

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

TOYOTA MOTOR CORP,
Petitioner,
v.

AUTOCONNECT HOLDINGS LLC,
Patent Owner.

PGR2025-00041
Patent 12,039,243

PATENT OWNER’S REQUEST FOR DISCRETIONARY DENIAL

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Patent Trial and Appeal Board
U.S. Patent and Trademark Office
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PATENT OWNER'S EXHIBIT LIST

Exhibit	Description
2001	<i>DigitalDoors, Inc. v. International Business Machines Corporation</i> , Case No. 2:22-CV-00457-JRG-RSP, ECF No. 41 (E.D. Tex. Jul. 24, 2023) (Gilstrap, J.)
2002	<i>Uniloc USA, Inc. v. Motorola Mobility LLC</i> , Case No. 2:16-CV-00992-JRG, ECF No. 125 (E.D. Tex. Apr. 5, 2017)) (Gilstrap, J.)
2003	<i>Garrity Power Services LLC v. Samsung Electronics Co. Ltd. et al.</i> , Case No. 2-20-CV-00269-JRG, ECF No. 40 (E.D.Tex. Feb. 17, 2021) (Gilstrap, J.)
2004	<i>Clear Imaging Research, LLC, v. Samsung Electronics Co., Ltd.</i> , Case No. 2:19-CV-00326-JRG, ECF No. 127 (E.D.Tex. Dec. 21, 2020) (Gilstrap, J.)
2005	<i>Solas OLED Ltd. v. Samsung Display Co.</i> , No. 2:19-CV-00152-JRG, ECF No. 133, (E.D. Tex. July 17, 2020) (Gilstrap, J.)
2006	<i>Oyster Optics, LLV, v. Infierna Corp., et. al.</i> , Case No. 2:19-CV-00257-JRG, ECF No. 87 (E.D.Tex. July 17. 2020) (Gilstrap, J.)
2007	First Amended Docket Control Order, <i>AutoConnect Holdings, LLC v. Toyota Motor Corp.</i> , No. 2:24-CV-00802-JRG-RSP, ECF No. 53 (E.D. Tex. February 13, 2025) (Gilstrap, J.)
2008	Lex Machina Median time to trial Statistics for EDTX for 5 years preceding EDTX proceeding
2009	Lex Machina Median time to trial Statistics for Judge Gilstrap for 5 years preceding EDTX proceeding

2010	<i>Excerpts of Toyota’s Invalidity Contentions served April 1, 2025, AutoConnect Holdings, LLC v. Toyota Motor Corp., No. 2:24-cv-00802-JRG-RSP (E.D. Tex.)</i>
2011	Guidance on USPTO’s rescission of “Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation,” March 24, 2025
2012	USPTO FAQs for Interim Processes for PTAB Workload Management
2013	USPTO Office Action rejecting Toyota Patent App. No. 15/230,621 (US Patent No. 9,936,065) with Notice of References Cited, June 21, 2017
2014	USPTO Office Action rejecting Toyota Patent App. No. 17/000,114 (US Patent No. 11,285,896) with Notice of References Cited, March 29, 2021
2015	Information Disclosure Statement filed in Toyota Patent App. No. 17/829,583 (US Patent No. 12,079,616), June 1, 2022
2016	Information Disclosure Statement filed in Toyota Patent App. No. 17/263,444 (US Patent No. 11,810,363), January 1, 2019

I. INTRODUCTION

The Board should exercise its discretion to deny institution of this Petition to avoid inefficient duplication of effort with ongoing litigation in federal court. In October 2024, AutoConnect Holdings LLC (“Patent Owner”) filed a lawsuit against Toyota Corp. (“Petitioner”) in which it asserted eleven patents, including the challenged ’243 patent. That matter (the “EDTX Proceeding”) is pending before Judge Rodney Gilstrap in the U.S. District Court for the Eastern District of Texas, is slated for trial on July 20, 2026, and involves the same parties, the same patent claims, the same claim construction standard, the same arguments, and the same references that Petitioner set forth in its Petition. Although Petitioner recently filed a *Sotera* stipulation, it will not meaningfully reduce the validity challenges in the EDTX Proceeding. This is because Petitioner relies upon one or more of *the same prior art references in support of its invalidity arguments against four asserted patents in addition to the ’243 patent* in the EDTX Proceeding. And because Petitioner waited to file its petition until a mere nine days before the Post-Grant Review eligibility window closed,¹ trial in the EDTX Proceeding is scheduled to occur about *four full months before a final written decision* would be issued in this

¹ The ’243 patent issued on July 16, 2024, which corresponds to an April 16, 2025 deadline for the nine-month window to file a petition for post-grant review.

case.

