

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

TOYOTA MOTOR CORPORATION,

Petitioner,

v.

BUNKER HILL TECHNOLOGIES, LLC,

Patent Owner.

Case No.: IPR2026-00250

U.S. Patent No. 10,549,648

PATENT OWNER'S REQUEST FOR DISCRETIONARY DENIAL

TABLE OF CONTENTS

I. INTRODUCTION	1
II. LEGAL STANDARD	1
III. SETTLED EXPECTATIONS CONCERNING THE '648 PATENT STRONGLY FAVOR DISCRETIONARY DENIAL	2
A. The '648 Patent Has Been in Force for Many Years	2
1. Director Decisions Have Found Settled Expectations at This and Shorter Time Horizons	3
2. Settled Expectations Do Not Require Prior Litigation or Prior Challenges	4
3. The Technology and Industry Context Heightens the Weight of Settled Expectations	6
B. Settled Expectations Attach to the Patent Right, Not Merely the Original Patentee.....	7
1. Ownership Changes Do Not Reset the Reliance Clock.....	7
2. Allowing Ownership-Based Exceptions Would Undermine Discretionary Denial.....	9
C. Past Licensing Confirms Actual Market Reliance	10
1. The Director Has Recognized That Actual Licensing Is Powerful Evidence of Reliance	10
2. Confidentiality Does Not Diminish the Evidentiary Weight of Licensing Reliance	11
3. Licensing Through an Intermediated Program Reinforces, Rather Than Undermines, Reliance	11
D. Additional Discretionary Considerations Under the Director's March 11, 2026 Memorandum.....	12

IV. PARALLEL DISTRICT COURT LITIGATION AND THE LIMITED VALUE OF PETITIONER’S SOTERA STIPULATION	13
A. Parallel District-Court Litigation Reduces the Marginal Value of IPR	13
B. The Sotera Stipulation Does Not Eliminate Overlap or Inefficiency...	14
V. THE PETITION’S WEAKNESS AS A DISCRETIONARY MATTER	15
A. The Petition Relies Heavily on Expert Testimony Rather Than Clear Documentary Teachings	15
1. The Petition Uses Expert Testimony to Bridge Gaps in the Prior Art	15
2. Expert-Driven Reconstruction Undermines Efficiency Goals of IPR	17
B. The Prosecution History Undermines the Petition’s Narrative.....	18
1. The Petition’s Narrative Conflicts With the Examiner’s Contemporaneous Evaluation.....	18
2. Continuation Context Does Not Support the Petition’s Assertions...	19
VII. CONCLUSION.....	20

TABLE OF AUTHORITIES

Cases

<i>Alliance Laundry Systems, LLC v. Payrange LLC</i> , IPR2025-00950 (PTAB, Director Decision, Sep. 19, 2025).....	10
<i>Amazon.com, Inc. et al. v. Soundclear Technologies LLC</i> , IPR2025-01067 (PTAB, Director Decision, Oct. 17, 2025).....	3
<i>Amgen Inc. v. Bristol-Myers Squibb Co.</i> , IPR2025-00601 (PTAB, Director Decision, Jul. 24, 2025).....	6
<i>Cambridge Industries USA, Inc. v. Applied Optoelectronics, Inc.</i> , IPR2025-00435 (PTAB, Director Decision, June 26, 2025)	3, 5
<i>Cuozzo Speed Techs., LLC v. Lee</i> , 136 S.Ct. 2131 (2016).....	1
<i>Dabico Airport Solutions Inc. v. AXA Power ApS</i> , IPR2025-00408 (PTAB, Director Decision, June 18, 2025)	2, 4, 8
<i>Intel Corp. et al. v. General Video, LLC</i> , IPR2025-01036 (PTAB, Director Decision, Oct. 17, 2025).....	4
<i>Kahoot! AS v. Interstellar, Inc.</i> , IPR2025-00696 (PTAB, Director Decision, Jul. 31, 2025).....	3
<i>Maplebar, Inc. v. Fall Line Patents, LLC</i> , IPR2025-00958 (PTAB, Director Decision, Sep. 26, 2025).....	3
<i>Qualcomm Inc. v. Apple Inc.</i> , 24 F.4th 1367 (Fed. Cir. 2022)	15
<i>SAP America, Inc. v. Valtrus Innovations Ltd.</i> , IPR2025-00414 (PTAB, Director Decision, Jul. 10, 2025).....	8
<i>Tanklogix, LLC v. Sitepro, Inc.</i> , IPR2025-00647 (PTAB, Director Decision, July 31, 2025).....	2

