

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

FORD MOTOR COMPANY,
Petitioner

v.

AUTOCONNECT HOLDINGS LLC,
Patent Owner

Case No. IPR2025-01383
Patent No. 9,290,153

**PATENT OWNER'S REQUEST FOR DIRECTOR REVIEW
UNDER 37 C.F.R. § 42.75**

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PATENT OWNER'S EXHIBIT LIST

Exhibit	Description
2001	Letter from William Woodford, Counsel for AutoConnect Holdings LLC to Steven Croley, General Counsel for Ford Motor Company, dated December 28, 2023.
2002	Email from Tom Yerbernetsky, Counsel for Ford Global Technologies to William Woodford, Counsel for AutoConnect Holdings LLC, dated March 4, 2024.
2003	Letter from Charles J. Monterio, Jr., Counsel for Ford Motor Company to William Woodford, Counsel for AutoConnect Holdings LLC, dated May 16, 2024.
2004	Letter from Charles J. Monterio, Jr. Counsel for Ford Motor Company to William Woodford, Counsel for AutoConnect Holdings LLC, dated July 22, 2024.
2005	First Amended Docket Control Order, <i>AutoConnect Holdings, LLC v. Toyota Motor Corp.</i> , No. 2:24-CV-00802-JRG-RSP, ECF No. 53 (E.D. Tex. February 13, 2025) (Gilstrap, J.)
2006	ORDER Denying Motion to Dismiss, <i>AutoConnect Holdings, LLC v. Ford Motor Company</i> , No. 1:24-CV-01327-JCG, ECF No. 24 (Dist. of Del. September 24, 2025) (Choe-Groves, J.)
2007	Annotated Excerpts of Toyota's Invalidity Contentions <i>served</i> April 1, 2025, <i>AutoConnect Holdings, LLC v. Toyota Motor Corp.</i> , No. 2:24-cv-00802-JRG-RSP (E.D. Tex.)

2008	March 24, 2025 Guidance on USPTO’s recission of “Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation”
2009	October 3, 2025 Update to USPTO Interim Director Discretionary Process
2010	USPTO FAQs for Interim Processes for PTAB Workload Management (Archived)

I. INTRODUCTION

This request for Director review involves validity challenges to two patents that issued about a decade ago and that the Petitioner Ford did not seek to challenge until about nineteen months after being notified of its infringement. Notwithstanding the age of the patents and Ford’s prolonged delay, the discretionary decision to refer the patents (the “Decision”)¹ turned on a novel, supplier-based “settled expectations” theory advanced by Ford. That theory depended on a series of factual predicates concerning supplier relationships, patent ownership, and licensing expectations. Those predicates were accepted in the Decision, but they were neither supported by record evidence nor presented with the clarity or precision necessary for a discretionary determination.

The Director and the Board must be able to rely on petitioners to present the factual bases for discretionary arguments in a clear and complete manner, particularly where those facts are alleged to be outcome-determinative. Here, Ford framed its assertions in generalized terms that obscured the absence of evidence tying Flextronics—the original assignee of the patents—to the accused systems and

¹ The Decision at issue applied to two different proceedings, IPR2025-01383 (Paper 11) and IPR2025-01342 (Paper 10). Patent Owner is filing the same Request for Director Review in both proceedings to streamline the Director’s review.

relevant model years. As a result, the Decision rested on an incomplete factual picture that never showed Flextronics was a supplier of the accused technology.

Specifically, the Decision accepted Ford’s factual claims that Flextronics had been supplying Ford with the very infotainment systems accused of infringement both before and after the challenged patents issued and were assigned. Based on that premise, the Decision concluded that Ford had “well-settled expectation[s]” that the ’153 and ’697 patents would not be asserted against it. But the evidence Ford cited concerns legacy infotainment systems that predate—and do not implement—the functionality accused of infringement.² The record contains no evidence that

² Patent Owner has requested permission to introduce new evidence related to the factual claims made by Ford that has been introduced in other proceedings but that Patent Owner did not have the opportunity to introduce in the underlying proceedings. Patent Owner has additionally requested an extension to permit this request for director review to be extended until after the Director has issued its forthcoming written explanation in IPR2026-00002 involving similar issues. The Director has not yet ruled on that request, so Patent Owner files this request to ensure compliance with the applicable rules for requesting Director review. *See* Decision at 4 (directing parties not to file a request for rehearing or Director Review “until a

Flextronics every supplied the Accused Systems, yet that assumption was central to the settled-expectations analysis. By accepting these incorrect factual claims, the Decision was based on erroneous findings of material fact.