Further minimizing any potential value of these proceedings, Petitioner has filed IPR petitions with respect to only two of the ten other patents asserted in the EDTX Proceedings. Thus, Petitioner has thus far elected not to challenge eight patents asserted in the EDTX Proceeding. Consequently, institution of the instant petition could not possibly avoid, or even meaningfully focus, the inevitable trial in the EDTX Proceeding.

The EDTX Proceeding is also rapidly advancing. By the November 12, 2025 deadline for an institution decision in this proceeding, the parties will have invested significant time and resources in a thirteen-month-old EDTX Proceeding. It would be inefficient to force the Board, the Eastern District of Texas, and Patent Owner to address redundant issues, such as claim construction and validity, and engage in redundant activities involving the same prior art alleged here. And by the time of the final written decision, the parties will have completed duplicative expert discovery and a redundant trial. Further, simultaneous proceedings before both the district court and the PTAB creates a very real risk of inconsistent rulings, such as claim construction and validity determinations. Accordingly, efficiency, fairness, and the integrity of the system would best be served by denying review.

II. THE BOARD SHOULD EXERCISE ITS DISCRETION UNDER 324(a) TO DENY INSTITUTION.

To preserve PTAB resources and avoid inefficiency, the Board should deny

institution. As a threshold matter, 35 U.S.C. § 324(a) confirms that “the agency’s decision to deny a petition is a matter committed to the Patent Office’s discretion.” *Catalyst Orthoscience Inc. v. Shoulder Innovations, Inc.*, PGR2025-00001, Paper 8 (PTAB Apr. 24, 2025) (analogizing § 324(a) to § 314(a) and citing cases confirming that under § 314(a), “the PTO is permitted, but never compelled, to institute an IPR proceeding”).

A number of factors the Board may consider when analyzing whether to discretionarily deny institution are set forth in *Fintiv*, which include:

1. Whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted;
2. The proximity of the court’s trial date to the Board’s projected statutory deadline for a final written decision;
3. Investment in the parallel proceeding by the court and the parties;
4. Overlap between issues raised in the Petition and the parallel proceeding;
5. Whether the petitioner and the defendant in the parallel proceeding are the same party; and
6. Other circumstances that impact the Board’s exercise of discretion, including the merits.

Apple Inc. v. Fintiv, Inc., IPR2020-00019, Paper 11 at 5-6 (PTAB Mar. 20, 2020) (“*Fintiv I*”). “These factors relate to whether efficiency, fairness, and the merits support the exercise of authority to deny institution in view of an earlier trial date in

the parallel proceeding.” *Id.* The Board should use these factors to develop “a holistic view of whether efficiency and integrity of the system are best served by denying or instituting review.” *Id.*

Consistent with *Fintiv*’s holistic analysis, the Board should also consider the “[s]ettled expectations of the parties, such as the length of time the claims have been in force” and “any other considerations bearing on the Director’s discretion.” Director’s March 26, 2025 Memorandum titled, “Interim Processes for PTAB Workload Management” at 2-3.

All of these factors favor discretionary denial of the present Petition. Holistically, denying institution is the most efficient and fair result as it will avoid duplicative efforts by different tribunals and the risk of inconsistent claim construction and validity rulings. Further, the merits themselves are not so compelling as to outweigh such efficiencies and fairness. Lastly, the parties’ have developed settled expectations as to the technology to which the ’243 patent is directed. Accordingly, Patent Owner requests discretionary denial.

A. *Fintiv* Factor 1 Favors Denial Because the EDTX Proceeding Has Not and Will Not Be Stayed by Judge Gilstrap.

The EDTX Proceeding is in full swing. Neither party has requested a stay, and Petitioner has not expressed any plans to seek one. Consequently, this factor supports discretionary denial. *See Mylan Labs. Ltd. v Janssen Pharm. NV*, IPR2020-00440, Paper 17 at 13-14 (PTAB Sep. 16, 2020) (“[N]o stay is likely to be entered

[], and therefore Fintiv factor 1 leans towards denial of institution.”).

