

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

TOYOTA MOTOR CORPORATION,

Petitioner,

v.

BUNKER HILL TECHNOLOGIES, LLC

Patent Owner

IPR2026-00333

U.S. Patent No. 11,374,508

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

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Petitioner's Exhibit List

Toyota Exhibit No.	Description
1001	U.S. Patent No. 11,374,508 (the '508 Patent)
1002	Prosecution History of the '508 Patent
1003	CV of Mahdi Shahbakhti
1004	Declaration of Mahdi Shahbakhti, dated April 6, 2026
1005	JP2010-036880 ("Tsuzuki")
1006	JP2010-221979 ("Imai")
1007	U.S. Patent No. 8,618,752 ("Zing")
1008	US2006/0098390 ("Ashtiani")
1009	JP2001-218380 ("Satoru")
1010	US2014/0100726 ("Reynolds")
1011	Ehsani, Modern Electric, Hybrid Electric, and Fuel Cell Vehicles
1012	Docket Control Order, <i>Bunker Hill Tech., LLC v. Toyota Motor Corp. et al.</i> , No. 25-cv-01133, Dkt. 34 (E.D. Tex. May 28, 2026)
1013	"Toyota's Path to Carbon Neutrality," Toyota Newsroom (May 12, 2021), https://pressroom.toyota.com/toyotas-path-to-carbon-neutrality/
1014	"Toyota Announces \$912 Million Investment in U.S. to Expand Hybrid Vehicle Production Capacity," Toyota Newsroom (Nov. 18, 2025), https://global.toyota/en/newsroom/corporate/43577463.html
1015	Plaintiff Bunker Hill Technologies, LLC's Disclosure of Asserted Claims and Infringement Contentions, <i>Bunker Hill Tech., LLC v. Toyota Motor Corp. et al.</i> , No. 25-cv-01133 (E.D. Tex. May 26, 2026)

I. INTRODUCTION

The Director should deny Patent Owner’s request for discretionary denial (Paper 7) (“DD Req.”) because the Petition was filed less than four years after the ’508 patent issued in 2022, and less than five months after the district court complaint was filed. Moreover, the related district court litigation remains at an early stage.¹ And the Board’s review is projected to conclude with a Final Written Decision by early October 2027, before the scheduled trial in the related litigation. Indeed, the case against discretionary denial here is even stronger than in IPR2026-00250, where the Board already rejected Patent Owner’s request for discretionary denial in an IPR that Petitioner filed against an older one of Patent Owner’s asserted patents in the related litigation. *See Toyota Motor Corp. v. Bunker Hill Techs., LLC*, IPR2026-00250, Paper 12 (Jun. 12, 2026) (rejecting request for discretionary denial).

There are no settled expectations in the validity of the ’508 patent. On the contrary, the Director has found that patents less than six years old “have not been in force for a significant period of time . . . and, accordingly, Patent Owner has not developed strong settled expectations that favor discretionary denial” *See, e.g., Samsung Elecs. Co. v. Wilus Inst. of Standards & Tech. Inc.*, IPR2025-00935, Paper

¹ A *Markman* hearing is not scheduled until January 2027, fact discovery is not scheduled to close until March 2027, and trial is scheduled for late October 2027. *See* EX1012.

12 at 2 (Acting Director Sep. 26, 2025) (declining discretionary denial when challenged patents issued in 2021 and 2023). Patent Owner’s attempt to manufacture settled expectations by invoking “the technological and industry context in which [the ’508 patent] operates” (DD Req. at 9)—and Patent Owner’s reliance on unspecified confidential licenses as evidence of market reliance—should be rejected.

Patent Owner’s remaining theories for discretionary denial fare no better. While ignoring most of the factors set forth in *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 (Mar. 20, 2020), Patent Owner argues that Petitioner’s *Sotera* stipulation has “limited practical benefit” because “it is conditional on institution” and Petitioner would be “free to pursue its full range of defenses in district court” if institution is denied. DD Req. at 14. This argument is nonsensical and ignores the purpose of the stipulation, which is to prevent the same issues being litigated in both forums.

