are challenged by IPRs. (Request, 5.) However, Ford plans to file a motion for stay of the related litigation based on the many IPRs and EPRs pending now, and those Ford will file in the near future, to ensure that all thirteen asserted patents are challenged at the USPTO. To date, nine of the thirteen asserted patents have been challenged at the USPTO, including four patents challenged by IPRs and five patents challenged by EPRs. Further, these proceedings challenge all asserted claims from these patents, and Ford plans to challenge the remaining patents with IPRs and/or EPRs by December 6, 2025.

Courts favor a stay when USPTO reviews cover all asserted claims, since the “review could dispose of the entire litigation: the ultimate simplification of issues.” *VirtualAgility Inc. v. Salesforce.com, Inc.*, 759 F.3d 1307, 1314 (Fed. Cir. 2014). Delaware courts extend this principle to all USPTO post-grant challenges including EPRs, noting that PTO expertise streamlines prior art disputes. *Monitoring v. Get-Grin Inc.*, No. 22-647-WCB, 2024 WL 1603403, *5–6 (D. Del. Apr. 9, 2024); *Ever Win Int’l Corp. v. RadioShack Corp.*, 902 F. Supp. 2d 503, 505–07 (D. Del. 2012).

In Delaware, stays are often granted when all claims of all asserted patents are challenged by IPRs. *Consumeron, LLC v. MapleBear Inc.*, No.1:21-1147-GBW-MPT, 2023 WL 3434002, at *2 (D. Del. May 12, 2023) (granting a stay where the IPR proceedings “encompass all of the currently asserted claims of all of the patents-in-suit”). Stays are also granted when asserted patents are challenged by EPR. *Rampart IC, LLC v. Egg Med., Inc.*, 1:24-cv-00643, 2025 WL 1100626, *5 (D. Del. Apr. 14, 2025) (granting a stay where EPR requests were granted against all claims) (Jennifer Choe-Groves J. (presiding over the district court case against Ford)).

The Delaware Court will also grant a stay when less than all asserted patents are challenged, but there is overlap in the patents. *See e.g., NEC Corp. v. Peloton Interactive, Inc.*, No. 22-987-CJB, 2024 WL 1533952, *1 (D. Del. Apr. 9, 2024) (granting a stay, where two of the three asserted patents were subject to pending IPRs given the “real overlap” between the patents); *Speyside Med., LLC v.*

Medtronic CoreValve, LLC, No. 1:20-cv-00361-JLH-CJB, D.I. 155 (D. Del. Sept. 30, 2021) (granting a stay where three of the five patents were challenged given “common specification and similar claim language” between the patents). Here, there is substantial overlapping subject matter in the asserted patents.

Factor 1 favors institution or is at the very least neutral.

2. Factor 2: The Parallel Trial Date Weighs Against Discretionary Denial

Factor 2 strongly favors institution. The co-pending litigation in D. Delaware is in its early stages, and trial is scheduled for October 25, 2027—over eight months after the final written decision here. (Ex. 1112, 29.) The current government shutdown threatens to delay the district court even further. The Federal Government issued a notice on October 17, stating that “Until the ongoing lapse in government funding is resolved, federal courts will maintain limited operations necessary to perform the Judiciary’s constitutional functions.” (Ex. 1114, 1.)

Referencing the timing of its litigation with Toyota in the Eastern District of Texas, AutoConnect argues that it would be inefficient “to have three separate proceedings involving challenges to the validity of the ’697 Patent.” (Request, 6.) However, the PTAB has “found that *Fintiv* factor 2 weighed strongly against exercise of discretion” when “Petitioner is not a party to the [other] Litigation.” *Bose Corp., v. Koss Corp.*, IPR2021-00612, Paper 15, 24 (PTAB Sept. 15, 2021) *citing*

Owens Corning Roofing & Asphalt, LLC v. Kirsch Research & Dev., LLC, IPR2020-01389, Paper 11, 11 (PTAB Feb. 18, 2021). *See also Multi-Color Corp. v. Brook & Whittle LTD*, PGR2025-00025, Paper 10, 2 (PTAB July 16, 2025) (“Other factors counsel against discretionary denial [e.g.,] Petitioner is not a party to either proceeding[.]”)