Statutes

35 U.S.C. § 311(b)	16
35 U.S.C. 314(a).....	1

Other Authorities

Coke Morgan Stewart, Acting Under Secretary of Commerce for Intellectual Property and Acting Director of the United States Patent and Trademark Office to All PTAB Judges, Memorandum Regarding Interim Processes for PTAB Workload Management (March 26, 2025).....	2
John A. Squires, Director, Memorandum to All PTAB Users, Additional Discretionary Institution Considerations U.S. Manufacturing and Small Business Use of AIA Proceedings (March 11, 2026)	12
Rules Governing Post-Grant, Inter Partes, and Derivation Proceedings, 89 Fed. Reg. 79,744 (Oct. 1, 2024).....	9

EXHIBIT LIST

<u>Exhibit No.</u>	<u>Description</u>
2001	Declaration of David M. Pridham
2002	<i>Bunker Hill Technologies, LLC v. Toyota Motor Corporation et al.</i> , No. 2:25-cv-1133 (E.D. Tex.) Complaint
2003	Toyota Motor Corporation, “ <i>Toyota Launches All-New Prius PHEV in Japan</i> ,” March 1, 2023, TOYOTA MOTOR CORPORATION OFFICIAL GLOBAL WEBSITE, https://global.toyota/en/newsroom/toyota/38869594.html .

I. INTRODUCTION

Patent Owner Bunker Hill Technologies, LLC respectfully requests that the Director exercise discretion under 35 U.S.C. § 314(a) and deny institution of trial on the Petition filed by Toyota Motor Corporation.

The challenged patent has been in force for many years, has been commercially relied upon and licensed within the automotive industry for substantial value, and is now challenged through a broad, expert-driven petition that duplicates issues already positioned for resolution in an Article III court. As the challenged patent is only one of nine at issue in this parallel litigation, regardless of the outcome of this challenge the litigation will not be disposed of and many of the same issues presented here will remain. Under the totality of the circumstances, and consistent with recent Director Decisions, discretionary denial is warranted.

II. LEGAL STANDARD

The Director “may not authorize an inter partes review to be instituted unless” certain conditions are met. 35 U.S.C. 314(a). Further, the Director is vested with broad discretion to deny institution even where a petition otherwise satisfies threshold requirements. *Cuozzo Speed Techs., LLC v. Lee*, 136 S.Ct. 2131, 2140 (2016).

Discretionary considerations are evaluated separately from the merits, and factors for consideration included: settled expectations of the parties, strength of the unpatentability challenge, reliance on expert testimony, parallel proceedings, economic and public-interest considerations, and any other considerations bearing on the Director's discretion. Coke Morgan Stewart, Acting Director, Memorandum Regarding Interim Processes for PTAB Workload Management at 2-3 (March 26, 2025). No single factor need be dispositive. The inquiry is holistic, focusing on efficiency, fairness, and the integrity of the patent system. *See, e.g., Tanklogix, LLC v. Sitepro, Inc.*, IPR2025-00647, Paper 10 at 2-3 (PTAB, Dir. Decision, July 31, 2025).

III. SETTLED EXPECTATIONS CONCERNING THE '648 PATENT STRONGLY FAVOR DISCRETIONARY DENIAL

A. The '648 Patent Has Been in Force for Many Years

Settled expectations are an independent and often dispositive ground for discretionary denial, particularly where a patent has been in force for more than six years. In *Dabico Airport Solutions*, Acting Director Stewart explained, "Although there is no bright-line rule on when expectations become settled, in general, the longer the patent has been in force, the more settled expectations should be." *Dabico Airport Solutions Inc. v. AXA Power ApS*, IPR2025-00408, Paper 21 at 3 (PTAB, Dir. Decision, June 18, 2025).

The '648 patent issued in February 2020 and claims priority to January 2014. By the time any Final Written Decision could issue in this proceeding, the patent will have been in force for over seven years. Under the Director's guidance, that duration alone places this case squarely within the zone where settled expectations are entitled to substantial weight.