Patent Owner also asserts that institution would have “marginal value” because the ’508 patent is one of nine patents asserted against Petitioner, and only one other asserted patent is currently the subject of an IPR petition. But the issue before the Director under *Fintiv* is overlap between proceedings with respect to the ’508 patent challenged in the Petition, which is addressed by Petitioner’s *Sotera* stipulation.

Patent Owner tepidly criticizes the Petition for purported “heavy reliance on expert reconstruction” to “supply critical elements” of the invalidity theories and “bridge gaps in the prior art” (*id.* at 15-16), but the only specific example cited is the “contingent fallback” theory in Ground 2, which contends that, to the extent the anticipating reference (Tsuzuki) in Ground 1 is found not to disclose certain limitations, the claims challenged in Ground 1 would have been obvious based on the teachings of Tsuzuki. There is nothing improper here. Indeed, Patent Owner fails to identify errors or inaccuracies in any of the grounds set forth in the Petition, including Ground 1 and Ground 8 which assert anticipation of the challenged claims based on the Tsuzuki and Imai references, respectively—neither of which were before the Examiner during prosecution.

Patent Owner also contends that the fact that the claims of the ‘508 patent were allowed must be the result of “informed examination” by an Examiner who “already reviewed and approved three prior parents in the same family” and thus “brought continuity, familiarity, and efficiency to the examination of the present one.” *Id.* at 20. Petitioner respectfully offers a more likely explanation: the Examiner failed to uncover any of the references cited in the Petition, including Tsuzuki and Imai which form the basis of separate anticipation grounds.

Finally, the application of the Office’s new guidance in the March 2025 and March 2026 memoranda establishing additional discretionary denial considerations

violates the separation of powers under the U.S. Constitution because it is inconsistent with the Congressional intent and purpose of the America Invents Act.

Accordingly, Petitioner respectfully requests that the Director deny Patent Owner's request for discretionary denial and refer the Petition to the Board on the merits.

II. ARGUMENT

A. Patent Owner Has No Settled Expectations

1. The '508 Patent Was Less than Four Years Old When the Petition Was Filed

Patent Owner has no settled expectations in the '508 patent, which issued on June 28, 2022 (EX1001, cover page), was first asserted in litigation on November 18, 2025, and was challenged in this IPR less than five months later. As the Director has repeatedly explained, the less time a patent has been in force, the less settled expectations in the patent should be. *See, e.g., Cambridge*, Paper 11 at 2-3 (patents issued in 2019 and 2020 "have not been in force for a significant period of time" and do not result in "strong settled expectations that favor discretionary denial").

The Petition was filed within four years of the '508 patent's issuance. "Although there is no bright-line rule on when expectations become settled," *Dabico Airport Solutions Inc. v. AXA Power ApS*, IPR2025-00408, Paper 21 at 3 (Acting Director June 18, 2025), the Director has repeatedly found that patents in force for six years or less have not given rise to settled expectations. *See, e.g., Cambridge*,

Paper 11 at 2-3 (no settled expectations for patents five and six years old); *Apple Inc. v. Apex Beam Tech. LLC*, IPR2025-00896, IPR2025-00900, IPR2025-00901, IPR2025-00907, IPR2025-00909, IPR2025-00910, IPR2025-00911, Paper 10 at 3 (Acting Director Sept. 3, 2025) (no settled expectations for patents three and four years old); *Evenflo Co., Inc. v. Baby Jogger, LLC*, IPR2025-01122, IPR2025-01140, Paper 12 (Director Nov. 20, 2025) (declining discretionary denial where challenged patents were less than two years old); *3D Sys. Corp. et al. v. Intrepid Automation, Inc.*, IPR2025-01241, IPR2025-01242, Paper 11 (Director Nov. 20, 2025) (declining discretionary denial where challenged patents were three and four years old); *Asustek Computer, Inc. v. Nokia Tech. Oy*, IPR2025-01153, Paper 13 (Director Nov. 20, 2025) (declining discretionary denial where challenged patent was five years old); *Solventum Corp. v. Wound Healing Tech., LLC*, IPR2025-01042, Paper 12 (Director Nov. 20, 2025) (declining discretionary denial where challenged patent was five years old); *CentralSquare Tech., LLC v. Carbynem Ltd*, IPR2025-01179, Paper 10 (Director Nov. 20, 2025) (declining discretionary denial where challenged patent was two years old).

