

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

TESLA, INC.,
Petitioner

v.

CHARGELOGIC LLC,
Patent Owner

Inter Partes Review Case No. IPR2026-00378
U.S. Patent No. 11,258,107

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

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I. INTRODUCTION

Patent Owner's Request for Discretionary Denial should be denied. All relevant considerations make referral an appropriate use of Office resources. The Director should proceed to merits consideration of Tesla's IPR Petition.

To start, nearly all of the *Fintiv* factors favor referral and institution, and none favor discretionary denial. The Board's deadline to issue a final written decision (FWD) in this IPR is exactly one month before the scheduled trial date in the Parallel Litigation; Tesla filed all six of its related IPR Petitions less than ***three months*** after the Patent Owner filed the Parallel Litigation; Tesla has filed a broad stipulation that has been endorsed by the Director; and Tesla's challenge is strong and clear-cut. Under *Fintiv*, referral and institution are strongly favored.

Moreover, the '107 Patent should never have issued in the first place: it was the product of material error during examination by overlooking the teachings of Hobbs, which was cited in an IDS. The Examiner confirmed his material error when, during the prosecution of a later, related patent, he rejected the very same limitations he deemed allowable in the '107 Patent.

Referral is also warranted because Tesla should be permitted to protect the significant settled expectations it has developed since Patent Owner filed the '107 Patent. While Patent Owner has never commercialized the '107 Patent since filing its priority provisional application in 2008, Tesla invested considerably not only in

its own EVs, manufacturing, and innovation, but also in the U.S. EV market more broadly. Over its nearly two decades of work, Tesla developed strong settled expectations. Not only that, but Tesla’s unparalleled investments in American manufacturing, which are promoting innovation and supporting tens of thousands of high-paying American jobs, provide an independent basis for referral.

II. REFERRAL IS WARRANTED BECAUSE THIS IPR WILL BE EFFICIENTLY RESOLVED WITHOUT DUPLICATIVE EFFORTS BEFORE THE ’107 PATENT’S VALIDITY IS ADJUDICATED IN THE PARALLEL LITIGATION

Patent Owner’s request for discretionary denial based on the *Fintiv* factors lacks merit and should be rejected. Nearly all of the *Fintiv* factors favor referral, and none favors denial.

A. *Fintiv* Factor 1 is Neutral

No motion to stay has been filed in the Parallel Litigation, and therefore the outcome of a motion to stay cannot be inferred, nor the existence of a stay known. *Sand Revolution II, LLC v. Continental Intermodal Group – Trucking LLC*, IPR2019-01393, Paper 24 at 7 (June 16, 2020) (informative). Factor 1 is therefore *neutral*. *Id.*; see also *TVision Insights, Inc. v. The Nielsen Company (US), LLC*, IPR2023-01014, Paper 10 at 48–49 (PTAB Jan. 8, 2024) (determining *Fintiv* Factor 1 is neutral without “sufficient information to determine...the likelihood that the district court might grant a motion to stay”).

Patent Owner’s cited cases are inapposite. DD Br., 15-16. Each decision to discretionarily deny was based on the presence of several *Fintiv* factors that favored denial—none of which are present here. *Cerence*, IPR2025-00458, Paper 14 at 2 (trial date 4 months before FWD, 11 years settled expectations); *Cisco*, IPR2025-00429, Paper 15 at 2 (trial was scheduled 3 months before FWD); *GenghisComm*, IPR2025-00899, Paper 10 (same); *Telcom Ventures*, IPR2025-00957, Paper 12 (same). And in none of the cases did the Director overrule *Sand Revolution* or otherwise indicate that insufficient evidence regarding the likelihood of a stay alone pushes *Fintiv* Factor 1 in favor of denial. *Id.*

B. *Fintiv* Factor 2 Favors Referral

If instituted, the Board’s deadline to issue a FWD in this IPR would be no later than December 18, 2027. Meanwhile, trial in the Parallel Litigation is proposed to begin on January 18, 2028. EX2010, 6. These facts strongly *favor referral*. See, e.g., *Apple Inc. v. Apex Beam Techs. LLC*, IPR2025-00896, Paper 10 at 2 (Director Sept. 3, 2025) (discretionary denial inappropriate where FWD due three weeks before trial, “reducing the concern of inconsistent outcomes or significant duplication of efforts”); *Am. Airlines, Inc. v. Intellectual Ventures I LLC*, IPR2025-00785, Paper 11 at 2-3 (Director Aug. 29, 2025) (same).