Even if Petitioner were to request a stay based on this Petition, it would invariably be denied. The challenged '243 patent is merely one of *eleven* asserted patents. It is highly unlikely that *any* district court judge would stay a litigation based on a non-instituted petition challenging one of eleven asserted patents. This is even more clear for cases before Judge Gilstrap, who presides over the EDTX Proceeding. He has unambiguously explained that he will not agree to stay proceedings under the circumstances present here. Ex. 2002 at 3 (finding a stay “especially” unwarranted where “the pending IPR petitions do not challenge every patent asserted in this case”). Here, where PTAB petitions have been filed against only three of the eleven asserted patents, a stay would serve no purpose even if all three of those petitions were instituted. Yet none of the petitions have been instituted, and Judge Gilstrap frequently denies opposed motions to stay for non-instituted petitions. *See* Ex. 2001 at 5 (“The ‘universal practice’ in this District, as well as the practice of most district courts, is to deny a motion for stay when the PTAB has not yet acted on a petition for IPR.”); Ex. 2003 at 2-3; Ex. 2004 at 4 (“[I]t is the Court’s established policy that motions to stay pending IPR proceedings that have not been instituted are inherently premature.”). In fact, Judge Gilstrap routinely refuses to stay district court proceedings even when PTAB proceedings have been instituted with respect to *all* asserted patents. *E.g.*, Ex. 2005 at 1-2, 6; *see also* Ex.

2006 at 1-2, 6.

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

B. *Fintiv* Factor 2 Favors Denial Because Trial in the EDTX Proceeding Begins Almost Four Months Prior to a Final Written Decision.

Discretionary denial is also appropriate here because trial in the parallel proceeding will be completed well before a final written decision would be issued in this proceeding. “If the court’s trial date is earlier than the projected statutory deadline, the Board generally has weighed this fact in favor of exercising authority to deny institution under NHK.” *Fintiv I* at 9.

Trial is currently set for July 20, 2026, in the EDTX Proceeding. Ex. 2007, p. 1. According to the scheduling order, this date is a “deadline that cannot be changed without an acceptable showing of good cause. Good cause is not shown merely by indicating that the parties agree that the deadline should be changed.” *Id.* at 6; *see also* E.D. Tex. L.R. CV-83(a) (characterizing set trial dates as “firm trial dates”). The scheduled trial date deadline coincides with the median time to trial for EDTX patent cases over the past 5 years. *See* Ex. 2008, p. 2 (Illustrating a median time to trial of 655 days, which equates to a July 20, 2026 trial date). This is also consistent with the median time to trial for patent cases before Judge Gilstrap for the same time period. *See* Ex. 2009, p. 1 (Illustrating a median time to trial of 643 days, which

equates to a July 8, 2026 trial date).

The final written decision deadline for this post-grant review would not be until November 12, 2026. Thus, trial in EDTX Proceeding will begin approximately *four months* before any final written decision in this post-grant review. This timing strongly favors discretionary denial. See *AT&T Services Inc. v. ASUS Tech. Licensing Inc.*, IPR2024-00992, Paper 14 at 10-11 (PTAB Dec. 16, 2024) (denying institution where *Fintiv* factor 2 “substantially in favor of discretionary denial” for a parallel trial scheduled “*four* to five *months* prior” to the final written decision deadline) (emphasis added)). In fact, the Board has denied petitions in cases with even shorter timeframes between the trial date and the deadline for the final written decision. See, e.g., *E-One, Inc. v. Oshkosh Corp.*, IPR2019-00161, Paper 16 at 6-9 (PTAB May 15, 2019) (denying institution where trial was scheduled one month before the final written decision deadline); *eClinicalWorks, LLC v. Decapolis LLC*, IPR2022-00229, Paper 10 at 9 (PTAB Apr. 13, 2022) (denying institution where “the beginning of the jury trial in the WDTX Cases is roughly one to two months” before the final written decision deadline.); *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 15 at 13 (PTAB May 13, 2020) (denying institution where trial was scheduled just over two months before the final written decision deadline); *NXP*

USA, Inc. v. Impinj, Inc., PGR2022-00005, Paper 18² at 9 (PTAB May 2, 2022) (same); *Netflix, Inc. et al. v. Uniloc 2017 LLC*, IPR2020-00008, Paper 13 at 9-11 (PTAB Apr. 13, 2020) (same).

