

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. IPR2026-00002
Patent No. 9,147,296

PATENT OWNER'S REQUEST FOR DISCRETIONARY DENIAL

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Patent Trial and Appeal Board
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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	<i>Intentionally left blank</i>
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)
2011	Scheduling Order, <i>AutoConnect Holdings, LLC v. Ford Motor Company</i> , No. 1:24-CV-01327-JCG, ECF No. 27 (Dist. Of Del. October 27, 2025) (Choe-Groves, J.)
2012	USPTO Fee history for U.S. Patent No. 9,147,296
2013	USPTO Decision on Petition to Accept Unintentionally Delayed Payment of a Maintenance Fee for U.S. Patent No. 9,147,296, December 22, 2022
2014	USPTO Decision on Petition to Accept Unintentionally Delayed Payment of a Maintenance Fee for U.S. Patent No. 9,147,296, April 13, 2023
2015	USPTO EPAS Assignment Cover Sheet and Assignment for U.S. Patent No. 9,147,296, Reel 36503, Frame 62, Executed: May 20, 2015, Recorded: August 28, 2015
2016	USPTO <i>Ex Parte</i> Reexam Statistics (time from filing to reexam certificate)
2017	<i>Ex parte</i> reexam request for U.S. Patent No. 9,147,296
2018	Panasonic Article Regarding Development of Ford's SYNC 3, https://na.panasonic.ca/blog/inside-development-fords-syncr-3 (retrieved December 7, 2025)
2019	October 7, 2015 Business Insider Article Regarding Panasonic and Ford's Creation of SYNC 3,

	https://www.businessinsider.com/sc/panasonic-automotive-and-ford-partnership-2015-10 (retrieved December 7, 2025)
2020	<i>Excerpts of Toyota Invalidity Contentions served April 1, 2025, AutoConnect Holdings, LLC v. Toyota Motor Corp.</i> , No. 2:24-cv-00802-JRG-RSP (E.D. Tex.)
2021	Toyota’s Motion For Leave To Amend Invalidity Contentions, <i>AutoConnect Holdings, LLC v. Toyota Motor Corp.</i> , No. 2:24-cv-00802-JRG-RSP, ECF No. 102 (E.D. Tex. Nov. 12, 2025)
2022	Declaration of Aidan Skoyles in support of Toyota’s Motion For Leave To Amend Invalidity Contentions, <i>AutoConnect Holdings, LLC v. Toyota Motor Corp.</i> , No. 2:24-cv-00802-JRG-RSP, ECF No. 102-1 (E.D. Tex. Nov. 12, 2025)
2023	Information Disclosure Statement citing U.S. Patent No. 9,147,296 in Ford Global Technologies, LLC U.S. App. No. 15/236,771 (Aug. 15, 2016)
2024	Information Disclosure Statement citing U.S. Patent No. 9,147,296 in Ford Global Technologies, LLC U.S. App. No. 16/548,176 (Aug. 22, 2019)
2025	Office Action citing sibling of U.S. Patent No. 9,147,296 (U.S. Patent No. 9,317,983) in Ford Global Technologies, LLC U.S. App. No. 14/065,666 (Nov. 30, 2016)
2026	Information Disclosure Statement citing relative of U.S. Patent No. 9,147,296 (U.S. Pat. App. Pub. No. 2016/0039430) in Ford Global Technologies, LLC U.S. App. No. 14/635,772 (Sept. 21, 2016)
2027	Complaint, <i>AutoConnect Holdings, LLC v. Ford Motor Company</i> , No. 1:24-CV-01327, ECF No. 1 (Dist. of Del. December 6, 2024)

I. INTRODUCTION

The Director should deny institution because the Petition comes a decade into the '296 patent term, nearly two years after Petitioner Ford received detailed notice of its infringement, and when multiple tribunals are already addressing the same validity issues. Granting review would add a fourth proceeding without a path to simplify the pending district court actions. Ford's delay—coupled with the patent's tenure—establishes settled expectations that weigh heavily against institution.