Patent Owner also argues that the ‘508 patent is “part of a multi-generation patent family” that has been “continuously on the public record since at least the filing of the family’s 2013 U.S. application.” DD Req. at 7. But this argument fails because “the name of the game is the claim.” *In re Hiniker Co.*, 150 F.3d 1362,

1369 (Fed. Cir. 1998). The fact that other patents with the same written description as the ‘508 patent—*but different claims*—may have been around for longer than six years does not create settled expectations in the ‘508 patent, whose scope of protection (which is defined by the claims) has only existed since the patent issued in June 2022.

Lastly, in IPR2026-00250, the Board rejected Patent Owner’s request for discretionary denial in an IPR directed to U.S. Patent No. 10,549,648 (“the ‘648 patent”), which was significantly older than the ‘508 patent when the petition was filed. *See Toyota Motor Corp. v. Bunker Hill Techs., LLC*, IPR2026-00250, Paper 12 (Jun.12, 2026) (rejecting request for discretionary denial). Since alleged settled expectations did not lead to discretionary denial in IPR2026-00250, the even weaker alleged settled expectations here should certainly not lead to discretionary denial. Patent Owner has no settled expectations in the ‘508 patent.

2. There Is No “Technology and Industry Context” Giving Rise to Settled Expectations

Patent Owner attempts to manufacture settled expectations by invoking “the technological and industry context in which [the ‘508 patent] operates.” *Id.* at 9. Specifically, Patent Owner asserts that “[t]he claims at issue relate to vehicle propulsion systems, electric drive systems, an area characterized by extended development timelines, substantial upfront capital investment, long-term supplier integration, and regulatory gating,” and that “[i]n 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.” *Id.* However, Patent Owner does not assert or cite any evidence showing *it* has invested time, money, or resources dedicated to any such research and development, manufacturing, supplier integration, or “regulatory gating.”

Patent Owner’s only authority for this proposition is dicta from a life sciences case that is completely inapposite. In *Amgen Inc. v. Bristol-Myers Squibb Co.*, IPR2025-00601, the petitioner was a biosimilar developer challenging a competing pharmaceutical company’s patent directed to treating cancer by administering combinations of certain antibodies. *Amgen*, Paper 6 (Request for Discretionary Denial) at 1, 6-11. The actual quote from the discretionary denial decision paraphrased by Patent Owner is as follows: “Although there may be good reasons why a patent owner has strong settled expectations in a patent that has only been in force for three years, for example an explanation of how an extraordinary amount of investment, time, and resources dedicated to research, development, trials, and regulatory approval correlates to settled expectations, ***Patent Owner has not sufficiently articulated such reasons in these proceedings.***” *Amgen*, Paper 9 at 2 (Acting Director July 24, 2025) (emphasis added). The same is true here—Patent Owner has not articulated any reasons or provided any explanation of how it invested

any time and resources dedicated to “research, development, trials, and regulatory approval” that correlates to settled expectations, nor could it as a non-practicing entity. Abstract industry-wide generalities such as “technological and industry context” that have no connection to Patent Owner or the challenged patent are insufficient to warrant discretionary denial.

Moreover, IPRs have previously been instituted involving patents in the electric vehicle industry, further disproving Patent Owner’s unsupported assertions. *See, e.g., Tesla, Inc. v. Charge Fusion Tech. LLC*, IPR2025-00152, IPR2025-00153, Paper 11 (Acting Director June 12, 2025) (declining discretionary denial where patents related to features of EV battery charging).

3. Patent Owner’s Confidential Licensing Should Be Given No Weight

Patent Owner relies on “arm’s-length licensing transactions involving the ’508 patent with sophisticated market participants” as evidence of market reliance and settled expectations. DD Req. at 2. But Patent Owner does not provide any details about the number of licenses, their terms, the circumstances of when and how they were executed, or even the identity of any licensees, citing “binding confidentiality obligations.” *Id.* at 3. Therefore, Petitioner and the Director have no way of evaluating whether such licenses demonstrate whether the ’508 patent “has meaningfully shaped commercial behavior” (*id.* at 2) because they are the result of an objective assessment of the patent’s strength, or if they were extracted under

threat of or to resolve litigation and therefore have limited probative value. *See, e.g., Laser Dynamics, Inc. v. Quanta Computer, Inc.*, 694 F.3d 51, 77-78 (Fed. Cir. 2012) (finding district court abused its discretion by admitting into evidence settlement agreement “tainted by the coercive environment of patent litigation” to prove damages). Indeed, Patent Owner states that the ’508 patent “is included in Patent Owner’s broader licensing program” (DD Req. at 3), indicating it may be just one patent in a larger portfolio license that may cover various technologies, further calling into question its actual licensing value.