That “it is also possible that the statutory deadline for the final written decision could be extended” does not shift this factor away from strongly favoring referral.

DD Br., 16. Patent Owner provides no evidence to suggest the final written decision deadline might be extended here, *id.*, so it should not be given any weight. *Cf. Advanced Micro Devices, Inc. v. Concurrent Ventures, LLC*, IPR2025-00223, Paper 9 at 3 (PTAB June 12, 2025) (rejecting “arguments based on the likelihood of the district court granting [a] motion to transfer” as speculative); *see also* Interim Director Discretionary Process § I.C (discretionary denial briefs must support their position “with facts and evidence”).

C. *Fintiv* Factor 3 Favors Referral

The Parallel Litigation remains in its infancy, and the parties’ investment has been minimal. The parties only submitted their proposed case schedule on August 10, invalidity contentions are not due until September 28, and claim construction will not start until October 13, when the parties exchange terms for construction. EX2010, 2. Nor will the Parallel Litigation have progressed much by the deadline or institution (December 18, 2026). Claim construction briefing will not conclude until January 4, 2027, the *Markman* hearing will not take place until January 19, fact discovery will not begin until January 20. *Id.* at 3-4. And opening expert reports are not due until August 24—more than nine months after institution. *Id.* These facts strongly *favor referral*. *See, e.g., Berkshire Hathaway Energy Co. v. BirchTech Corp.*, IPR2025-00274, Paper 23 at 2-3 (Director July 2, 2025) (discretionary denial

not warranted where “the parties have made relatively little investment” in the Parallel Litigation, “and Petitioners were diligent in filing the Petitions”).

To still conclude that Tesla filing as efficiently as possible does not “create any efficiency in the co-pending litigation,” DD Br., 18, would effectively mean that *every IPR* would fail to create efficiencies. Again, Tesla prepared and filed ***all six*** of its IPR Petitions ***less than three months*** after the Parallel Litigation. When Tesla filed, the Parallel Litigation had not advanced substantively ***at all***—Tesla did not even respond to the Complaint with its motion to dismiss until July 1, and it did not file its Answer until July 31. EX2009. If even that is not enough for this factor to favor referral, it is hard to imagine what would.

D. *Fintiv* Factor 4 Favors Referral

Tesla has filed a broad *Sotera+* stipulation, EX1042. The Director previously determined that a materially identical stipulation Tesla relied on in another IPR “reduce[s] the concern of inconsistent outcomes or significant duplication of efforts, and allows this AIA review to function as an alternative to the co-pending litigation.” *Tesla, Inc. v. Bulletproof Prop. Mgmt., LLC*, IPR2026-00204, Paper 14 at 2 (Director June 15, 2026); *Motorola Sols., Inc. v. Stellar, LLC*, IPR2024-01205, Paper 19, at 3-4 (Director Mar. 28, 2025). And because the Director has previously endorsed the breadth of Tesla’s stipulation, Patent Owner’s speculative concerns over prong (iii)

do not negate the impact of Tesla's stipulation. DD Br., 19. *Fintiv* Factor 4, therefore, strongly *favours referral*.

E. *Fintiv* Factor 5 Favors Referral

Fintiv Factor 5 follows *Fintiv* Factor 2 in how it is weighed for or against discretionary denial. *See, e.g., BOE Tech. Grp. Co., Ltd. v. Optronix Scis. LLC*, IPR2024-01130, Paper 16 at 13 (PTAB Jan. 27, 2025) (Factor 5 follows Factor 2). Thus, because *Fintiv* Factor 2 strongly *favours referral* (*see supra* Section II.B), *Fintiv* Factor 5 does as well.

F. *Fintiv* Factor 6 Favors Referral

1. The Merits of Tesla's Petition Are Strong

The Petition presents a straightforward showing that the Challenged Claims of the '107 Patent are unpatentable over the prior art. The Petition's primary mapping for independent claim 1 is exemplary. While Tesla's mapping relies on four prior art references (Sutardja, Hobbs, Kelty-078, and Anttila), Sutardja alone teaches almost every claim limitation. Hobbs, Kelty-078, and Anttila are needed only for secondary aspects of the claim: Hobbs, for limited aspects of limitations 1[e][ii] and 1[e][iii], Paper 1, 14-16, 18-19, Kelty-078 for limited aspects of limitations 1[e][iv] and 1[f], *id.* at 21-23, 31-33, and Anttila for limited aspects of limitation 1[g]. *Id.* at 34-35. For the primary portions of each of these limitations, along with every other limitation of Claim 1, the Petition relies on Sutardja alone. Paper 1, 4-36. Tesla's Petition presents a strong and clear-cut invalidity challenge to the Challenged

Claims, including to the purportedly novel limitation, and *Fintiv* Factor 6 strongly *favours referral*.