1. Director Decisions Have Found Settled Expectations at This and Shorter Time Horizons

The Director has not required extraordinary patent age to find settled expectations. Recent decisions demonstrate that expectations may become settled early in a patent's term. *See, e.g., Kahoot! AS v. Interstellar, Inc.*, IPR2025-00696, Paper 12 at 2 (PTAB, Dir. Decision, Jul. 31, 2025) (six-year post-issuance time frame deemed sufficient to "creat[e] strong settled expectations"); *Cambridge Industries USA, Inc. v. Applied Optoelectronics, Inc.*, IPR2025-00435, Paper 11 at 3 (PTAB, Dir. Decision, June 26, 2025) (discretionary denial justified in the case of two patents in force for nine and seven years, respectively); *Maplebar, Inc. v. Fall Line Patents, LLC*, IPR2025-00958, Paper 8 at 2 (PTAB, Dir. Decision, Sep. 26, 2025) (denial appropriate where challenged patent in force for approximately nine years); *Amazon.com, Inc. et al. v. Soundclear Technologies LLC*, IPR2025-01067, Paper 15 at 2–3 (PTAB, Dir. Decision, Oct. 17, 2025) (denying institution

where the challenged patent had been in force for approximately eight years). Indeed, even where other considerations might “counsel against discretionary denial,” the settled expectation that arises from the length of time a patent has been in force is often deemed a deciding factor. *See, e.g., Intel Corp. et al. v. General Video, LLC*, IPR2025-01036, Paper 13 at 2-3 (PTAB, Dir. Decision, Oct. 17, 2025).

These decisions reflect a consistent principle: once a patent has remained in force long enough for the public and industry participants to reasonably rely on its legitimacy, discretionary denial is appropriate absent extraordinary circumstances. No such circumstances are present here.

2. Settled Expectations Do Not Require Prior Litigation or Prior Challenges

Toyota may contend that settled expectations should be discounted because the '648 patent has not previously been litigated or challenged in an IPR. Prior Director Decisions have squarely rejected that proposition.

As explained in *Dabico*, because issued patents are publicly available and provide notice to competitors and commercial actors as a matter of law, “actual notice of a patent or of possible infringement is not required to create settled expectations.” IPR2025-00408, Paper 21 at 3. Moreover, in *Cambridge Industries* Acting Director Stewart declined to require evidence

of actual knowledge or specific business decisions (like licensing) by a petitioner. In that case, the petitioner (Cambridge) argued that a patent owner (Applied Optoelectronics) should not be credited with significant reliance interests because doing so would “only make[] sense in the context of an implicit or explicit understanding that both parties regarded the claims as valid, e.g., as reflected in a license agreement.” In Cambridge’s view, “It cannot be the case that a never-asserted patent achieves a patina of validity simply by the passage of time.” IPR2025-00435, Paper 9 at 12-13.

Acting Director Stewart soundly rejected that proposition, recognizing that the public record itself is the foundation of the reliance interest, even in the case of a patent in force for only seven years. IPR2025-00435, Paper 11 at 3 (PTAB, Dir. Decision, Jun. 27, 2025). This decision makes clear that reliance interests (central to the idea of settled expectations) are tied to the subject patent being in force. If a patent has been public for several years (7 in the case of the Applied Optoelectronics patent), expectations are “settled” because the public had the opportunity to account for it.

Toyota is a sophisticated automotive manufacturer operating in the precise technological space claimed by the ’648 patent. If Toyota believed the patent was defective, it could have pursued available challenges years earlier. The Director has consistently declined to reward such delay.

3. The Technology and Industry Context Heightens the Weight of Settled Expectations

The settled expectations arising from the '648 patent's longevity are further amplified by the technological and industry context in which it operates. The claims at issue relate to vehicle propulsion systems, an area characterized by extended development timelines, substantial upfront capital investment, long-term supplier integration, and regulatory gating. In such industries, design decisions are often locked in years before commercial deployment, supply chains are structured around fixed technical assumptions, and freedom-to-operate assessments are made early and relied upon throughout product lifecycles.

When a patent has remained publicly issued and enforceable for many years in this context, industry participants reasonably structure their conduct around its continued validity. Late-stage administrative challenges disrupt that reliance not merely in the abstract, but at a systemic level, introducing uncertainty after investment and design decisions have already crystallized. The Director has recognized that these realities heighten the weight of settled expectations and counsel restraint where an IPR would undermine predictability rather than promote efficiency. *See Amgen Inc. v. Bristol-Myers Squibb Co.*, IPR2025-00601, Paper 9 at 2 (PTAB, Dir. Decision, Jul. 24, 2025) (recognizing that investment, time, and resources dedicated to

research, development, trials, and regulatory approval can correlate to settled expectations). Instituting review here, years after the patent issued and after reliance has formed within a capital-intensive industry, would cut against the institutional goals underlying discretionary denial under § 314(a).