To help address these questions, Patent Owner could have moved for a protective order and/or filed a motion to seal exhibits containing license agreements having confidential information, and later move to expunge such confidential information from the record after final judgment or if institution is denied. *See* 37 §§ 42.54(a), 42.56; *see also, e.g., Intel Corp. et al. v. Alacritech, Inc.*, IPR2017-01391, Paper 81 at 51-52 (Nov. 26, 2018) (granting motion to seal “due to the inclusion of certain licensing terms that Patent Owner regards as confidential”). Patent Owner failed to do so. Accordingly, the confidential license(s) referenced by Patent Owner should be afforded no weight in the discretionary denial analysis.

B. Discretionary Denial is Unwarranted Under *Fintiv*

While Patent Owner ignored most of the *Fintiv* factors, a holistic analysis under *Fintiv* confirms that discretionary denial is unwarranted.

1. Factor 1 – Whether the District Court Has Indicated It Will Grant a Stay

The district court has not denied a stay pending IPR or otherwise indicated that a stay would be unavailable here. Where a court has not expressed a view, this factor is neutral. *See Nikon Corp. v. Optimum Imaging Techs., LLC*, IPR2024-01372, Paper 17 at 10-11 (Apr. 23, 2025); *Sand Revolution II, LLC v. Cont’l Intermodal Grp.-Trucking LLC*, IPR2019-01393, Paper 24 at 7 (June 16, 2020). Moreover, any stay statistics from the district court are not “specific evidence” indicating this factor supports denial “because the court may determine whether or not to stay any individual case, including the related one, based on a variety of circumstances and facts beyond our control and to which the Board [or Director] is not privy.” *Sand Revolution II*, Paper 24 at 7. Accordingly, this factor does not support discretionary denial.

2. Factor 2 – Proximity of Trial Date to Board’s Final Written Decision

This factor weighs against discretionary denial because the parallel district court case is in its very early stages. *See* EX1012. A *Markman* hearing is not set to occur until January 6, 2027, and a trial will not take place until at least late October 2027. EX1012. By contrast, the Board’s statutory Final Written Decision deadline in this proceeding will be approximately early October 2027 (or earlier). Accordingly, the early stage of the parallel litigation weighs against discretionary

denial. *See, e.g., Amazon.com, Inc. v. NL Giken Inc.*, IPR2025-00250, Paper 14 at 2 (Acting Director May 16, 2025) (declining discretionary denial where it was “likely that a final written decision in this proceeding will issue before the district court trial occurs”).

Patent Owner argues that the timing of the *Markman* hearing in the parallel litigation is irrelevant because the petition does not propose any express constructions for claim terms in the ‘508 patent. DD Req. at 12-13. This is a red herring. The point here is that the district court case is in its very early stages. This is evident from the court’s docket control order (EX1012), which—among other things—calls for a *Markman* hearing in January 2027 and a trial in late October 2027. The *Markman* hearing is an important milestone in any district court patent litigation that gives a sense of how far (or how little) the litigation has progressed. And here, the fact that the *Markman* hearing is not set to occur until early next year and a trial is not set to occur until towards the end of next year is strong evidence that the litigation remains at an early stage.