Ford has tried to sidestep those settled expectations in other proceedings by alleging that Flextronics, the owner until mid-2015, could have retained patent rights that somehow insulated Ford from infringement. But Ford offers no evidence that it ever held such a belief, nor would one be reasonable given the nature of the transaction that transferred the patent to AutoConnect. And although Ford now grounds its theory in its tight relationship with Flextronics, it never took the most basic step of asking Flextronics whether it retained any rights—a question that would have yielded an immediate “no.” These allegations should be given no weight.

The more fundamental flaw is that Ford has never shown that Flextronics supplied any products relevant to the patents targeted by its IPR petitions, much less that Flextronics was the *exclusive* supplier, which would be required to shield Ford from the patents. Ford likewise never invoked this theory when charged with infringement in 2023, the logical timing for such a response. Instead, the Flextronics

theory surfaced 20 months later when Ford was faced with settled expectations.

Institution would also be inefficient given the number and posture of parallel proceedings already addressing the same validity issues. AutoConnect's litigation against Ford is a year old and its action against Toyota in Eastern Texas involving the '296 patent is set for trial in July 2026, over eight months before any final written decision would issue here. The Toyota litigation involves the same prior art as the Petition and Toyota has acknowledged that it is coordinating its validity challenge with Ford. The '296 patent is also undergoing *ex parte* reexamination¹ that will likely conclude before the deadline in this proceeding.

Nor would institution simplify the Ford litigation. Ford has pursued IPRs for only some of the asserted patents. Regardless of the outcome here, the litigation will continue on numerous patents and invalidity theories, including system art and other grounds outside any *Sotera* stipulation.

The merits likewise do not support institution. Ford relies solely on obviousness and an expansive expert declaration to supply limitations absent from the prior art. Considered together with the patent's age, Ford's delay, the advanced parallel litigation, the ongoing reexamination, and the lack of any meaningful simplification, these factors strongly favor discretionary denial. Instituting review would only duplicate the efforts of multiple tribunals and risk inconsistent results.

¹ *Ex Parte* Reexam Control No. 90/015,634 was ordered on November 21, 2025.

II. THE DIRECTOR SHOULD EXERCISE ITS DISCRETION UNDER 314(a) TO DENY INSTITUTION.

Section 314(a) gives the Director broad discretion to decide whether an inter partes review should proceed. The USPTO “is permitted, but never compelled, to institute” an IPR, even when a petition meets the statutory thresholds. *Nautilus Hyosung Inc. v. Diebold, Inc.*, IPR2017-00426, Paper 17 at 11 (PTAB June 22, 2017). That principle has warranted denials where parallel litigation will address the same issues. *NHK Spring Co. v. Intri-Plex Techs., Inc.*, IPR2018-00752, Paper 8 at 20 (PTAB Sept. 12, 2018) (precedential, designated May 7, 2019).

Over time, the Office has identified six factors to guide whether an IPR would advance or hinder efficient resolution: (1) whether the court granted a stay or that one may be granted if a proceeding is instituted; (2) the proximity of the court’s trial date to the Board’s projected final written decision deadline; (3) investment in the parallel proceeding; (4) overlap between issues raised in the Petition and the parallel proceeding; (5) whether the parallel proceeding involves the same parties; and (6) other circumstances that may bear on institution, including the merits. *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 at 5-6 (PTAB Mar. 20, 2020).

The Director’s guidance also calls for separate consideration of the parties’ settled expectations, including “the length of time the claims have been in force” and “any other considerations bearing on the Director’s discretion.” Dirs.’ Mar. 26, 2025 Mem., *Interim Processes for PTAB Workload Management*, at 2-3. Decisions

applying that guidance show that long-standing notice and late-filed petitions weigh strongly against institution, even where some *Fintiv* factors might point the other way. *Dabico Airport Solutions Inc. v. AXA Power APS*, IPR2025-00408, Paper 21 at 3 (June 18, 2025); *iRhythm Techs., Inc. v. CardioNet, LLC*, IPR2025-00363, Paper 10 at 3 (June 6, 2025); *Toyota Motor Corp. v. AutoConnect Holdings LLC*, IPR2025-00890, Paper 9 at 3 (Sept. 19, 2025). Those considerations favor denial here.