Patent Owner nonetheless contends that Tesla’s challenge is weak because Tesla (1) did not present an anticipation ground and instead presented six obviousness grounds based on four prior art references, and (2) there is no reason to import Hobb’s “current threshold” into Sutardja’s battery charger system. DD Br., 7-8. Each ignores key aspects of Tesla’s mappings.

First, as demonstrated above, Tesla’s grounds rely largely on Sutardja for most of the limitations. Consequently, the number of references alone does not suggest hindsight. *See, e.g., Facebook, Inc. v. Express Mobile, Inc.*, IPR2021-01457, Paper 44 at 6–7 (PTAB Sept. 21, 2023) (rejecting argument that the petition’s combination of five prior art references demonstrated hindsight because “the Petition used [the primary reference] for most of the limitations, adding [the secondary references] only to confirm missing details that would have been known to [a POSITA]”); *see also In re Gatabi*, No. 2022-1580, 2023 WL 3477285, at *3 (Fed. Cir. May 16, 2023) (“[A] large number of references in a rejection does not, without more, weigh against the obviousness of the claimed invention.”).

Second, Patent Owner’s contentions that “Hobb’s separate, hardware-derived *current* threshold is structurally and functionally incompatible with Sutardja’s user-input *charge-percentage* parameter,” that the combination would not satisfy every

claim element, and that a POSITA would not have found it obvious to, or had a reasonable expectation of success of, modifying Sutardja as proposed are nothing more than unsupported attorney arguments. DD Br., 8. Not only does Patent Owner cite no evidence or expert testimony to support its contentions, *id.*, but it also ignores that the Petition's supporting expert declaration includes extensive, evidence-based testimony demonstrating why a POSITA would be motivated to combine Sutardja and Hobbs as proposed, how the resulting combination would function, and why a POSITA would have had a reasonable expectation of success in making the combination. EX1003, ¶¶ 113-20.

While Patent Owner raises a smattering of other challenges to the merits of Tesla's challenge, DD. Br., 6-9, each is easily dispensed with:

Alleged Inconsistent Claim Construction Positions and Illogical Box Drawing.

While Patent Owner claims Tesla has presented "inconsistent claim construction positions" across its IPRs, Patent Owner does not actually *substantiate* its surface-level claim. DD Br., 6-7. Patent Owner similarly complains of alleged "box drawing" of prior art elements, but again, Patent Owner does not provide any reason

Tesla's mappings are allegedly "illogical" or otherwise improper.¹ *Id.* DD Br., 8.

These arguments are therefore conclusory and can be disregarded.

Number of Motivations to Combine. An IPR petition "must provide an understandable explanation of the element-by-element specifics of the patentability challenges[.]" *Corephotonics, Ltd. v. Apple Inc.*, 84 F.4th 990, 1001 (Fed. Cir. 2023). Thus, Tesla was required to provide the specific motivations for its combinations. Moreover, "in many cases[,]" a person of ordinary skill will be able to fit the teachings of multiple patents together like pieces of a puzzle." *Intel Corp. v. PACT XPP Schweiz AG*, 61 F.4th 1373, 1379-80 (Fed. Cir. 2023) (quoting *KSR*, 550 U.S. at 420). And the Board not only "can take account of the inferences and creative steps that a [POSITA] would employ[,]" *id.*, but **must** take account of them. *See Cisco Sys., Inc. v. K.Mizra LLC*, No. 2022-2290, 2024 WL 3841809 at *4 (Fed. Cir. 2024) (where the IPR petition set forth five motivation to combine rationales, "the Board ran afoul of *KSR* and *Intel* by ignoring...the first and second motivation to combine rationales"). Nor is Tesla's reliance on the "use of a 'known technique' 'to improve' a 'similar device' 'in the same way,'" a flaw. DD Br., 9. That is a textbook rationale

¹ If Patent Owner provides more detail for these arguments in its POPR, Tesla reserves the right to seek leave to file a reply to respond to Patent Owner's arguments.

that can support a finding of obviousness. MPEP 2143.I (“Examples of rationales that may support...obviousness include: ... Use of known technique to improve similar devices...in the same way”). And Tesla’s motivations were not limited to that naked recitation—Tesla explained **how** each of its combinations used a known technique to improve a similar device in the same way. Paper 1, at 16, 19, 24, 36, 41, 48, 59, 61, 78, 86. Simply, Tesla’s motivations are neither “vague” nor “generalized,” and do not favor denial. DD Br., 9.