Moreover, and contrary to Patent Owner’s argument, a defendant is not precluded from proposing terms for construction in litigation simply because it took the position as a petitioner in a parallel IPR that terms should be accorded their plain and ordinary meaning. *See, e.g., Samesurf, Inc. v. Intuit, Inc.*, 2025 U.S. Dist. LEXIS 84356, at *26-28 (S.D. Cal. May 2, 2025) (rejecting plaintiff’s position that

defendant was bound by “plain and ordinary meaning” constructions that defendant/petitioner proposed in related IPR, and noting that “the doctrine of prosecution history disclaimer, which applies to statements made during IPR proceedings, only applies to statements made by a patent owner. ... It does not apply to statements made by an accused infringer/IPR petitioner.”); *Oxygenator Water Techs., Inc. v. Tennant Co.*, 2021 U.S. Dist. LEXIS 155801, at *14 n.2 (D. Minn. Aug. 18, 2021). Accordingly, the fact that the petition here does not expressly propose terms for construction (and instead relies on the plain and ordinary meaning) does not mean that there will be no claim terms at issue in the parallel litigation, or that the *Markman* hearing will be of no value.

3. Factor 3 – Investment in Parallel Litigation

At the time of the institution decision, the district court will have made very little investment in the parallel litigation. The court will not have held a *Markman* hearing. Fact discovery will be ongoing but in its early stages, and expert discovery will not be completed. In short, the court is unlikely to have issued any substantive orders related to the '508 patent. This does not constitute “substantial investment” under *Fintiv*. See *Fintiv*, Paper 11 at 10.

Moreover, Petitioner acted with significant diligence in filing the petition on April 7, 2026, less than five months after the complaint was filed on November 18, 2025, and more than seven months before the statutory deadline—preventing the

district court case from maturing before PTAB review. *See Samsung Elecs. Co. v. Mullen Indus. LLC*, IPR2024-01472, Paper 9 at 10 (Mar. 31, 2025) (finding diligence when petition was filed less than five months after infringement contentions). For this additional reason, this factor weighs strongly against discretionary denial.

Patent Owner's citation to *10x Genomics, Inc. v. President & Fellows of Harvard Coll.*, IPR2023-01299, Paper 15 at 18-19 (PTAB Mar. 7, 2024) is inapposite. DD Req. at 14. In *10x Genomics*, the petitioner had waited "until exactly one year after it was served with the counterclaim for infringement" to file its IPR petition. *10x Genomics*, Paper 15 at 18-19. While this timing just barely complied with the statutory deadline for filing the petition, the Board found that the petitioner's unexplained "delay" in filing weighed in favor of discretionary denial. *Id.* This is nothing like the present case, where Petitioner filed its petition less than five months after the complaint was filed and more than seven months before the statutory deadline. Moreover, unlike in *10x Genomics*, Petitioner filed the instant petition even **before** receiving Patent Owner's infringement contentions in the parallel litigation. *See* EX1015 (infringement contentions served on May 26, 2026— well after petition was filed on April 7, 2026). Petitioner here was diligent. This factor weighs against discretionary denial.

4. Factor 4 – Overlap Between Issues

Petitioner submitted a *Sotera* stipulation in this proceeding agreeing not to pursue in district court “any ground raised or that could have been reasonably raised in the IPR.” Paper 4 at 1; *see also Sotera Wireless, Inc. v. Masimo Corp.*, IPR2020-01019, Paper 12 at 18-19 (Dec. 1, 2020). Patent Owner claims this stipulation has “limited practical benefit” because “it is conditional on institution” and Petitioner would be “free to pursue its full range of defenses in district court” if institution is denied. DD Req. at 14. This argument is nonsensical and ignores the purpose of the stipulation, which is to prevent the same issues being litigated in both forums. It would be illogical for Petitioner to pledge not to raise invalidity defenses in district court if institution is denied here, resulting in those defenses not being heard in either forum.

This factor also considers whether the petition challenges claims not at issue in the district court, which indicates less issue overlap between the two proceedings. *See Fintiv*, Paper 11 at 12-13. Patent Owner has only asserted claims 1, 2, 4-8, and 10-11 in the parallel district court litigation, but the petition challenges all 17 claims. Paper 1 at 2; EX1015 at 2. And the additional challenged claims have materially different scope than the claims identified in Patent Owner’s infringement contentions—for example, claims 3, 9, and 14 recite that the energy storage system includes both a battery and an ultra-capacitor; and claim 12 recites a third mode of

operation when the vehicle is in an uphill mode. *See* EX1001, 13:40-15:30. This fact further reduces issue overlap between the two proceedings.