A. The Parties’ Settled Expectations Favor Discretionary Denial.

1. Ford’s longstanding notice and delay reinforce strong settled expectations.

A decade-old patent, longstanding notice, and petitioner delay all create circumstances in which settled expectations weigh strongly against institution. *Dabico*, at 3; *iRhythm*, at 3; *Toyota*, at 3. Although there is no bright-line rule, “the longer the patent has been in force, the more settled expectations should be.” *Dabico*, at 2-3; *Samsung Electronics Co., Ltd. Et al v. W&Wsens Devices Inc.*, IPR2025-00995, 00996, Paper 17 at 2 (October 17, 2025). For example, patents in force for more than ten years create **strong** settled expectations. *Samsung Electronics Co., Ltd. v. Sinotechnix LLC*, IPR2025-00331, Paper 13 at 2 (PTAB July 2, 2025); *Kingston Tech. Co., Inc. v. Vervain, LLC*, IPR2025-00614, Paper 12 at 2 (Acting Director Stewart July 16, 2025). Strong settled expectations support discretionary denial even when a final written decision will be issued before trial in a parallel proceeding. See *OnePlus Tech. Co., Ltd. v. Pantech Corp.*, IPR2025-00637, Paper

17 at 2 (August 14, 2025); *Kahoot! AS v. Interstellar Inc.*, IPR2025-00696, Paper 12 at 2 (July 31, 2025) (denying institution despite the case being stayed).

Here, the '296 patent issued over a decade ago, an age that weighs strongly in favor of discretionary denial. Ford's actual notice of the '296 patent further reinforces those settled expectations. Ford encountered the '296 patent and its related family in its own prosecution work. Beginning in August 2016, Ford and its wholly-owned IP-management subsidiary (Ford Global Technologies, LLC) listed the '296 patent in multiple IDS filings. *E.g.*, Ex. 2023 at 1 (Aug. 15, 2016); Ex. 2024 at 1 (Aug. 22, 2019). And across their broader portfolio, Ford and its subsidiary cited or were informed of Patent Owner's related patents and applications more than one hundred times. *E.g.*, Ex. 2027 ¶¶ 51, 70, 73, 95, 117, 139, 158, 161, 182, 201, 204, 223, 248, 267, 270, 311. This includes patents that identified AutoConnect as the assignee or applicant on their face. *E.g.*, Ex. 2025 at 17 (Examiner citing U.S. Pat. No. 9,317,983, which lists AutoConnect as assignee); Ex. 2026 at 7 (Ford citing U.S. Pat. App. Pub. No. 2016/0039430, which lists AutoConnect as Applicant).

Ford later received notice of its infringement of the '296 patent in AutoConnect's 2023 letter. Ex. 2001. Ford responded that it was "diligently reviewing the patents and [infringement] claim charts." Ex. 2002. Yet in Ford's ensuing responses, it never addressed validity. Ex. 2003; Ex. 2004. It was only 21 months later, and over 10 months after AutoConnect filed suit, that Ford filed this

Petition. Under the Director’s guidance, a “failure to seek early review of the patents favors denial.” *iRhythm*, at 3. Ford’s inaction reinforced their settled expectations.

Ford asserts that Patent Owner “made no use of the ’296 Patent” before December 2023. Paper 2 at 1-2. Even if that were accurate—and it is not because Patent Owner had already charged other parties with infringement—the Board has expressly rejected this argument. *Google LLC v. SoundClear Techs. LLC*, IPR2025-00344, Paper 15 at 2 (August 4, 2025) (explaining that lack of prior assertion does not undermine settled expectations); *Kahoot!*, Paper 12 at 2 (holding that a patent owner’s decision not to assert the patent earlier “does not defeat settled expectations”). Ford’s own record of notice, extensive interaction with the patent family, and awareness of infringement coupled with its decision to wait years before seeking review, support denial based on Patent Owner’s settled expectations.