B. Settled Expectations Attach to the Patent Right, Not Merely the Original Patentee

1. Ownership Changes Do Not Reset the Reliance Clock

Toyota may suggest that settled expectations should be discounted because it did not interact with the original patentee and/or because Patent Owner, Bunker Hill Technologies, is not the original assignee. Previous discretionary denial decisions have unambiguously rejected the notion that settled expectations evaporate upon assignment.

In *SAP America, Inc. v. Valtrus Innovations Ltd.*, petitioner SAP argued that patent owner Valtrus had no settled expectations as a secondhand acquirer of a patent: “First, *this* PO had no settled expectations when the challenged patent was filed. That is because *this* PO did not acquire the challenged patent until 2021, long after the AIA’s enactment. PO’s settled expectations in 2021 would naturally include the possibility of IPR.” IPR2025-00414, Paper 11 at 23 (exhibit references omitted, emphasis in original). Acting Director Stewart was not persuaded. In exercising her discretion to deny institution of trial, she remarked, “the challenged patents

[] have been in force for approximately 20 years, creating strong settled expectations” IPR2025-00414, Paper 12 at 3 (PTAB, Dir. Decision, Jul. 10, 2025). Her decision squarely rejects the idea that a purchase of patents somehow weakens or vitiates a buyer’s settled expectations in those assets.

The approach exemplified by *Cambridge Industries* and *Valtrus* reflects an institutional reality. Patents are statutorily assignable property rights, and the Patent Act expressly contemplates that patents will be transferred, licensed, and enforced by entities other than the original inventor. If settled expectations could be nullified simply by pointing to an assignment, they would rarely exist at all, particularly in industries where patent portfolios are routinely acquired and licensed.

Thus, whether termed “settled expectations” or “reliance interests,” these expectancies persist through post-issuance assignments. A successor in interest (e.g., a new patent owner) inherits the settled expectations created by virtue of the patent’s long-term presence on the public record. See *Dabico*, IPR2025-00408, Paper 21 at 3 (recognizing that these interests, like the right to sue for infringement, are an attribute of the patent grant itself). The inquiry is not whether a petitioner personally relied on the patent, but whether the patent’s continued public enforceability over time has created reliance interests that counsel against late-stage administrative review.

2. Allowing Ownership-Based Exceptions Would Undermine Discretionary Denial

Treating ownership changes as a basis to discount settled expectations would undermine the very purpose of discretionary denial under § 314(a). It would penalize lawful patent transfers, destabilize secondary markets for patent rights, incentivize delayed challenges timed to ownership changes, and reintroduce uncertainty long after patents have shaped commercial behavior. The Director’s discretionary authority exists precisely to prevent *inter partes* review from becoming a perpetual validity check untethered from reliance, predictability, and fairness. *See, e.g., Rules Governing Post-Grant, Inter Partes, and Derivation Proceedings*, 89 Fed. Reg. 79,744, 79,747 (Oct. 1, 2024) (Director Review at the institution stage of proceedings “aligns with the Office’s priority to promote the accuracy, consistency, and integrity of PTAB decision-making in AIA proceedings.”). If settled expectations could be nullified by pointing to a patent transfer, or by labeling a patent owner as a licensing entity, the doctrine would become meaningless. The Director has therefore consistently rejected such categorical carve-outs.

Here, the ’648 patent has been publicly issued and enforceable for many years, remained continuously on the public record, and provided constructive notice to sophisticated industry participants, including Toyota.

Those facts establish settled expectations regardless of assignment.

C. Past Licensing Confirms Actual Market Reliance

This is not a case involving speculative or hypothetical reliance interests. Rather, Patent Owner has entered into and successfully concluded arm's-length licensing transactions involving the '648 patent with sophisticated market participants.