Use of Abbreviations. Employing well-defined and understood abbreviations is not improper. DD Br., 9; *see Stryker European Ops. Holdings LLC v. OsteoMed LLC*, No. 2023-2397, 2025 WL 2249005 at *10 (Fed. Cir. Aug. 7, 2025) (not improper for Board to evaluate an IPR petition that relies on abbreviations and internal cross-references).

2. *Tesla’s Well-Supported Expert Declaration Supports Referral*

The Petition’s reliance on expert testimony, backed by extensive factual bases and objective evidence, favors referral, not discretionary denial, DD Br., 9-11, and is crucial to ensure a complete record for the Board and for appellate review. *See Tesla, Inc. v. Charge Fusion Techs., LLC*, IPR2025-00032, Paper 11 at 39 (PTAB May 19, 2025) (“[A]pplaud[ing]” Petitioner and the expert for “leav[ing] virtually none of the substance of his testimony unsupported by objective evidence” by supporting its Petition with a 278 page expert declaration containing extensive

explanations “with citations to dozens of pieces of objective evidence”).

III. REFERRAL IS WARRANTED BECAUSE ANY SETTLED EXPECTATIONS PATENT OWNER HAS ARE OUTWEIGHED BY TESLA’S

The ’107 Patent has been in force for just over 4.5 years. EX1001, (45). As such, Patent Owner has not developed settled expectations in the ’107 Patent. *See, e.g., Zhuhai Cosmx Battery Co., Ltd. v. Ningde Ampere Tech. Ltd.*, IPR2025-00385, Paper 9 at 2 (Dir. July 2, 2025) (Patent Owner did not have settled expectations in patents that issued in 2021, 2023, and 2024); *Embodiment, Inc. v. Lifenet Health*, IPR2025-00248, Paper 13 at 2-3 (Dir. June 26, 2025) (Patent Owner did not have settled expectations in patent that issued in 2022). At the same time, Tesla has its own settled expectations because the ’107 Patent has never been commercialized, asserted, marked, or licensed in Tesla’s technology space or, in fact, at all. *Magnolia Med. Techs., Inc. v. Kurin, Inc.*, IPR2026-00097, Paper 17 at 8-9 (Director May 14, 2026) (precedential) (citing, *e.g., Home Depot U.S.A., Inc. v. H2 Intellect LLC*, IPR2025-00480, Paper 11 (Director Sept. 4, 2025) (informative)).

A. Neither Austin Nor Patent Owner Made Any Effort to Bring The ’107 Patent to Market

The ’107 Patent’s priority provisional application was filed in August 2008, and the ’107 Patent issued just over 4.5 years ago, on February 22, 2022. EX1001, (10), (60). But at no point since 2008 has Austin made any effort to bring his invention to market. He never commercialized the ’107 Patent in the nearly 20 years

since he purportedly conceived of his invention. And he never asserted or licensed the '107 Patent once it issued in February 2022.

Austin's inaction is especially notable given the purported impetus for Austin's conception of the invention: "to reduce consumer and commercial resistance to EV technology" by solving "a potential looming problem" for EVs arising from their charging limitations. EX2006, ¶¶ 31, 33. So, it is perplexing (to say the least) that Austin *never even appeared to try* to commercialize the invention that he believed could have played a central role in driving consumer adoption of EVs. Patent Owner cannot reasonably contend that it had developed settled expectations in the '107 Patent, when Austin never took any action to pursue his stated goal and, consequently, never developed any reliance interests in the '107 Patent's validity.

It was only after December 2025, when Austin assigned the '107 Patent's entire patent family to Patent Owner, that any of the patents were put to use. EX1066. But not to commercialize Austin's purportedly crucial inventions, but to sue Tesla. EX2006. Simply put, there is no basis to conclude that Patent Owner has accrued settled expectations in the '107 Patent after owning it for less than a year, and after Austin made no effort to commercialize or otherwise rely on his invention over a nearly 20-year period.