2. Ford’s undefined relationship with Flextronics does not disrupt the parties’ settled expectations.

Ford has suggested in other proceedings involving AutoConnect patents that its purported relationship with Flextronics—the original assignee of the application underlying the ’296 patent, which assigned the patent to AutoConnect before issuance—gives rise to settled expectations favoring institution. *See, e.g., Ford Motor Company v. AutoConnect Holdings, LLC*, IPR2025-01383, Paper 9 at 18-19 (November 19, 2025); Ex. 2015. For example, Ford has argued that (1) Flextronics “supplies the accused product to” Ford, (2) Flextronics once owned the application

that matured into the '296 patent, (3) Ford “expects its suppliers” to retain licenses protecting Ford from infringement, and (4) patent exhaustion principles bar Flextronics from asserting patents covering products it sells to Ford. *Id.* at 2, 18-19. None of these allegations withstand scrutiny.

A threshold problem with Ford’s allegations about Flextronics is that Ford never links that relationship to any products accused of infringing the patents. For example, in IPR2025-01342—involving a patent asserted against Ford vehicles implementing Apple CarPlay and Android Auto—Ford represented that it first implemented CarPlay in SYNC 3 in 2016. IPR2025-01342, Paper 9 at 3. But Ford cited no evidence that Flextronics ever supplied a SYNC 3 infotainment system or, for that matter, any system providing CarPlay functionality. Public information shows the opposite: **Panasonic** developed and supplied the SYNC 3 system to Ford. Ex. 2018 at 2 (noting that “Panasonic took on the SYNC 3 project in 2013” and led its design and implementation); Ex. 2019 at 4 (explaining that Panasonic created the SYNC operating system and is “one of only a few auto suppliers” with full end-to-end hardware and software capabilities). Because Flextronics did not supply the accused technology, Ford cannot use Flextronics’ prior ownership to avoid the consequences of its own lack of diligence.

Ford’s theory also collapses unless Flextronics were the **sole** supplier of the accused components. Only then could a hypothetical Flextronics license insulate

Ford from infringement. But Ford has offered no evidence of such exclusivity, and the record shows otherwise.

For the same reasons, Ford has no basis to presume that Flextronics retained license rights after divesting the patents. Companies routinely sell patents without keeping rights—especially when they do not practice the invention or when the technology no longer aligns with their business strategy, both of which were true when Flextronics sold the '296 patent to AutoConnect in 2015. It would be unreasonable for Ford to *assume* a supplier retained patent rights in a divestiture; that would allow a former owner to undermine the rights of the new owner simply by continuing to appear anywhere in the supply chain. Here, there is no evidence Flextronics ever practiced the claimed inventions. In any event, a sophisticated company like Ford would not rely on such a sweeping assumption when a single, straightforward inquiry to Flextronics would have resolved the issue outright.

The same defects defeat Ford's argument in this proceeding. The '296 patent is asserted against systems implementing Ford's Phone As A Key and Personal Profiles features, the former appearing to have been released in 2020 and the latter appearing to have debuted with the SYNC 4 system. To make its Flextronics theory even plausible, Ford would need to first show that Flextronics was the *exclusive* supplier of the accused systems. But even setting that flaw aside, Ford has never offered evidence that it actually believed Flextronics retained rights in the patent

family after assigning the portfolio to AutoConnect in 2015. It was not until almost two years after the 2023 infringement notice that Ford ever suggested this idea. Nothing that Ford knew would have supported such a belief.

Ford's own conduct confirms the absence of any contemporaneous belief. For two years after being on notice of infringement, Ford never suggested that its suppliers insulated it from infringement or that Flextronics retained licensing rights. That silence is irreconcilable with the notion that Ford genuinely relied on such a premise. A company that truly thought a supplier's retained rights eliminated infringement risk would have said so immediately, when the point would have been most natural and most advantageous. Instead, Ford invokes the theory now in an attempt to avoid the weight of settled expectations. Its timing makes clear that this is an after-the-fact construct, not a belief Ford ever actually held.