Patent Owner argues that institution would have “marginal value” and provide no “efficiency benefits” because the ’508 patent is “but one of nine patents at issue in the parallel district court litigation,” and only one other asserted patent—the ’648 patent—is currently the subject of an IPR petition. DD Req. at 11-12. But that framing is wrong—the issue before the Director is overlap between proceedings with respect to the ’508 patent challenged in the Petition, which is addressed by the *Sotera* stipulation discussed above. Patent Owner’s misplaced argument is better directed to the district court in opposition to a motion to stay. But even then, the Eastern District of Texas has granted such motions and found that stays may simplify the issues even when not all asserted patents are under review by the PTAB, if resolution of an instituted IPR “will generally aid in resolving the parties’ other disputed claims.” *OnPoint Sys., LLC v. Protect Animals with Satellites, LLC*, 2022 U.S. Dist. LEXIS 122961, at *10-12 (E.D. Tex. July 12, 2022) (granting stay where IPR instituted for only one of four asserted patents). Here, three other (older) patents asserted by Patent Owner in district court are in the same family as either the ’508 patent or the ’648 patent and have similar claim terms. For this additional reason, Patent Owner’s efficiency argument is devoid of merit.

5. Factor 5 – Whether the Parties Are the Same

When the petitioners are the same as the named defendants in the district court litigation, the Board has found that this factor adds “little if anything to the discretionary denial analysis.” *See, e.g., Aylo Freesites Ltd. f/k/a MG Freesites Ltd. v. WellcomeMat, LLC*, IPR2024-00710, Paper 13 at 17-18 (Sept. 5, 2024); *Shenzhen Root Tech. Co. v. Chiaro Tech. Ltd.*, IPR2024-01296, Paper 9 at 19-20 (Feb. 25, 2025). Here, the named defendants in the district court litigation are the real parties-in-interest identified in the Petition: Toyota Motor Corporation (Petitioner), Toyota Motor North America, Inc., and Toyota Motor Sales, U.S.A., Inc. Paper 1 at 2. Accordingly, this factor weighs against discretionary denial or, at worst, is neutral.

6. Factor 6 – Other Considerations, Including Merits

This factor considers any “other circumstances” as “part of a balanced assessment of all the relevant circumstances.” *Fintiv*, Paper 11 at 14. Here, the merits of the Petition are strong. The Petition raises substantial statutory challenges on nine grounds covering all 17 claims of the ’508 patent, including two separate § 102 grounds over Tsuzuki (EX1005) and Imai (EX1006). Paper 1 at 13-76. Moreover, *none* of the prior art relied on in the Petition was of record during prosecution.

Patent Owner criticizes the Petition for purported “heavy reliance on expert reconstruction” to “supply critical elements” of the invalidity theories and “bridge gaps in the prior art” (DD Req. at 15-16), but the only specific example Patent Owner

gives—in conclusory fashion—is the “contingent fallback” theory in Ground 2, which incorporates by reference Ground 1 and contends that, to the extent Tsuzuki is found not to disclose a condition “when the vehicle is starting” in independent claims 1, 7, and 12, the subject matter of the claims challenged in Ground 1 would have been obvious based on the teachings of Tsuzuki. *Id.* at 16; *see also* Paper 1 at 40-42. There is nothing incorrect or improper in asserting obviousness by incorporating a prior ground and explaining—with supporting expert testimony—how a single limitation would have been obvious over a reference if the Board finds that the limitation is not expressly or inherently disclosed by that reference.

Significantly, Patent Owner fails to identify errors or inaccuracies in any of the grounds set forth in the Petition, including Ground 1 and Ground 8 which assert anticipation of the challenged claims based on Tsuzuki and Imai, respectively. Instead, Patent Owner makes only straw man arguments, such as the Petition’s reliance on “a single expert’s opinion” (as if multiple expert declarations are necessary) to “interpret ambiguous disclosures in the cited references” (explaining how a POSITA would understand the prior art is one of the roles of an expert), “supply motivations to combine that are not expressly articulated therein” (requiring an expressly stated motivation to combine in the prior art is precisely the sort of rigid test rejected by the Supreme Court in *KSR Int’l Co. v. Teleflex Inc.*, 550 U.S. 398, 419 (2007)), and “to assert that certain claim limitations would have been ‘well-

understood,’ ‘routine,’ or ‘obvious’ despite the absence of explicit disclosure” (again, this is one of the roles of an expert, particularly when obviousness is asserted over a single reference, as in Ground 2). In sum, nothing about the merits of the Petition or the supporting expert declaration is improper or warrants discretionary denial.