B. Tesla, On The Other Hand, Spent More Than Two Decades Driving the EV Market Forward—And Developed Significant Settled Expectations in The Process

While Austin sat by, Tesla was busy. In the more than two decades that have passed since Tesla's founding in 2003, Tesla has invested significantly in both its products—ultimately culminating in the design, development, manufacture, and launch of six of the world's best-selling EVs: the Model S, Model X, Model 3, Model Y, Semi, and Cybertruck (collectively, the “Accused Products”)—and the EV market more broadly. And because of its efforts, Tesla developed significant settled expectations.

Since Austin filed the '107 Patent's priority provisional application in 2008, Tesla has established itself as the leader in the EV market. EX1067; EX1077, 2 (“Tesla is one of the most valuable companies on Earth”). Indeed, during that time, Tesla not only delivered almost *nine million* EVs, EX1074, but also invested heavily in its own manufacturing capabilities and in EV infrastructure more broadly. After opening its first factory in 2010, EX1069, it went on to build five Gigafactories. EX1070. It announced its supercharging network, deployed it nationwide, and recently announced plans to invest more than \$500M to expand it. EX1071; EX1072; EX1075. And it invested heavily in innovation—filing more than 1,800 U.S. patent applications of its own. EX1073; EX1076.

In short, over the last 20 years, Tesla is the one that invested and commercialized heavily in the EV market and, in turn, reduced commercial and customer resistance to EVs. EX1077, 3 (“The Model S completely delivered on its promise to change how the world thought about electric cars.”); EX1078, 15 (“Tesla has changed the market by developing innovative, out-of-the-box strategies and setting new norms for consumer adoption and industry practices.”). Tesla’s significant work and investment created significant settled expectations for it. Not only that, but Tesla’s success over the last 20 years and the corresponding economic impact it has had are compelling reasons for referral. *See* Interim Director Discretionary Process, § I.B (“Compelling economic...interests” are “considerations that may be raised” in discretionary denial briefing).

IV. EXAMINER ERROR IN ISSUING THE ’107 PATENT WARRANTS BOARD REVIEW

During the prosecution of the ’107 Patent, the Examiner overlooked the teachings of prior art known to him in relation to the *predetermined threshold level of charge alert* limitations that formed the basis of the Examiner’s allowance. Because those prior art references disclose the very limitations that the Examiner determined made the ’107 Patent claims patentable, the Examiner materially erred by allowing the ’107 Patent.

After receiving a non-final office action, the Applicant amended the pending independent claims to recite, in part, the *predetermined threshold level of charge*

alert (the “*predetermined TLOC alert*”) limitations. EX1002, 174-75, 176.

According to the Applicant, neither the Pryor nor Sugano prior art references cited by the Examiner, alone or in combination, taught the claims as amended. *Id.*, 183-84. Following the Applicant’s amendment and response, the Examiner issued his notice of allowability. *Id.* 196-200. According to the Examiner, the independent claims were allowable because “the prior art of record does not suggest or disclose the claimed combination of elements or steps as recited, *most particularly* the claimed” *predetermined TLOC alert* limitations. *Id.* at 199.

The Examiner’s allowance was the product of material error. During examination, the Examiner failed to consider or apply the teachings of Hobbs, even though he knew about Hobbs during examination. First, as part of his searching, the Examiner used Hobbs’ publication number as a search term. EX1002, 148. Second, Hobbs is a continuation-in-part of and, in relevant part, shares a materially identical specification with U.S. Patent No. 6,963,186 to Hobbs (“Hobbs ’186”). Hobbs ’186 was expressly cited in the Examiner’s Notice of References Cited, EX1002, 143, and was expressly applied by the International Searching Authority (“ISA”) that reviewed the ’107 Patent’s parent PCT application. *Id.* at 305-15. By failing to consider and apply Hobbs, the Examiner materially erred. *See, e.g., Carbyne, Inc. v. Tritech Software Sys.*, IPR2025-00959, Paper 11 at 2 (Dir. Oct. 3, 2025) (Petitioner

demonstrated material error by showing that prior art cited on an IDS appeared to disclose the claim limitations cited as the reason for allowance).