3. A brief and unknown maintenance-fee lapse cannot disturb settled expectations.

Ford has also pointed to an unintentional and temporary maintenance fee lapse to undermine Patent Owner's strong settled expectations. *E.g.*, IPR2025-01342, Paper 8 at 19 (Nov. 7, 2025). But Ford identifies no evidence that it was even aware of this lapse before litigation. Despite citing AutoConnect's patents during prosecution, Ford has also said it did not know Flextronics assigned the patents to AutoConnect until AutoConnect asserted infringement in December 2023. *Id.* at 19.

If Ford did not know who owned the patent, it is implausible that it undertook the more detailed inquiry necessary to identify a maintenance fee lapse.

In any case, Patent Owner promptly corrected the error once it was discovered. It filed a petition for acceptance of delayed payment under 37 C.F.R. § 1.378(a), and after corresponding with the Office of Petitions, the USPTO granted the petition and revived the patent in April 2023. Exs. 2012–2014. By regulation, once the Director accepts the delayed payment, “the patent shall be considered as not having expired.” 37 C.F.R. § 1.378(a). Ford therefore seeks to rely on a technical lapse that—by operation of law—is treated as though it never occurred. Patent Owner maintains a portfolio of nearly 100 patents, and the few lapses Ford identifies all stem from a single, isolated administrative issue that Patent Owner promptly resolved for every affected asset. Nothing in the record suggests that Patent Owner treats its patents casually, or that any brief administrative oversight could reasonably unsettle the parties’ expectations.

Ford’s own conduct underscores the strength of Patent Owner’s settled expectations. Ford learned of the ’296 patent in August 2016 and, by September 2016, knew that AutoConnect owned the portfolio. Ex. 2025 at 17; Ex. 2026 at 7. After receiving direct notice of its infringement in December 2023, Ford still took no steps to challenge the ’296 patent. Its nearly decade-long inaction—despite

repeated notice of the patent and later of its infringement—only reinforced, rather than undermined, Patent Owner’s settled expectations.

B. Factor 1 Favors Denial Because the Ford Action Has Not and Will Not Be Stayed.

The Ford Action was filed over a year ago and neither party has requested a stay. Consequently, this factor supports discretionary denial. Even if Ford were to request a stay based on this Petition, it would invariably be denied. *See Mylan Labs. Ltd. v Janssen Pharm. NV*, IPR2020-00440, Paper 17 at 13-14 (PTAB Sep. 16, 2020) (“[N]o stay is likely to be entered [], and therefore *Fintiv* factor 1 leans towards denial of institution.”). The challenged ’296 patent is just one of 13 asserted patents. It is highly unlikely that any district court judge would stay litigation based on IPR challenges that do not address many of the asserted patents.² The District of

² Petitioner has suggested it plans to challenge all patents, but today is the last day it can file IPRs on the asserted patents and, as it stands, no IPRs have been instituted, one asserted patent remains unchallenged, and a Toyota IPR petition for this patent has already been discretionarily denied. IPR2025-00891, Paper 9. Petitioner has previously suggested—without analysis—that the subject matter of all the asserted patents substantially overlaps to suggest a stay would simplify the case even if not all patent challenges are instituted. But the challenger’s reliance on distinct prior art

Delaware routinely denies motions to stay under such circumstances. *Siemens Indus., Inc. v. Westinghouse Air Brake Techs. Corp.*, No. CV 16-284-LPS, 2018 WL 3046511, at *1 (D. Del. June 20, 2018) (denying stay where IPR proceedings were instituted for 8 of 12 patents because it “may slightly simplify some portion of the issues for trial, but would not simplify the majority of the case”); *TwinStrand Biosciences, Inc. v. Guardant Health, Inc.*, No. CV 21-1126-GBW-SRF, 2023 WL 2563179, at *2 (D. Del. Mar. 17, 2023); *Toshiba Samsung Storage Tech. Korea Corp. v. LG Elecs., Inc.*, 193 F. Supp. 3d 345, 349 (D. Del. 2016) (denying stay where “a PTAB decision that is totally favorable to [defendant] will leave behind a lot to (at least potentially) be litigated”).

