

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. IPR2025-01524
Patent No. 9,123,186

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

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I. INTRODUCTION

Patent Owner AutoConnect requests Director review of the institution decision because Ford has taken materially inconsistent positions across forums on issues central to the Board’s discretionary analysis and claim construction.

First, despite challenging a ten-year old patent, Ford persuaded the Board that it had developed settled expectations that it would not be sued on the challenged patent because the patent was originally owned by one of its suppliers, Flextronics. Yet in the parallel litigation Ford has stated that it did not even know the patent existed until it received AutoConnect’s infringement notice in December 2023. If Ford was unaware of the patent until AutoConnect charged it with infringement, it could not have formed settled expectations that the patent would not be enforced against it, undermining the factual premise on which the institution decision rested.

Second, Ford filed its Petition on the premise that the claims are definite and should receive their “plain and ordinary meaning,” outside of three terms for which it offered affirmative constructions. But Ford later asserted in district court that every challenged claim has numerous indefinite terms. The Director has made clear that petitioners may not “have it both ways” by advancing incompatible positions across forums without a sufficient explanation. *Revvo Techs., Inc. v. Cerebrum Sensor Techs., Inc.*, IPR2025-00632, Paper 36 at 3 (Director Jan. 26, 2026).

Ford’s inconsistent litigation positions independently and collectively warrant

Director review, vacatur of the institution decision, and discretionary denial. Patent Owner has raised the same issues in IPR2025-01383 and IPR2025-01342, where requests for Director review remain pending.

II. THE DECISION RESTS ON FORD’S SUPPLIER-BASED “SETTLED EXPECTATIONS” NARRATIVE.

The Decision denying Patent Owner’s request for discretionary denial rests on Ford’s assertion that its relationship with Flextronics created settled expectations that the ’186 patent would not be asserted against it. *See* Paper 7 at 1 (asserting that “Ford’s long-standing and continuous business relationship with Flextronics—the original owner of the ’186 Patent and supplier of the accused SYNC infotainment system—created well-settled expectations that the ’186 Patent would not be asserted against Ford.”).

Although the Decision in this proceeding was summarily issued, the Director’s decisions in related proceedings—both currently subject to a pending Request for Director Review—make clear the factual premise underlying that reasoning. There, the Director 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. IPR2025-01383, Paper 11 at 2; IPR2025-01342, Paper 10 at 2 (emphasis added). The Director 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).

Accordingly, the discretionary analysis turned on the accuracy of Ford’s supplier-based factual narrative. If that narrative is unsupported, the premise underlying the Decision cannot stand.

III. FORD’S LITIGATION POSITION CONTRADICTS ITS SUPPLIER-BASED “SETTLED EXPECTATIONS” THEORY.

A. Ford’s Stated Unawareness of the Patent Forecloses Any Claim That It Formed Expectations of Non-Assertion.

Ford’s settled-expectations theory collapses under its own litigation position. To avoid discretionary denial, Ford argued that its “decade-long and continuous customer-supplier relationship . . . developed a well-settled expectation that it would not be accused of infringing the challenged patents.” Paper 7 at 5. But now Ford contends in the parallel litigation that it *did not even know the patents existed* until 2023. If Ford was unaware of the patent, it could not have formed expectations—settled or otherwise—about whether those patents would be asserted. Ford’s litigation position directly contradicts the factual premise underlying its settled-expectations argument.

Ford’s conduct when it first received AutoConnect’s infringement notice

further confirms the point. When Patent Owner notified Ford of its infringement in December 2023—the moment when any supplier-license theory would have been most relevant—Ford did not suggest that it possessed a license from Flextronics or advance any supplier-based defense. 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 insulated Ford from infringement liability.

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

Ford’s unawareness of the challenged patents is not the only fact that rebuts its settled-expectations narrative.

First, Ford fails to show that Flextronics ever supplied any systems accused of infringement. Flextronics’ alleged early and ongoing supply of the accused system is the foundation of Ford’s argument, as shown by Ford’s repeated emphasis of this point:

- “Ford’s long-standing and continuous business relationship with Flextronics—the original owner of the ’186 Patent and *supplier of the accused SYNC infotainment system*—created well-settled expectations that the ’186 Patent would not be asserted against Ford.” Paper 7 at 1.
- “Flextronics is the original owner of the challenged patent and *supplies the accused SYNC infotainment system*.” *Id.* at 3.

- “Flextronics never informed Ford that it transferred the ’186 Patent to a third party. Ford remained unaware of any such transfer until AutoConnect contacted Ford in December 2023. Yet *Flextronics continued to supply Ford the accused SYNC system* after assigning the ’186 Patent.” *Id.* at 4; *see also id.* at 6-7 (again claiming that *Flextronics supplied “the accused product”*).