Additionally, if there is any inefficiency—it is due to AutoConnect asserting the ’697 Patent in two different venues: Delaware and Texas (against Toyota). Further, AutoConnect should have reasonably expected at least one USPTO challenge.

AutoConnect also faults Ford for arguing that the term “and/or” is indefinite in district court but not in the Petition. (Request, 6.) Ford did not argue that the term “and/or” is indefinite before the PTAB because the scope of an IPR challenge under 35 U.S.C. § 311(b) does not include §112, therefore the Board cannot review the indefiniteness issue.

3. Factor 3: The Investment in Parallel Proceedings Weighs Against Discretionary Denial

Factor 3 strongly favors institution. By institution, neither the parties nor the D. Delaware court will have invested significant resources in the litigation. Discovery has just started, but no discovery has been served, and the claim construction hearing is scheduled for September 3, 2026. (Ex. 1112, 28.)

4. Factor 4: The Overlap Between Petition and Parallel Proceeding Weighs Strongly Against Discretionary Denial Because Ford Agreed to Sotera Stipulations

Factor 4 strongly favors institution. AutoConnect asserted claims 1, 8, and 15 of the '697 Patent in its complaint, and Ford challenged all claims in the IPR, including claims 1, 8, and 15. (Ex. 1005, 18; Pet., 4-5.) Further, Ford filed a *Sotera* stipulation on September 8, 2025, thereby mitigating concerns for duplicating efforts and inconsistent conclusions. (Paper 5.) *See Sotera Wireless, Inc. v. Masimo Corp.*, IPR2020-01019, Paper 12 (PTAB Dec. 1, 2020) (Precedential).

AutoConnect argues that the Petition overlaps with the Toyota litigation because both assert Ghabra (Ex. 1011). (Request, 10.) Ford applies Ghabra as a secondary reference in combination with Clement (Ex. 1010) in Ground 2 and with Lickfelt (Ex. 1012) in Ground 4. Toyota does not assert either Clement or Lickfelt in its invalidity contentions (Ex. 2007, 3), therefore even if the unrelated Toyota Litigation was relevant, there would be minimal overlap with the Petition.

5. Factor 5: Whether the Parties Are the Same Is Neutral

Factor 5 is neutral. The parties before the Board and in the parallel district court litigation are the same. *See Shenzhen Root Tech. Co., Ltd. v. Chiaro Tech. Ltd.*, IPR2024-01296, Paper 9, 19-20 (PTAB Feb. 25, 2025) (finding this factor neutral where parties are the same in both proceedings).

6. Factor 6: Other Considerations, Including the Strength of the Petition, Weigh Strongly Against Discretionary Denial

Factor 6 strongly favors institution because the Petition presents compelling merits and because the district court litigation is complex.

a. The Petition properly relies on expert testimony

AutoConnect argues that the declaration of Dr. Cooklev (Ex. 1003) “fill[s] in the gaps between the prior art and the claims[.]” (Request, 11.) Without citing a specific example of gap-filling, AutoConnect faults the Petition for citing to the declaration 147 times, and that the declaration has more pages than the Petition. (*Id.*)

In the March 2025 Memo, the Acting Director indicated that she would consider the “extent of the petition’s reliance on expert testimony[.]” (March 2025 Memo, 2.) In *iRhythm*, the Director held that this factor weighs towards institution when the expert “explain[s] the background knowledge” of a POSA, “provides citations to evidence in support of his statements,” and does not “fill gaps in the prior art.” *iRhythm Techs., Inc. v. Welch Allyn, Inc.*, IPR2025-00377, Paper 10, 2–3 (PTAB Jun. 6, 2025).