Patent Owner later had the opportunity to contest these same factual predicates in a subsequent proceeding in which Ford advanced the same general supplier-based argument. On a more complete and adversarially-tested record, the Director discretionarily denied institution. That subsequent determination confirms that the factual assumptions underlying the Decision here do not withstand scrutiny and that reconsideration is warranted. Patent Owner therefore respectfully requests Director review to ensure that the discretionary analysis rests on accurate, fully supported facts and consistent application of settled-expectation principles.

II. THE DECISION TURNED ON FORD’S ALLEGATIONS CONCERNING SUPPLIER-BASED “SETTLED EXPECTATIONS.”

The Decision denying Patent Owner’s requests for discretionary denial rested on a single, dispositive rationale: that Ford had “well-settled expectation[s]” that the ’153 and ’697 patents would not be asserted against it. Decision at 3. That conclusion did not flow from the objective factors that typically inform the settled-

Notice of Decisions on Institution including this case issues”); *see also Interim Director Discretionary Process*, <https://www.uspto.gov/patents/ptab/interim-director-discretionary-process> (same); 37 C.F.R. §§ 42.75(c)(1) & 42.71(d)(1).

expectations inquiry—such as patent age or petitioner delay—but instead from Ford’s asserted relationship with the original patent owner, Flextronics. *Id.* at 2.

In particular, the Decision stated that “Petitioner shows that *Flextronics has been supplying Petitioner with infotainment systems* for its vehicles since 2013, and that Flextronics later was granted patents, including the *challenged patents, directed to those very infotainment systems.*” *Id.* (emphasis added). The Decision further stated that although Flextronics assigned the challenged patents to Patent Owner in 2015, it “*continued to supply Petitioner* commercially with its infotainment systems.” *Id.* (emphasis added). On that basis, the Decision concluded that “[i]t is eminently reasonable for a customer to *expect its supplier, especially one that previously owned patents, to provide it with products that have all necessary licenses.*” *Id.* at 3 (emphasis added).

These statements reflect that the Decision expressly adopted Ford’s factual premise that Flextronics supplied the accused systems, both before and after the patents issued and were assigned. That premise was treated as an established fact sufficient to override the otherwise strong settled expectations arising from the patents’ age and Ford’s delay. The discretionary analysis therefore rose or fell on the accuracy of Ford’s supplier-based factual narrative.

The Decision also referenced the maintenance fee lapse on one of the two patents as a circumstance that “cut[s] against” Patent Owner’s own settled

expectations. *Id.* at 3. But the Decision made clear that this consideration applied only to one patent and was found to bear on Patent Owner’s settled expectations “as to *that* [temporarily lapsed] patent.” *Id.* (emphasis added). Maintenance fees therefore could not have supplied the basis for the settled-expectations determination as to both challenged patents and did not drive the outcome.

Thus, the Decision accepted Ford’s assertions regarding *Flextronics’ early and continuing supply of the accused systems* and the licensing expectations purportedly arising from that relationship. Those assertions were accepted without adversarial testing. In the ’153 proceeding, the Decision issued the day after Ford filed its opposition to Patent Owner’s request for discretionary denial, leaving no practical opportunity for Patent Owner to address or rebut Ford’s factual predicates before the Decision issued. *Compare* IPR2025-01383, Paper 9 (filed November 19, 2025), *with* Paper 10 (issued November 20, 2025). Although the timing differed slightly in the ’697 proceeding, the Decision issued well in advance of the deadline and rested on the same unsupported factual premises. *Compare* IPR2025-01342, Paper 8 (filed November 7, 2025), *with* Paper 9 (issued November 20, 2025).

When those same factual predicates were later examined on a more complete record in the ’296 proceeding, Ford offered a fallback position that was untethered to Flextronics’ supply of the accused systems. Thereafter, the Director discretionarily denied institution. That subsequent development underscores why

Director review is warranted here. Where a discretionary determination rests on generalized and unsupported factual assertions—and those assertions later fail once precision and evidentiary support are required—reconsideration is appropriate to ensure that the settled-expectations analysis rests on an accurate record.

III. FORD’S SUPPLIER-BASED “SETTLED EXPECTATIONS” THEORY IS FACTUALLY UNSUPPORTED AND CONTRADICTED BY ITS OWN ADMISSIONS.

The Decision’s conclusion that Ford had “well-settled expectation[s]” that the ’153 and ’697 patents would not be asserted against it was based on Ford’s factual representation that Flextronics supplied the accused products. Decision at 2. That representation was accepted as a factual predicate for the discretionary analysis. But the record does not support it. When the underlying assertions are examined with the specificity required for a settled-expectations inquiry, they dissolve.