1. The Director Has Recognized That Actual Licensing Is Powerful Evidence of Reliance

In exercising discretion under § 314(a), the Director evaluates settled expectations as a practical inquiry into whether the patent has meaningfully shaped commercial behavior. While age alone may establish reliance interests, actual licenses are among the clearest indicators that market participants have treated the patent as a valid and enforceable right. *See e.g., Alliance Laundry Systems, LLC v. Payrange LLC*, IPR2025-00950, Paper 11 at 3 (PTAB, Dir. Decision, Sep. 19, 2025) (evidence of licensing creates settled expectations even where challenged patent in force only four years).

The '648 patent is included in Patent Owner's broader licensing program directed to entities operating in the automotive industry. License rights have been negotiated and executed at arm's length with sophisticated licensees, and the license rights granted forward-looking freedom to operate,

not merely backward-looking releases. Ex. 2001 at ¶¶ 6-20. These facts go well beyond abstract expectations and demonstrate concrete, market-based reliance.

2. Confidentiality Does Not Diminish the Evidentiary Weight of Licensing Reliance

Patent Owner is prohibited from publicly disclosing the identities of its licensees and the financial terms of associated with the license rights due to binding confidentiality obligations. *Id.* at ¶ 11. Such confidentiality is common in technology licensing, yet it does not undermine the probative value of the underlying reliance. To the contrary, confidentiality itself reflects commercial sensitivity and seriousness, not token or nuisance licensing.

3. Licensing Through an Intermediated Program Reinforces, Rather Than Undermines, Reliance

The licensing program at issue is designed to efficiently provide freedom to operate across a complex industry ecosystem. *Id.* at ¶¶ 8, 14-15. Such programs are widely used in sectors like automotive systems, where products incorporate components from multiple suppliers and design cycles are long. Moreover, the licenses were not nominal, and were executed in the ordinary course of business, not in anticipation of this IPR. *Id.* at ¶¶ 7, 9, 13, 16. Accordingly, market participants are able to structure their activities

secure in the knowledge that their license to the '648 patent increases flexibility in their forward-looking commercial activities. Allowing a late-stage administrative challenge after such reliance has crystallized would undermine the predictability that discretionary denial is intended to protect.

D. Additional Discretionary Considerations Under the Director's March 11, 2026 Memorandum

The Director's March 11, 2026 Memorandum identifying additional discretionary institution considerations applies here and further supports denial. See John A. Squires, Director, Memorandum: Additional Discretionary Institution Considerations (March 11, 2026). The accused products relevant to the '648 patent are vehicles having electric or hybrid-electric powertrain systems, including the Toyota Prius Plug-In Hybrid. Ex. 2002 at ¶¶ 4, 152-163. The vehicle is manufactured outside the United States, with production centered in Japan. Ex. 2003 at 8 (identifying Tsutsumi Plant). Institution of this proceeding therefore would not serve to protect or promote domestic manufacturing activity associated with the accused products. Further, Petitioner is a large, multinational automotive manufacturer, and no small-business equities are implicated. Pet. at 2.

When considered alongside the strong settled expectations associated with the '648 patent and the limited marginal value of IPR in light of parallel district court litigation, the additional considerations identified in the March 11, 2026 Memorandum confirm that this case is not an appropriate candidate for discretionary institution under § 314(a).

IV. PARALLEL DISTRICT COURT LITIGATION AND THE LIMITED VALUE OF PETITIONER'S SOTERA STIPULATION

Petitioner is a defendant in parallel district-court litigation involving the '648 patent. Pet. at 3. When viewed in combination with the other factors present here, the existence of that proceeding weighs against institution.

A. Parallel District-Court Litigation Reduces the Marginal Value of IPR

As a discretionary matter, IPRs are most valuable where they provide clear efficiency benefits, either by resolving issues that would not otherwise be addressed, or by doing so in a way that materially streamlines parallel proceedings. That benefit is absent here. The '648 patent is but one of *nine* patents at issue in the district court litigation, one of which is the immediate parent of the '648 patent. Ex. 2002 at pp. 1, 6-7, 9-139. Other than U.S. Pat.

11,374,508,¹ none of these other patents is the subject of an IPR. Hence, irrespective of institution, the district court will still address overlapping claim construction issues, factual development concerning the same (and potentially other) prior art references, expert testimony concerning the knowledge and perspective of a POSITA, and defenses and issues outside the limited scope of this IPR. Institution would merely introduce a second proceeding, rather than providing a streamlined alternative. In cases like this, discretionary denial preserves resources and avoids duplication.