Dr. Cooklev did just that—he provided a detailed explanation of the state-of-the art, including Ford’s prior commercialization of the Sync infotainment system in 2007—six years before the earliest claimed filing date of the ’697 Patent. (Ex. 1003, ¶¶ 90-92, 86-121.) Dr. Cooklev also provided ample citations to evidence in support

of his opinions. As in *iRhythm*, the Petition's degree of reliance on Dr. Cooklev's expert opinion weighs towards institution. Ford relies on its expert to explain what a POSA would have understood at the relevant time in view of supporting evidence. *See Xerox Corp. v. Bytemark, Inc.*, IPR2022-00624, Paper 9 (Aug. 24, 2022) (Precedential).

b. Compelling merits favor institution

AutoConnect challenges the rationale to combine Grounds 2 and 4, but does not challenge the merits of Grounds 1 and 3. (Request, 11-15.) As described in detail in the Petition for Ground 2, claims 3, 10, and 17 are unpatentable as obvious over Clement and Ghabra (Pet., 52-65); and regarding Ground 4, claims 3, 5, 10, 12, 17, and 19 are unpatentable as obvious over Lickfelt and Ghabra (Pet., 80-93). AutoConnect's merits-based arguments regarding the rationale to combine for Grounds 2 and 4 present only attorney argument, while Ford's rationale to combine for each ground is fully supported with expert testimony and additional supporting evidence that details the state of the art. (Pet., 52-59, 80-87.)

Regarding Ground 2, AutoConnect argues that the prior art is directed to narrow scope, i.e., "a POSA building an active command system—like that in Clement—would have no reason to consider the teachings of a passive vehicle system—like that described by Ghabra." (Request, 13.) AutoConnect's argument fails to consider the knowledge of a POSA in view of the breadth of the prior art. As

explained by Dr. Cooklev, Clement and Ghabra are from the same field—communication between a vehicle system and one or more portable devices; and both seek to improve the comfort and user convenience of operating a vehicle. (Pet., 53; Ex. 1003, ¶296.) A POSA would have understood that Clement and Ghabra are complementary technologies that are combinable, e.g., Clement discloses that “these and other variations and combinations of the features discussed above can be utilized without departing from the subject matter as defined by the claims.” (Pet., 52; Ex. 1003, ¶293; Ex. 1010, 13:19-24.) Further, it would have been obvious to a POSA at the time of the alleged invention to combine the vehicle permission management system for communicating with a portable communication device, as disclosed in Clement, with the known technique of device discovery and positioning (localization), as disclosed in Ghabra, to provide additional functionality and user convenience improvements including passive control, improved security and response time, and conservation of battery life. (Pet., 52; Ex. 1003, ¶¶293-325.)

Regarding Ground 4, AutoConnect argues that Lickfelt criticizes prior art systems like Ghabra that “rely on discrete event triggers because those systems fail to unlock vehicles fast enough[.]” (Request, 14.) However, this argument fails to consider the proposed combination which utilizes Lickfelt’s passive entry system for unlocking the door and Ghabra’s passive start strategy for starting the vehicle, i.e., “[i]t would have been obvious to a POSA at the time of the alleged invention to

combine the passive entry system for a vehicle as disclosed in Lickfelt, with the known technique of device discovery and positioning (localization) as disclosed in Ghabra to provide additional functionality and user convenience improvements including passive start functionality and improved security.” (Pet., 84.) Further, as explained by Dr. Cooklev, Ghabra’s system provides faster response time by authenticating or authorizing a fob before allowing it to access the vehicle network by using unique identifier numbers or security codes sent using an ultra-high frequency (UHF) signal. (Ex. 1003, ¶486.)