Because no stay has been or will be entered, this factor favors denial of institution. *Mylan*, IPR2020-00440, Paper 17 at 13-14.

C. Factor 2 Favors Denial Because Two Litigations Are Advancing, and One Will Reach Trial Well Before the IPR Deadline.

Discretionary denial is also appropriate here due to the parallel Ford and Toyota Actions. It would not be an effective use of resources to have three separate proceedings involving validity challenges of the '296 patent (in addition to the

for the different patents together with the different Accused Instrumentalities identified in the Complaint for the different patents indicate otherwise. Ex. 1005.

reexamination (Ex. 2017)), which would not only cause needless duplication of effort but also risk inconsistent claim constructions and validity determinations.

The Ford Action has been pending since December 6, 2024. Rather than file an Answer to Patent Owner’s complaint, however, Ford filed a partial motion to dismiss that challenged only a subset of the patents. Specifically, the motion argued that the claims in six of the thirteen asserted patents were indefinite due to the use of “and/or” in both the subjunctive and conjunctive. But numerous courts have already ruled that the subjunctive and conjunctive combination of “and/or” is not indefinite. *Pavilion Techs., Inc. v. Emerson Elec. Co.*, No. A-05-CA-898-SS, 2006 WL 6210180, at *11-12 (W.D. Tex. Sept. 5, 2006); *In re Qualcomm Litig.*, No. 17-CV-00108-GPC-MDD, 2018 WL 2229344, at *19 (S.D. Cal. May 16, 2018). Although Ford’s baseless motion has now been denied, it achieved its likely goal of delaying progression of the case for over seven months, resulting in trial date in October 2027. Ex. 2006 at 15; Ex. 2011 at 26. The deadline for a final written decision here would be April 7, 2027. But for Ford’s baseless motion, trial would have likely been scheduled for March 2027. Instead, the trial in the Ford Action will occur after a final written decision would be issued.

Further, the Ford Action is only one of two parallel litigations involving the ’296 patent. The Toyota Action is currently set for trial on July 20, 2026, in the Eastern District of Texas. Ex. 2005 at 1. This date “cannot be changed without an

acceptable showing of good cause.” *Id.* at 6; *see also* E.D. Tex. L.R. CV-83(a) (characterizing set trial dates as “firm trial dates”). Thus, trial in the Toyota Action will begin over *eight months before any final written decision* in this *inter partes* review. This timing favors discretionary denial. *See AT&T Services Inc. v. ASUS Tech. Licensing Inc.*, IPR2024-00992, Paper 14 at 10-11 (PTAB Dec. 16, 2024). While the Toyota Action involves a different party, Toyota has already indicated it is coordinating its validity challenges with Ford and that trial will still focus validity challenges in the Ford Action. *See* Exs. 2021 at 2, 8 (explaining that Ford has provided Toyota with prior art to use to challenge the validity of patents in the Toyota Action); 2022, ¶ 7. Thus, under the circumstances of this proceeding, *Fintiv* factor 2 favors discretionary denial

D. Factor 3 Favors Denial As the Parallel Cases Will Have Received Substantial Investment.

By the April 7, 2026 institution decision deadline, both district-court actions involving the ’296 patent will be far along. In the Ford Action, the parties will have exchanged infringement and invalidity contentions, and identified claim terms for construction. Ex. 2011. That level of progress weighs heavily in favor of discretionary denial. *BOE Tech. Grp. Co. v. Element Capital Commercial Co.*, IPR2023-00808, Paper 9 at 23–24 (PTAB Nov. 15, 2023) (recognizing that significant investment includes the exchange of contentions, active discovery, and

the onset of claim-construction proceedings). The only reason the Ford Action will not be even further developed is Ford's futile motion to dismiss.