Patent Owner also contends that the prosecution history “undermines” and “conflicts” with the Petition. DD Req. at 18-20. In Patent Owner’s view, the allowance of the ’508 patent claims must be the result of “informed examination” by an Examiner who “already reviewed, considered, and allowed” prior patents in the same family and thus “brought continuity, familiarity, and efficiency to the examination of the present one.” *Id.* at 20. Petitioner respectfully offers a more likely explanation: the Examiner failed to uncover any of the references cited in the Petition, including Tsuzuki and Imai which form the basis of separate anticipation grounds.

* * * * *

In sum, every meaningful *Fintiv* factor either favors institution or is neutral. None supports discretionary denial. The Board is positioned to decide patentability first, efficiently, and on a complete record—exactly what *Fintiv* was designed to facilitate.

C. Additional Considerations in the March 2026 Memorandum

Patent Owner argues that additional discretionary considerations in the Director's March 2026 memorandum favor denial because one accused product, the Toyota Prius Plug-In Hybrid, is manufactured outside the United States. DD Req. at 10-11. However, Petitioner has substantial ties to the U.S. economy through its domestic sales, distribution, service, and dealership activities involving the accused products. Toyota PHEVs—including the Prius Plug-in Hybrid—are sold and serviced throughout the United States. Toyota has also stated that electrified vehicles, including HEVs and PHEVs, are expected to account for nearly 70% of its U.S. sales mix by 2030. EX1013. Moreover, Petitioner has announced a \$912 million investment in five manufacturing plants involved in hybrid vehicle production in West Virginia, Kentucky, Mississippi, Tennessee, and Missouri. EX1014. This investment is part of a larger \$10 billion investment plan in the United States over the next five years that Petitioner has launched with the specific aim of contributing to and supporting local communities. *Id.* Indeed, Petitioner currently employs approximately 50,000 people in the United States and has been involved in the development and manufacturing of over 35 million vehicles across 11 domestic manufacturing plants. *Id.* For at least these reasons, foreign manufacturing of the Toyota Prius Plug-In Hybrid does not warrant discretionary denial.

D. Discretionary Denial is Unwarranted Under 35 U.S.C. § 325(d)

Although not raised by Patent Owner, discretionary denial under 35 U.S.C. § 325(d) is unwarranted because the prior art and arguments presented in the Petition were not previously presented to the Office.

E. Application of the Office’s New Guidance in the March 2025 and March 2026 Memoranda Violates the Separation of Powers

Lastly, application of the Office’s new guidance in the March 2025 and March 2026 memoranda establishing additional discretionary denial considerations violates the separation of powers under the U.S. Constitution because it is inconsistent with the Congressional intent and purpose of the America Invents Act (“AIA”). *See Mistretta v. United States*, 488 U.S. 361, 380 (1989) (separation of powers is “essential to the preservation of liberty”); *Util. Air Regul. Grp. v. EPA*, 573 U.S. 302, 327 (2014) (reaffirming “the core administrative-law principle that an agency may not rewrite clear statutory terms to suit its own sense of how the statute should operate.”).

III. CONCLUSION

For the reasons set forth above, Petitioner respectfully requests that the Director deny Patent Owner’s request for discretionary denial and instead refer the Petition to a merits panel for consideration.

Date: July 10, 2026

Respectfully submitted,

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CERTIFICATE OF WORD COUNT

Pursuant to 37 C.F.R. § 42.24, the undersigned attorney for Petitioner declares that the argument section of this Opposition has 4,666 words, according to the word count tool in Microsoft Word™.

/s/ Alexander B. Englehart
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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

CERTIFICATE OF SERVICE

The undersigned certifies, in accordance with 37 C.F.R. §§ 42.105 and 42.6,
that service was made on the Patent Owner as detailed below.

Date of service July 10, 2026

Manner of service Electronic Mail

Documents served Petitioner's Opposition to Patent Owner's Request
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