As demonstrated in the Petition, Hobbs teaches the key aspects of the *predetermined TLOC alert* limitations that the ISA had identified in Hobbs '186. Namely, Hobbs teaches charging for a particular amount of time or energy entered by the user, indicating that charging is complete or substantially complete when a certain amount of charging has been completed or the battery reaches a certain level, and then continuing charging until a later current threshold is reached. Paper 1, 14-15; EX1006, ¶¶ [0107]-[0111].

The Examiner's material error in allowing the '107 Patent is confirmed by his own later determinations made during the prosecution of the related '844 Patent, which, like the '107 Patent, is a child of the '567 Patent. EX1094, (63). The '844 Patent's claims, like the '107 Patent, recite materially identical *predetermined TLOC alert* limitations. *Compare* EX1001, 47:11-25 *with* EX1094, 47:9-17. The Examiner expressly found that Kosuda disclosed comparing, during charging, a battery charge level to a predetermined threshold level of charge and, responsive to the level reaching that threshold, sending, before charging is complete, a signal indicative of the predetermined threshold level of charge. EX1095, 252-53. This express finding directly contradicts the Examiner's decision to allow the '107 Patent after the Applicant amended the claims to recite this very functionality, and establishes that

the Examiner's allowance of the '107 Patent was the product of material error. *See Western Digital Techs., Inc. v. Godo Kaisha IP Bridge 1*, IPR2025-00701, Paper 9 at 2 (Dir. Aug. 14, 2025) (Examiner's allowance of a parent application based on limitations that the Examiner later concluded during prosecution of a child application were taught in the prior art constitutes material error).

V. TESLA'S UNPARALLELED INVESTMENTS IN AMERICAN MANUFACTURING WARRANT REFERRAL

The manufacturing factors articulated in the Director's March 11, 2026, Memorandum ("March Director Memo") strongly favor referral and institution. *See* EX1080, 2. In short, Tesla is a singular and leading American manufacturer across a range of advanced technologies. Patent Owner, by contrast, is a non-practicing entity that does not manufacture any products. *See supra* Section III.A. Tesla has invested billions in American manufacturing, including in the autonomous and electric vehicle sectors of the Accused Products. Tesla's investments, under the March Director Memo, further warrant access by Tesla to the PTAB as an alternative to district court litigation. *See, e.g., Bulletproof*, Paper 14 at 5 ("[Tesla's] evidence of U.S. manufacturing...further demonstrates that discretionary denial in these proceedings is not appropriate.").

Tesla's commitment to manufacturing in the United States is unmatched in the industry. According to a recent study, Tesla's accused Model 3, Y, S, and X vehicles (2025 model year) were the ***most American made vehicles*** in the United

States. *See* EX1081,² 1-2 (annotated); *see also id.*, 6 (“[T]esla’s vehicles have consistently ranked in the top 10, and for the second time (the first was in 2023), its four light-duty passenger vehicles have swept the top spots.”); EX1082, 1 (Tesla is “building the most American-made vehicles on the road”); EX1083 (NHTSA report detailing Tesla’s leading automotive manufacturing position).

Tesla’s manufacturing operations in the U.S. support over 70,000 employees and generate billions of dollars of U.S. investment and economic activity each year. EX1084, 5; EX1085. Tesla’s Fremont, CA, facilities are involved in vehicle manufacturing and assembly, as well as manufacturing of lithium-ion battery cells, battery packs, vehicle seats, stampings, and castings. *Id.* At Gigafactory Texas in Austin, Tesla produces the Model Y and Cybertruck as well as cathode active materials, lithium-ion battery cells, battery packs, drive units, vehicle seats, stampings, and castings. *Id.* At Gigafactory Nevada in Sparks, Nevada, Tesla operates one of the world’s highest volume plants for manufacturing electric motors, energy storage products, vehicle powertrains, and batteries, and Tesla recently began volume production in Nevada of the Semi (a fully electric semi-truck). *Id.*, 5-6 At

² The study considered “five major factors” including location of final assembly, percentage of U.S. or Canadian parts, countries of origin for engines and transmissions, and U.S. manufacturing workforce. EX1081, 7-8.