A. Ford’s Delay and Longstanding Notice of Its Infringement Reinforced Patent Owner’s Settled Expectations.

As the Director’s guidance explains, and as Board precedent reflects, settled expectations are ordinarily assessed based on objective historical facts—most prominently the age of the patent and Petitioner’s diligence in seeking review. Those factors strongly support denial here.

The challenged patents issued over nine years ago. During that time, Ford implemented and expanded upon the accused technologies without seeking administrative review. Ford did not pursue *inter partes* review when the patents

issued, when the accused features were introduced, or when infringement was first alleged in 2023. IPR2025-01383, Paper 8 at 1, 15-16; IPR2025-01342, Paper 7 at 1, 16-17; Ex. 2001. That extended inaction reinforced Patent Owner’s settled expectations and weighs heavily against institution under the Director’s guidance.

B. Ford’s Relationship with Flextronics Does Not Disrupt Settled Expectations.

The Decision nevertheless concluded that settled expectations favored institution based on Ford’s assertion that Flextronics was a longtime and ongoing supplier of the accused products, giving rise to a reasonable expectation by Ford that the challenged patents would not be asserted. Decision at 2-3. That conclusion depends on a chain of factual premises that Ford never substantiated.

First, Ford’s supplier-based theory presupposes that Flextronics supplied the accused products. In both the ’153 and ’697 proceedings, Ford broadly asserted that it did not expect to be sued because “[t]he first sale doctrine and the doctrine of patent exhaustion prevent Flextronics from asserting its patents against *products it sells to Ford*.” IPR2025-01383, Paper 9 at 19 (emphasis added); IPR2025-01342, Paper 8 at 17-18 (emphasis added). That argument rises or falls on whether Flextronics in fact supplied the accused products.

But Ford never tied Flextronics to the accused products—*Apple CarPlay* and *Android Auto* for the ’153 patent, and *Phone As A Key* for the ’697 patent—nor did it attempt to link Flextronics to the relevant model years (2017 and later for the ’153

patent; 2020 and later for the '697 patent). Ex. 1005, ¶¶ 65, 262. Instead, Ford relied on generalized references to “SYNC infotainment systems,” without identifying which generation, which model years, and which functionality. IPR2025-01383, Paper 9 at 3, 18; IPR2025-01342, Paper 8 at 3, 17.

That framing omitted a critical distinction. SYNC is not a single, static system; it has undergone multiple overhauls. Ford has acknowledged in other proceedings that later generation systems, such as SYNC 3, were supplied by other vendors, including Panasonic. *See Ford Motor Company v. AutoConnect Holdings LLC*, IPR2026-00002, Paper 8 at 6 (Oct. 2, 2025). Ford itself confirms that it did not offer CarPlay—an accused functionality—until it launched SYNC3 in 2016. IPR2025-01383, Paper 9 at 3 (“Ford first implemented Apple CarPlay in SYNC 3 in 2016.”).

The evidence Ford cited concerning Flextronics’ supply activities underscores the disconnect. In IPR2025-01342, Ford’s only evidence is an exhibit indicating that Ford had granted a Flextronics facility in Mexico some sort of quality certification, without any evidence tying Flextronics to supply of any product, let alone an accused product. Ex. 1110. Ford’s reference to a Ford logo in a Figure of a provisional patent application disconnected from the claimed invention or any Ford products similarly fails to lend any support to its argument. Ex. 1113. In IPR2025-01383, Ford additionally cites two 2010 articles (Exs. 1117 and 1118) describing legacy systems

that predate the accused functionality and were replaced well before the 2017 and later model years accused of infringement. *See* Ex. 1005, ¶¶ 65, 262 (identifying accused products and model years). Reliance on such evidence to support supply of systems implementing CarPlay and Android Auto starting in 2017, or Phone As A Key starting in 2020, is chronologically and technologically misplaced. Had Flextronics actually supplied the accused functionality, Ford could have easily submitted evidence demonstrating that fact. It did not.

Second, even if Flextronics had supplied some infotainment systems, Ford never established that Flextronics was the ***exclusive supplier*** of any accused system. Exclusivity is a necessary predicate for any supplier-based expectation of non-assertion. Without it, neither patent exhaustion nor a hypothetical supplier license could insulate Ford from infringement arising from systems sourced elsewhere.

When this issue was raised in the later '296 proceeding, Ford confirmed the opposite—admitting that it “worked with multiple suppliers to develop and manufacture SYNC technology, including Microsoft [and] Panasonic,” in addition to Flextronics. IPR2026-00002, Paper 8 at 6. That admission is incompatible with the assumption that a single supplier relationship settled Ford’s expectations regarding non-assertion of the challenged patents.