Ford repeatedly claims that Flextronics supplies the accused systems because the premise of its settled-expectations argument is that “the first sale doctrine and the doctrine of patent exhaustion prevent Flextronics from asserting its patents against *products it sells to Ford.*” *Id.* at 5 (emphasis added). The Decision accepted that factual premise.

The problem with this is that Flextronics *does not supply* the accused system—*Phone As A Key*—nor does Ford link Flextronics to the relevant model years (2020 and later). Ex. 1005, ¶ 153. Instead, Ford relied on vague references to “SYNC infotainment systems” and a “SYNC module” without identifying which generation, which model years, and which functionality. Paper 7 at 1, 3, 4, 6 (citing Ex. 1121).

The evidence Ford provided does nothing to resolve this problem. Ford cites a pair of **2010** articles (Exs. 1117 and 1118) that describe legacy systems that predate the accused functionality and were *replaced* well before the **2020** and later model years accused of infringement. *See* Ex. 1005, ¶ 153 (identifying accused products

and model years). Ford also cites an exhibit indicating that Ford had granted a Flextronics facility in Mexico some sort of quality certification, but provides no evidence tying that facility to the supply of any Ford product, let alone an accused product. Paper 7 at 4 (citing Ex. 1110). Ford also relies on a Ford logo in a Figure of a provisional patent application disconnected from the claimed invention or any Ford products, which similarly fails to lend any support to its argument. *Id.* at 3-4, 6 (citing Ex. 1113). Finally, Ford offers an employee declaration asserting that Flextronics has and continues to supply “SYNC modules ... for various versions of Ford’s SYNC infotainment systems.” *Id.* at 4 (citing Ex. 1121, ¶ 4).

Ford’s reliance on this evidence to support the conclusion that Flextronics supplies the Phone As A Key functionality that Ford first released 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, instead choosing carefully crafted language that omits any identification of the hardware or software Flextronics actually provides.

Second, even if Flextronics had supplied some infotainment systems or SYNC modules—which, to be an accused product, would have to provide Phone As A Key functionality—Ford never established that Flextronics was the ***exclusive supplier*** of such a 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 that Flextronics was not an exclusive supplier, and 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.

C. 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 the petitioner’s diligence in seeking review. Both factors strongly support discretionary denial here.

The challenged patents issued over ten years ago. 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. Instead, Ford waited nearly two years after receiving notice of its infringement before seeking review.

That extended period of inaction reinforced Patent Owner’s settled expectations that the challenged patents would not be subjected to *inter partes*

review and weighs heavily in favor of discretionary denial under the Director's guidance.

IV. THE ALLEGED MAINTENANCE-FEE LAPSE IS IRRELEVANT TO FORD'S EXPECTATIONS.

Petitioner also argued that a temporary lapse of the '186 patent for failure to pay maintenance fees cuts against settled expectations. But settled expectations are inherently reliance-based—they turn on what a petitioner reasonably believed when implementing the accused technology, delaying review, or responding to allegations of infringement. And the Patent Office had already revived the '186 patent in February 2023 before Ford contends it first learned of it. Paper 6 at 8-9; Ex. 2014. Because Ford had no knowledge of the lapse, it could not have relied on it to form any expectation regarding enforcement. The lapse therefore played no role in shaping Ford's conduct and is irrelevant to the settled-expectations inquiry.

Nor does a temporary lapse, standing alone, negate settled expectations as a matter of law. In the related '296 proceeding, the Director denied institution notwithstanding a momentary maintenance-fee lapse. *See* IPR2026-00002, Paper 8 at 7-9; Paper 10. The regulations likewise confirm that once a delayed payment is accepted, “the patent shall be considered as not having expired.” 37 C.F.R. § 1.378(a).

Accordingly, the temporary maintenance-fee lapse does not explain or justify the Decision. It did not inform Ford's expectations, did not influence its delay in

seeking review, and does not alter the settled-expectations analysis.

V. PETITIONER’S INCONSISTENT CLAIM CONSTRUCTIONS INDEPENDENTLY SUPPORT DISCRETIONARY DENIAL.

In addition to Patent Owner’s settled expectations, Director review and denial is warranted because Ford has adopted inconsistent claim construction positions. The Director has made clear that a petitioner may not advance incompatible claim-construction positions across forums without a sufficient explanation. As the Director explained, “you can’t have it both ways and certainly not without a sufficient explanation.” *Revvo Techs., Inc. v. Cerebrum Sensor Techs., Inc.*, IPR2025-00632, Paper 36 at 3 (Director Jan. 26, 2026); *see also* Paper 20 at 5 (Director Nov. 3, 2025) (precedential). Petitions are denied where a party seeks to rely on one claim-construction position before the Board while advancing a materially inconsistent position in parallel litigation, absent an adequate justification. *Id.*; *see also Tesla, Inc. v. Intellectual Ventures II LLC*, IPR2025-00340, Paper 18 at 4 (Director Nov. 5, 2025) (informative); *Generac Power Sys., Inc. v. Champion Power Equipment, Inc.*, IPR2025-00805, Paper 40 at 4-5 (Director Feb. 3, 2026).