B. The Sotera Stipulation Does Not Eliminate Overlap or Inefficiency

Petitioner has offered a Sotera-style stipulation purporting to limit certain invalidity arguments in district court. Paper 5 at 1. While perhaps relevant to discretionary analysis, Petitioner's stipulation is not dispositive, and it provides limited practical benefit.

First, it is conditional on institution. *Id.* If the Director denies institution, Petitioner is free to pursue its full range of defenses in district court. That underscores the stipulation's essence as a litigation tactic rather than an unconditional commitment to streamline adjudication. Second, even

¹ On April 7, 2026, Petitioner filed a petition in IPR2026-00333 concerning the '508 patent.

with the stipulation, substantial overlap with the district court proceeding remains. Institution would not meaningfully reduce this duplication. Third, the stipulation does nothing to mitigate the other considerations present here, including the strong settled expectations arising from the patent's age, actual market reliance demonstrated through licensing, the Petition's heavy dependence on expert testimony, and the reconstructive nature of the Petition's unpatentability theories. Discretionary denial under § 314(a) is a holistic inquiry. A stipulation addressing only a portion of potential overlap cannot override these broader institutional concerns.

V. THE PETITION'S WEAKNESS AS A DISCRETIONARY MATTER

A. The Petition Relies Heavily on Expert Testimony Rather Than Clear Documentary Teachings

Petitioner's case depends extensively on expert testimony to supply critical elements of its theories, rather than on clear and self-explanatory disclosures in the asserted prior art. This heavy reliance on expert reconstruction weighs against institution as a discretionary matter.

1. The Petition Uses Expert Testimony to Bridge Gaps in the Prior Art

Inter partes review is intended to provide an efficient mechanism for resolving straightforward patentability disputes grounded in documentary prior art. *Qualcomm Inc. v. Apple Inc.*, 24 F.4th 1367, 1375 (Fed. Cir. 2022)

(references that may form the basis of a challenge are limited to “[A] prior art patent or prior art printed publication.”); 35 U.S.C. § 311(b) (a patent can be challenged in an IPR “only on the basis of prior art consisting of patents or printed publications”). The present Petition, however, relies extensively on a single expert’s opinion to: interpret ambiguous disclosures in the cited references; supply motivations to combine that are not expressly articulated therein; and to assert that certain claim limitations would have been “well-understood,” “routine,” or “obvious” despite the absence of explicit disclosure. *See, e.g.*, Pet. at 31-53. These are not peripheral matters; they are central to the Petition’s *prima facie* case. Absent this testimony, the Petition does not present a self-contained documentary showing that the prior art discloses or renders obvious the challenged claims.

Ground 2 illustrates this defect. There, Petitioner expressly “incorporate[s]” Ground 1 and contends that, “to the extent” a cited reference is “found not to disclose” a required claim element, the claims “still would have been obvious” based on the teachings of that reference. Pet. at 30-31. This contingent fallback structure underscores the extent to which Petitioner’s theories depend on expert reconstruction rather than on clear teachings in the prior art itself. Resolving such theories would require engaging in claim-interpretive disputes and credibility assessments driven by

expert opinion, rather than evaluating a focused, document-based showing. That posture does not favor institution as a discretionary matter.

2. Expert-Driven Reconstruction Undermines Efficiency Goals of IPR

The Director's discretionary authority under § 314(a) is informed by institutional efficiency. Where, as here, a petition relies heavily on expert testimony to reconstruct what the prior art allegedly teaches, institution is less likely to streamline the dispute. Institution would necessarily entail dueling expert declarations, disputes over claim interpretation embedded in those opinions, credibility assessments not well-suited for a paper record, and extensive briefing untethered from the face of the references themselves. That dynamic is functionally indistinguishable from district-court validity litigation, but without the procedural tools, such as live testimony and broader discovery, that are designed to resolve such factual disputes.

Further, this dynamic is particularly problematic at the institution stage, where the Director's discretion is exercised with an eye toward whether an IPR will meaningfully advance efficiency and accuracy as compared to parallel Article III proceedings. A petition that depends on extensive expert interpretation to supply missing teachings, motivations, and claim mappings effectively imports the very fact-intensive disputes that IPR was designed to avoid. Rather than resolving a focused, document-driven

question of patentability, institution would commit the Board to adjudicating competing narratives constructed through hindsight and expert opinion, requiring credibility assessments and reconstruction exercises that are ill-suited to a streamlined administrative forum. In such circumstances, the marginal value of IPR is diminished, not enhanced. The Director's discretionary authority exists precisely to prevent IPR from becoming a substitute for district court litigation where the petition's theories rise or fall on expert advocacy rather than the face of the prior art itself. Denial here would therefore conserve administrative resources while preserving the integrity and intended role of *inter partes* review.