Third, Ford failed to show that it ever actually believed, at the relevant times, that Flextronics retained licensing rights after divesting the patent portfolio in 2015.

Although the Decision accepted Ford’s statement that it “expects its suppliers to protect their patent portfolios,” Ford did not assert any supplier-license theory when first confronted with infringement in 2023 and learned the patents had been divested to Patent Owner. *See* IPR2025-01383, Paper 9 at 19; IPR2025-01342, Paper 8 at 18. That silence—at the moment when such a theory would have been most natural and advantageous—cannot be reconciled with any genuine, contemporaneous belief that Flextronics’ supplier status insulated Ford from infringement liability. Settled expectations require more than an assumption articulated after the fact.

Fourth, when Patent Owner squarely challenged Ford’s supplier-based assertions in the ’296 proceeding, Ford offered a backstop position to its claim that Flextronics supplied the accused systems, instead asserting that it would not expect to be sued by a current supplier “regardless of the source of the accused goods.” IPR2026-00002, Paper 8 at 6. That reframing confirms that the more specific factual premises underlying the Decision here could not withstand scrutiny once precision and evidentiary support were required. It also demonstrates that the earlier record did not support the factual assumptions that were adopted as dispositive in the settled-expectations analysis.

IV. THE ALLEGED MAINTENANCE-FEE LAPSE FOR ONE PATENT DOES NOT OVERCOME STRONG SETTLED EXPECTATIONS.

The Decision referenced Patent Owner’s failure to timely pay maintenance fees on one of the challenged patents as a circumstance that “cut[s] against” Patent

Owner's settled expectations. Decision at 3. That reference, however, does not support the discretionary determination reached here and does not alter the settled-expectations analysis for several independent reasons.

First, no maintenance-fee lapse issue exists with respect to the '153 patent. As the Decision itself recognizes, the alleged lapse pertained only to the '697 patent. *Id.* The Director expressly framed the issue as bearing on Patent Owner's settled expectations "as to that patent," confirming that maintenance fees could not have supplied the basis for referring both patents in the Decision. *Id.* Any settled-expectations analysis that applied across both proceedings therefore necessarily rested on other considerations.

Second, even where a patent has temporarily lapsed for failure to pay maintenance fees, that circumstance does not, standing alone, negate settled expectations or compel institution. The Director's discretionary denial in the subsequent '296 proceeding confirms this point. There, the '296 patent *did* lapse momentarily for failure to pay maintenance fees, yet the Director nevertheless denied institution. *See* IPR2026-00002, Paper 8 at 7-9; IPR2026-00002, Paper 10. Although Patent Owner has not yet received the Director's written explanation, the outcome confirms that a temporary maintenance-fee lapse is not dispositive and cannot override other objective factors such as patent age and petitioner delay.

Third, the record contains no evidence that Ford was ever aware of any

alleged maintenance-fee lapse at any relevant time. Settled expectations are inherently reliance-based; they turn on what a petitioner reasonably believed when it implemented the accused technology, delayed seeking review, or was first accused of infringement. Ford has not identified any evidence that it knew of a lapse when it implemented the accused features, during the many years when it refrained from seeking administrative review, or when it first received notice of infringement. Absent such awareness, the alleged lapse could not have informed Ford's expectations or justified its prolonged inaction.

Fourth, applicable regulations confirm that once a delayed maintenance-fee payment is accepted, “the patent shall be considered as not having expired.” 37 C.F.R. § 1.378(a). Thus, even as a matter of patent status, a temporary lapse does not undermine the objective settled expectation associated with an issued patent that remains in force.

In sum, maintenance-fee status does not explain or justify the discretionary outcome reached in the Decision. It applies only to one of the two challenged patents, it is not dispositive even where it occurs, it played no role in shaping Ford's claimed expectations, and it was legally cured upon acceptance of delayed payment. The settled-expectations inquiry must—and did—turn on Ford's supplier-based factual narrative, the deficiencies of which warrant reconsideration.

V. CONCLUSION

Director review is particularly appropriate under these circumstances. The Decision expressly rested on factual claims regarding supply, patent exhaustion, and licensing expectations that were not supported by evidence and were later shown to be unsustainable on a complete record. Reconsideration will promote consistency, fairness, and confidence that the discretionary determination rests on an accurate record. Accordingly, Patent Owner respectfully requests the Director to review and vacate the Decision as to IPR2025-01383, and discretionarily deny its institution.

Date: January 30, 2026

Respectfully submitted,

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that the foregoing **PATENT OWNER'S REQUEST FOR DIRECTOR REVIEW UNDER 37 C.F.R. § 42.75** was served electronically via e-mail on January 30, 2026, in its entirety on the following counsel of record for Petitioner:

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