c. Complex litigation favors institution

AutoConnect argues that “the validity determination will turn on competing expert testimony which is best assessed through live expert testimony in district court.” (Request, 12.) On the contrary, the Board is best suited to address the complex technical issues raised here because the PTAB Administrative Patent Judges (APJs) have technical backgrounds and are paneled based on the technology of the challenged patent. (PTAB Standard Operating Procedure 1, Revision 16, June 12, 2024, Section E, “Paneling by technology”, 8.) The District of Delaware, where the related litigation is pending, recently expressed a similar view. *Monitoring*, 2024 WL 1603403, *5 (D. Del. Apr. 9, 2024) (“Put more simply, it makes sense to ask the agency that issued the patent in the first place to decide whether it made a mistake, rather than to ask a court and eight jurors—strangers to the original issuance

decision—to take the lead in second-guessing the PTO's issuance decision.”).

The PTAB has held that it is more efficient for the PTAB to resolve disputes between parties when there is a large number of parties and patents in a multitude of districts. *See Harbor Freight Tools USA, Inc. Generac Power Systems, Inc. and MWE Investments, LLC v. Champion Power Equipment, Inc.* IPR2025-00805, Paper 20 (PTAB Sept. 19, 2025) (Decision Referring to the Board—where the district court litigations involve thirteen patents asserted in multiple district courts); *see also Berkshire Hathaway Energy Company et al., v. Birchtech Corp.*, IPR2025-00274, Paper 23 (PTAB July 2, 2025). Here there are fifteen different patents asserted against three different parties in two jurisdictions.

The Board has also held that “[t]he large number and vast scope of the patents asserted in the district court litigation [] weighs against discretionary denial, as the Board is better suited to review a large number of patents involving diverse subject matter.” *Shenzen Touzhu Technology Co., LTD v. Stratasy, Inc.*, IPR2025-00438, Paper 10, 3 (PTAB July 17, 2025) (Decision Referring to the Board) *citing Tesla, Inc. v. Intellectual Ventures II LLC*, IPR2025-00217, Paper 9, 2–3 (Director June 13, 2025). Here the vast scope of the asserted patents is evidenced by the different prior art combinations asserted in each proceeding.

B. Settled Expectations of the Parties Do Not Weigh in Favor of Discretionary Denial

1. Ford Had Strong Settled Expectations of Non-Enforcement

Settled Expectations strongly favor institution, because *inter alia*, the '697 Patent had not “been commercialized, asserted, marked, licensed, or otherwise applied in a petitioner’s particular technology space, if at all” before AutoConnect contacted Ford in December 2023. *Intel Corp. v. Proxense LLC*, IPR2025-00327, Paper 12, 2–3 (PTAB June 26, 2025). As a non-practicing entity (NPE), AutoConnect has not commercialized or marked products with the '697 Patent. Further, AutoConnect first publicly asserted the '697 Patent in October 2024, when it sued Toyota, and there is no record of AutoConnect licensing the '697 Patent.

a. Ford’s Supplier filed the '697 Patent

AutoConnect asserts that “[t]he '697 Patent has been in force for more than 10 years, which in and of itself creates settled expectations.” (Request, 15.) But AutoConnect did not own the '697 Patent throughout that time period and Ford had settled expectations that the original owner of the '697 Patent (Flextronics) would not assert the '697 Patent against Ford and its SYNC infotainment system because Flextronics supplied the SYNC system to Ford.

Although the '697 Patent issued in 2015, it was filed by and issued to Flextronics. (Ex. 1001, cover.) Flextronics is a long-time supplier of infotainment systems to Ford. *See* Ex. 1110. The first sale doctrine and the doctrine of patent exhaustion prevent Flextronics from asserting its patents against products it sells to

Ford. *See Impression Products v. Lexmark Intern.*, 581 U.S. 360, 137 S. Ct. 1523, 1533 (2017); *Quanta Computer, Inc. v. LG Electronics, Inc.*, 553 U.S. 617, 128 S. Ct. 2109, 2111 (2008) (“The patent exhaustion doctrine provides that a patented item's initial authorized sale terminates all patent rights to that item.”). Ford expects its suppliers to protect their patent portfolios from being asserted against Ford, e.g., by retaining a license before selling an asset covering current products. Flextronics never informed Ford that it transferred the ’697 Patent to a third party; indeed Ford was unaware of any such transfer until AutoConnect contacted Ford in December 2023.