B. The Prosecution History Undermines the Petition's Narrative

The Petition's characterization of the challenged claims as reflecting routine, conventional, or well-understood technology is in tension with the actual prosecution history of the '648 patent. As a discretionary matter, this disconnect further weakens the Petition and weighs against institution.

1. The Petition's Narrative Conflicts With the Examiner's Contemporaneous Evaluation

The Petition repeatedly asserts that the claimed subject matter would have been readily apparent to a POSITA at the relevant time. *Id.* That narrative is difficult to reconcile with the fact that the claims were allowed

by the Office without the need for rejection-driven narrowing amendments. See Ex. 1002 at 152-160 (Notice of Allowance issued as first action).

This record reflects that the Examiner reviewed the claimed invention in view of the prior art and concluded that the claims were patentable. While this decision is not dispositive, it is a contemporaneous evaluation made by a neutral decision-maker applying even broader claim interpretations than govern this proceeding. As a discretionary matter, where a petition's theory depends on reframing the invention as obvious through retrospective expert analysis, such prosecution history counsels restraint. Nothing suggests that the Examiner viewed the claims as reciting mere aggregations of known elements or as obvious design choices as Petitioner contends.

2. Continuation Context Does Not Support the Petition's Assertions

Petitioner may argue that the claims should be discounted because they issued in a continuation application. Such an argument would be misplaced. The continuation process does not diminish the Examiner's obligation to assess patentability, nor does it suggest that allowed claims are presumptively routine. To the contrary, continuation claims are often evaluated against an expanded prior art record and benefit from a more refined understanding of the invention.

Here, the same Examiner that allowed the claims of the '648 patent had already reviewed and approved its immediate parent application. Ex. 1007 at 151-154, 177-185, 206-215, 350-351, 495-507, 656-666, 721-727. The prompt allowance of this application is not a flaw in the system, but a predictable outcome of informed examination. Having already reviewed, considered, and allowed the parent application, the Examiner brought continuity, familiarity, and efficiency to the examination of the present one. Petitioner identifies no indication in the prosecution record that the Examiner failed to consider the prior art, cut corners, or otherwise shirked his duties. Unsupported insinuations about “expediency” cannot substitute for evidence, nor do they justify viewing the allowed claims with suspicion.

Accordingly, this case is ill-suited for institution under § 314(a).

VII. CONCLUSION

For the foregoing reasons, Patent Owner respectfully requests that the Director deny institution of IPR2026-00250 under 35 U.S.C. § 314(a).

Dated: April 8, 2026

Ascenda Law Group, PC
2150 N First St., Ste. 420
San Jose, CA 95131
866-877-4883

Respectfully submitted,
/Tarek N. Fahmi/
Tarek N. Fahmi, Reg. No. 41,402
tarek.fahmi@ascendalaw.com

CERTIFICATE OF PAGE COUNT

The undersigned certifies that this brief is no more than 20 pages, exclusive of table of contents, table of authorities, table of exhibits, and certificates, according to the page count of the word-processing system used to prepare this paper.

/Tarek N. Fahmi/

Tarek N. Fahmi

Reg. No. 41,402

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing

PATENT OWNER'S REQUEST FOR DISCRETIONARY DENIAL
was served on April 8, 2026, by filing this document through the PTAB P-
TACTS System as well as by delivering a copy via email directed to the
attorneys of record for the Petitioner at the following addresses:

John F. Presper
John S. Kern
Jeffrey D. Blake
MERCHANT & GOULD, P.C.
1900 Duke Street
Alexandria, VA 22314

Email:
jpresper@merchantgould.com
jkern@merchantgould.com
jblake@merchantgould.com
toyota648ipr@merchantgould.com

The parties have agreed to electronic service in this proceeding.

Respectfully submitted,

Dated: April 8, 2026

Ascenda Law Group, PC
2150 N First St., Suite 420
San Jose, CA 95131
Tel: 866-877-4883
Email: patents@ascendalaw.com

/Tarek N. Fahmi/

Tarek N. Fahmi
Reg. No. 41,402