Ford has done precisely what the Director has prohibited, and the sequence of Ford’s positions illustrates the problem. In the Petition, it proposes the plain and ordinary meaning for all terms except three. Pet. at 9. It “adopts” Patent Owner’s construction for “and/or” and “at least one of an area and/or zone occupied by the

vehicle occupant and an operating state of the vehicle,” while simultaneously stating that it does not adopt “that construction on the merits” and instead maintains the terms are indefinite. Pet. at 10, n.4. Ford further argues that the specification “makes clear that there is no distinction between ‘rights’ and ‘privileges’” in the phrase “the account defining rights and privileges,” such that “‘rights and privileges’ simply refers to permissions.” Pet. at 10-11. In short, the Petition proceeds on the premise that the claims are definite, can be construed under *Phillips*, and evaluated against the prior art.

After the Director issued the decision referring the Petition, however, Ford served invalidity contentions in the parallel district court litigation asserting that every challenged claim is indefinite. These assertions extend to numerous claim elements for which Ford relied on plain meaning or proposed constructions in the Petition. Examples include: **(1)** “accessing, by the microprocessor executable vehicle control system, an account for the vehicle occupant, the account defining rights and privileges of the user with respect to controlling a vehicle task, function or operation” (claim 1); **(2)** “when the account permits [or does not permit] the vehicle occupant to perform the requested vehicle task, function or operation, performing or causing to be performed the vehicle task, function or operation,” (claims 1, 8, 15); **(3)** “based upon the account corresponding to the vehicle occupant and the at least one of an area and/or zone occupied by the vehicle occupant and an

operating state of the vehicle,” (claims 1, 8, and 15); (4) “applies the rules based on the account corresponding to the vehicle occupant and the operating state of the vehicle,” (claims 3 and 10); (5) “wherein rule (i) applies and the vehicle occupant is able to control the requested vehicle task, function or operation using one or more of a cell phone, laptop, tablet computer, and personal digital assistant” (claims 4, 11, and 18); (6) “access[ing] an account for the vehicle occupant, the account defining rights and privileges of the user with respect to controlling a vehicle task, function or operation,” (claims 8 and 15); (7) “one or more” (claims 1, 4, 6, 8, 11-13, 15, 18, and 20); and (8) “and/or” (claims 1, 2, 6, 8, 9, 12, 13, 15, and 20).

There is no sufficient explanation for this reversal in positions. Ford filed its Petition on the premise that the claims are definite and capable of construction and comparison to prior art. Then, after institution, it asserted in district court that the same claims are indefinite in their entirety. That sequence reflects a strategic attempt to advance incompatible positions across forums—precisely the “have it both ways” conduct the Director has rejected. Permitting institution under these circumstances would undermine the Office’s goal of harmonizing claim construction across forums and promoting predictability in the patent system. *See Tesla*, at 4.

In related proceedings, Ford has sought to overcome its inconsistency by stating it “stipulates to withdraw all indefiniteness arguments against the [challenged patent] if the PTAB maintains this IPR, *i.e.*, does not vacate institution.” IPR2025-

01342, Paper 16 at 2. Even if such a stipulation could overcome the inconsistency, which Patent Owner contests, this proffer does not account for the other claim construction positions Ford has taken in this proceeding, and the opportunity for Ford to adopt different constructions for purposes of avoiding infringement in the related proceeding. In view of the inconsistent positions Ford has already taken in the proceedings, this is particularly problematic.

Although Patent Owner addressed Ford's inconsistent positions for "at least one of" and "and/or" in its request for discretionary denial, which Ford addressed in Paper 7, Ford adopted the many new indefiniteness positions set forth above on February 6, 2026—after the Director made its Director Discretionary Decision. Patent Owner requested additional briefing regarding these additional inconsistent positions before the Board's institution decision. The Director issued its institution decision after that request, and denied Patent Owner's request as moot. Ex. 3102. Patent Owner's argument here is therefore timely and properly considered by the Director. *See Infineon Technologies Americas Corp. v. Mosaid Technologies Inc.*, IPR2025-01171, Paper 27 (Director Feb. 19, 2026). Accordingly, independent of Ford's factually unsupported settled-expectations arguments, the Director should vacate the Decision and deny institution.

VI. CONCLUSION

This case presents precisely the circumstance in which Director review is warranted: where discretionary analysis turned on factual assertions later shown to be inaccurate, and where the petitioner subsequently advanced incompatible claim construction positions in parallel proceedings without explanation. Granting Director review will promote consistency, fairness, and confidence that discretionary determinations rest on an accurate factual and procedural record. Accordingly, Patent Owner respectfully requests that the Director grant Director review, vacate the Decision, and discretionarily deny institution.

Date: March 10, 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 March 10, 2026, in its entirety on the following counsel of record for Petitioner:

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