The Toyota matter will be even further advanced. The parties have exchanged contentions and completed expert claim construction depositions. By the institution decision they will have completed fact discovery, expert discovery, and the Markman hearing, and almost certainly received a Markman Order. Ex. 2005. Although Petitioner is not a party to the Toyota Action, the significance of this progress does not depend on party identity. Patent Owner and the E.D. Texas court will have dedicated substantial resources to resolving the same claim and the validity issues Petitioner asks the PTAB to address (*not to mention the reexamination that is already underway*). Proceeding with an IPR alongside these proceedings would yield the opposite of the efficiencies the IPR process was created to promote. For these reasons, Factor 3 strongly favors denial.

E. Factor 4 Favors Denial Because the Invalidity Issues in the District Courts Substantially Overlap with Those Raised Here.

The Director should also discretionarily deny institution because the grounds set forth therein completely overlap with the Toyota Action. Specifically, Toyota, who is coordinating invalidity efforts with Ford, challenges the validity of the '296 patent based on the same references as the Petition. Ex. 2020 at 39, 88-92. The grounds in this Petition will also likely overlap with Ford's invalidity arguments in the Ford Action, as shown by Ford's filing of a *Sotera* stipulation. Paper 5 at 2-3.

This type of stipulation, however, is not dispositive. Ex. 2008 at 2-3. Indeed, the USPTO has indicated that reliance on system art and other invalidity theories renders a *Sotera* stipulation “not ... particularly meaningful because the efficiency gained by an AIA proceeding will be limited.” Ex. 2009 at 3. For example, this stipulation does not prevent Ford from relying on the same prior art in district court in support of combinations involving non-printed publication art, e.g., prior art based on public use or an on sale-bar. *Ingenico Inc. v. IOENGINE, LLC*, 136 F.4th 1354, 1365–66 (Fed. Cir. 2025) (“IPR estoppel does not preclude a petitioner from relying on the same patents and printed publications as evidence in asserting a ground that could not be raised during the IPR, such as that the claimed invention was known or used by others, on sale, or in public use.”). Similarly, the *Sotera* stipulation does not prevent Ford from relying on system art that embodies the teachings of the cited printed publications. Additionally, the *Sotera* stipulation does not prevent Ford from asserting the same prior art against other asserted patents. It certainly does not make this IPR a “true alternative” to district court. See, e.g., *SAP Am., Inc. v. Cyandia, Inc.*, IPR2024-01495, Paper 13, 8-9 (Apr. 7, 2025); *Motorola Sols. v. Stellar, LLC*, IPR2024-01205, Paper 19 at 3–4 (PTAB Mar. 28, 2025).

Because of the overlap in issues between the petition and the parallel proceedings, as well as the limited impact of Ford’s stipulation in the Ford Action, the objectives of efficiency and fairness behind *Fintiv* would be defeated if this IPR

were instituted. This factor favors discretionary denial.

F. Factor 5 Favors Denial Because This IPR Involves the Same Parties or Disputes as the Parallel Proceedings.

The parties in this proceeding are the same as in the Ford Action. Thus, *Fintiv* Factor 5 favors denial. *Fintiv*, Paper 11 at 13-14; see also *Sotera Wireless, Inc. v. Masimo Corp.*, IPR2020-01019, Paper 12 at 19 (PTAB Dec. 1, 2020).

While the Toyota Action involves a different party, it involves the very same validity challenges to the '296 patent and a party who is coordinating with Ford. This duplication further supports discretionary denial. *Fintiv*, Paper 11 at 14.

G. Factor 6 Favors Denial Because the Petition Does Not Present Compelling Merits.

“A full merits analysis is not necessary as part of deciding whether to exercise discretion not to institute, but rather the parties may point out, as part of the factor-based analysis, particular ‘strengths or weaknesses’ to aid the Board in deciding whether the merits tip the balance one way or another.” *Apple*, Paper 15 at 15. Institution may not be appropriate even when the merits of the petition are strong. *E.g., Samsung Elecs. Co., Ltd. v. SiOnyx, LLC.*, IPR2025-00065, Paper 16 at 19-20 (PTAB June 6, 2025) (denying institution despite “Petitioner’s strong case on the merits”); Ex. 2008 at 3.