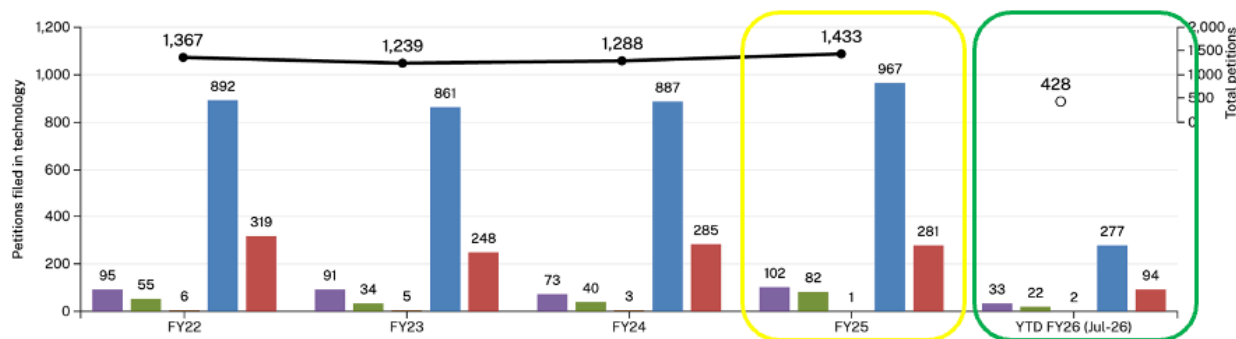
Gigafactory New York in Buffalo, Tesla produces DC-fast charging equipment, solar energy products, and power electronics, and Tesla operates additional manufacturing-support facilities in Brooklyn Park, MN and Grand Rapids, MI. *Id.*; see also *id.*, EX1086; EX1087; EX1088. And along with SpaceX and xAI, Tesla is partnering to build Terafab—“the largest chip manufacturing facility ever (1TW/year)” in Austin, TX. EX1089.

Tesla’s commitment to American manufacturing has yielded significant economic impact. An October 2022 report found that Tesla supported \$16.6 billion of economic activity in California in 2021, supported ~80,500 jobs, and paid \$10.3 billion in wages. EX1090, 3; EX1091. Tesla’s rapid expansion in Texas, Nevada, and other states in recent years has likewise yielded substantial impact in those states. Tesla expects its capital expenditures to exceed \$25 billion in 2026 alone. EX1092; EX1093, 36; EX1085.

VI. DISCRETIONARY DENIAL WOULD NOT IMPROVE PTAB COMPLIANCE WITH DEADLINES

Patent Owner’s contention that discretionary denial is favored because “it would free significant Board resources” is meritless. DD Br., 12. As support, Patent Owner cites recent statistics showing the increase in EPR filings starting in Q4 2025. *Id.*, 12-13. But as Patent Owner concedes, the PTAB handles only EPR *appeals*, not EPRs. *Id.*, 12. Patent Owner provides no evidence that the recent increases in EPR filings have led to a commensurate increase—or any increase, for that matter—in

EPR appeals. *Id.* at 12-13. Moreover, Patent Owner ignores that while EPR filings have risen, *IPR filings* have decreased by ***more than 70%***³ from 1,433 IPR filings in FY2025 (annotated in yellow) to 428 IPR filings in FY2026 (annotated in green):



See <https://www.uspto.gov/dashboard/ptab/trials.html#trials-petitions>. Given the evidence-backed drop in IPR filings and lack of evidence suggesting the PTAB has seen a commensurate increase in EPR appeals, there is no evidence that discretionary denial is needed, let alone warranted, to improve the PTAB's compliance with its statutory deadlines.

VII. CONCLUSION

For at least these reasons, Tesla respectfully requests that the Director deny Patent Owner's request for discretionary denial.

³ Even if Q4 of each year is excluded because Q4 2026 has not closed, the comparison holds. There were 1152 IPR filings in Q1-Q3 2025, and just 334 in Q1-Q3 2026—a 71% drop.

Respectfully submitted,

BY: /s/ Jennifer C. Bailey
Jennifer C. Bailey, Reg. No. 52,583

COUNSEL FOR PETITIONER

**CERTIFICATE OF SERVICE ON PATENT OWNER
UNDER 37 C.F.R. § 42.105**

Pursuant to 37 C.F.R. § 42.6(e), the undersigned certifies that on September 23, 2026, the foregoing *Petitioner's Opposition To Patent Owner's Request For Discretionary Denial* was served via electronic filing with the Board and via Electronic Mail on the following counsel of record for Patent Owner:

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BY: /s/ Jennifer C. Bailey
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COUNSEL FOR PETITIONERS