b. AutoConnect held the ’697 Patent for more than six years without alleging infringement

AutoConnect took ownership of the ’697 Patent in May 2015 but waited until 2023 to assert it against Ford. (Ex. 1111.) Ford commercialized the accused infotainment system in 2007, and AutoConnect had actual knowledge of Ford’s infotainment systems, e.g., by its reference to Ford in its earliest claimed provisional application 61/811,981 filed April 15, 2013. (Ex. 1113, 158) and the original owner of the ’697 Patent (Flextronics) supplying the accused product. Nonetheless, AutoConnect did not assert the patent against Ford until December 2023, and did not assert the patent publicly against any party until suing Toyota in October 2024. This is an additional reason Ford did not expect to face the ’697 Patent in litigation.

2. AutoConnect Has No Settled Expectations Because It Allowed the '697 Patent to Lapse

The '697 Patent issued on April 28, 2015, and AutoConnect failed to pay the second maintenance fee by its deadline of April 28, 2023, resulting in the '697 Patent expiring early. *See* 37 C.F.R. § 1.362(g). AutoConnect revived the '697 Patent approximately ten months later, on February 16, 2024. (Ex. 1002, 898-899, 904; Ex. 1102, 3.) AutoConnect asserts that it contacted Ford in December 2023 regarding its patent portfolio to provide “actual notice.” (Request, 16.) However, the '697 Patent was lapsed at that time for failure to pay maintenance fees. (Ex. 1002, 898-904.) This is another reason Ford did not expect to face the '697 Patent in litigation.

Ford expected non-enforcement of the '697 Patent, and other patents of the AutoConnect patent portfolio, because the patents had lapsed. The PTAB has found a Petitioner’s expectation of non-enforcement of an expired challenged patent to outweigh a Patent Owner’s “settled expectations.” *See Google LLC v. Sandpiper CDN, LLC*, IPR2025-00806, Paper 12, 4–5 (PTAB September 12, 2025); *Globus Med., Inc., v. Spinelogik, Inc.*, IPR2025-00225, Paper 8, 2 (PTAB June 12, 2025).

C. Institution of Ford’s IPR Petition Is Appropriate Because the Patent Office Erred During Prosecution

Denial under §325(d) is not warranted because the applied art was not before the Examiner during prosecution, and examination was cursory—the Examiner issued a first action notice of allowance of all claims without rejection or objection.

(Pet., 13-14; Ex. 1002, 585-592; Ex. 1003, ¶¶73-76.)

In addition to the facts outlined previously that undermine Patent Owner's settled expectations of the '697 Patent and demonstrate Petitioner's settled expectations of non-enforcement of the '697 Patent, it would be an efficient use of Board resources to institute in order to consider the references not applied during prosecution. *See Intel*, IPR2025-00327, 2–3 (citing *Dabico Airport Solutions Inc. v. Axa Power Aps*, IPR2025-00408, Paper 21 at 2–3 (Acting Director Stewart June 18, 2025)).

IV. CONCLUSION

Petitioner Ford requests the Board grant institution of the Petition.

Dated: November 7, 2025

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Certificate of Service

The undersigned hereby certifies that on **November 7, 2025**, a complete and entire copy of **Petitioner's Response and Exhibits to Patent Owner's Request for Discretionary Denial**, was served via electronic mail to the attorneys listed below:

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Certificate of Compliance Pursuant to 37 C.F.R. § 42.24

This paper complies with the type-volume limitation of 37 C.F.R. § 42.24. The paper contains 20 pages, excluding the parts of the paper exempted by §42.24(a).

This paper also complies with the typeface requirements of 37 C.F.R. § 42.6(a)(ii) and the type style requirements of § 42.6(a)(iii)&(iv).

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