Here, the strength of the merits are inadequate to warrant institution. The Petition does not contend that a single claim is anticipated, instead advancing only

obviousness grounds. To fill in the gaps between the prior art and the claims, the Petition extensively relies on an expert declaration that it cites over 130 times. The declaration extends 300 pages, comprising 598 paragraphs, while the Petition is only 90 pages long. Such extensive reliance on an expert is telling as to the lack of disclosure in the prior art and further indicates that the validity determination will turn on competing expert analysis, which is best assessed through live expert testimony in district court. Ex. 2010 at Q.22; Ex. 2009 at 2.

In addition, there are numerous flaws in Ford's arguments that ensure that claims would survive institution of this proceeding and need to be addressed at trial in the Ford Action. For example, Ford advances only two grounds against independent claim 1: Grounds 1 and 3.

With respect to Ground 1 based on the Endo reference, Ford's argument fails for at least the reason that it fails to show that Endo teaches "a user profile memory associated with the user" as set forth in all independent claims. In an attempt to satisfy this element, Petitioner relies on its expert to argue that a "PHOSTIA would have understood the memory 27 is a 'user profile memory' because it is a repository for information defined by and associated with the electronic key 13's user." Paper 2 at 14, 22-24. While Endo acknowledges that "different drivers share the same vehicle," Endo's solution is to store seat position information on an electronic key that can still be shared by different users. Ex. 1024 at 2. Accordingly, any settings

stored on the electronic key are not part of a user profile that is directed to a specific person. Therefore, Ground 1 fails to illustrate that Endo teaches or suggests “a user profile memory associated with the user” as set forth in claim 1.

Ford’s Gound 3 argument also fails to show the obviousness of claim 1. For example, claim 1 requires the step of “determining a presence of the user inside the vehicle.” Ford argues that this determination is made in the He reference by detecting that a user device is “within range” of the Bluetooth system of the vehicle. Paper 2 at 63-64. But the range for Bluetooth systems extends outside the vehicle interior, and thus Petitioner has failed to show that He teaches or suggest “determining a presence of the user *inside* the vehicle” for this element of claim 1.

Patent Owner does not catalog every omission or weakness in the Petition for this brief; rather, the examples discussed above highlight glaring deficiencies for at least independent claim 1. These deficiencies illustrate the lack of compelling merits and ensures a trial will be required in the Ford Action for at least claim 1 and claims 2-6 which depend therefrom. These examples show why the petition lacks compelling merits and why factor 6 supports discretionary denial

H. Other Considerations.

In addition to the two parallel district-court litigations, the ’296 patent is now undergoing a co-pending *ex parte* reexamination that challenges the same claims at issue in this petition. If the Director were to institute review, the ’296 patent would

become the subject of four concurrent proceedings—with two before the USPTO. Such redundancy would strain USPTO resources, invite unnecessary duplication of effort, and increase the risk of conflicting outcomes.

Further, current USPTO statistics show that the average duration of an *ex parte* reexamination—from request to reexamination certificate—is 15–17 months. Ex. 2016 at 2. Because the '296 reexamination was initiated in October, the Office is expected to issue a certificate between January and March 2027—one to three months **before** a Final Written Decision would be due here.

III. CONCLUSION

The '296 patent issued over a decade ago, giving Patent Owner strong settled expectations. Those expectations were reinforced by Ford's failure to challenge the validity of the '296 patent until over 21 months after AutoConnect provided a claim chart explaining Ford's infringement. In addition, the Toyota Action involves the exact same validity arguments as presented in the Petition and that case will be tried long before a final written decision would be issued. The reexamination is also likely to be completed before the final written decision. As for the Ford Action, the '296 patent is but one of thirteen asserted patents, such that this proceeding would not meaningfully focus the case for trial. Institution here would wholly defeat the goals of discretionary denials—efficiency and integrity of the system. Patent Owner requests discretionary denial of the Petition.

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that the foregoing **PATENT OWNER'S REQUEST FOR DISCRETIONARY DENIAL** and associated exhibits (Exhibits 2001-2027) were served electronically via e-mail on December 8, 2025, in their entireties on the following counsel of record for Petitioner:

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