Because the currently scheduled trial date (which is consistent with median times to trial for the entire Eastern District of Texas and for Judge Gilstrap specifically) is four months before a final written decision would be rendered for this post-grant review, and there is not any reason to believe this date would be extended (which would require good cause), *Fintiv* factor 2 strongly favors discretionary denial.

C. *Fintiv* Factor 3 Favors Denial Because the EDTX Court and the Parties Already Have and Will Continue to Invest Significant Resources by the Institution Decision Deadline.

The substantial effort and resources expended in the EDTX Proceeding also supports discretionary denial of institution. Under *Fintiv* Factor 3, the Board is to consider the “amount and type of work already completed in the parallel litigation by the court and the parties at the time of the institution decision.” *Fintiv I* at 9. Due to the fast-paced nature of cases in the Eastern District of Texas, it should be no surprise that by the time the Board decides on institution (November 12, 2025), the

² Paper 18 was misidentified as Paper 17, despite a prior paper having the same paper number.

parties and the Eastern District of Texas court will have heavily invested in the parallel proceeding.

Discovery is already well underway. The parties served Infringement Contentions with 26 exhibits totaling 330 pages on January 21, 2025 and Invalidity Contentions with 218 exhibits totaling 19,634 pages on April 1, 2025. *See* Exs. 1026, 2010. Petitioner's Invalidity contentions, as discussed further in Section II.D. below, assert 36 references in combination with Hendry and 36 references in combination with Singh with respect to the '243 patent, which Patent Owner has already invested time addressing before an institution decision will be rendered.

Additionally, the parties have served and responded to multiple rounds of written discovery, and together produced over 275,000 pages of documents with productions ongoing. Petitioner has served multiple third-party subpoenas. And Patent Owner is currently undergoing extensive review of source code and technical documentation, which requires intensive expert review and analyses. Significant fact discovery has already been completed as of the filing of this request, with months of additional fact discovery, likely including depositions, to be completed before the institution deadline.

Toyota has moved to dismiss claims based on an asserted patent other than the '243 patent challenged here. Patent Owner will respond shortly, explaining why that motion is procedurally flawed and substantively baseless. Thus, well before the

institution deadline, the court will have also invested time in disposing of that motion.

Claim construction proceedings will also be substantially advanced prior to any institution decision. The parties are scheduled to exchange claims terms for construction on September 16, 2025 (two months before the institution decision deadline), exchange preliminary claim constructions by October 7, 2025 (over one month before the institution decision), and prepare a joint claim construction statement by October 28, 2025 (over two weeks before the institution decision). When the time for the institution decision arrives, the parties will be in the middle of expert depositions concerning claim construction. And while the Court will not yet have ruled on claim construction, that will happen long before a final written decision in these proceedings.³

³ While the parties will have invested substantial time performing claim construction activities before institution, a Markman ruling will not issue until after that date. That said, Petitioner has alleged that “the claims are unpatentable under any reasonable construction.” Petition at 7. Accordingly, Petitioner does not believe that the court’s issuance of a claim construction order bears on the unpatentability issues in its Petition and should not impact the *Fintiv* Factor 3 analysis. *F5 Networks, Inc v. WSOU Investments, LLC*, IPR2022-00238, Paper 11 at 9 (P.T.A.B. May 19, 2022)

Finally, Petitioner filed this petition more than six months after service of the complaint in the EDTX Proceeding—a mere nine days before the deadline for the filing of a Post-Grant Review. Petitioner’s delay resulted in the parties and the Court investing over six months of efforts in the EDTX proceeding before Petition filing, and more than thirteen months of effort leading up to the institution deadline.

Accordingly, *Fintiv* Factor 3 weighs in favor of discretionary denial.

D. *Fintiv* Factor 4 Favors Denial Because the Issues in the Parallel Proceeding Completely Overlap with the Issues Raised in the Petition

The Board should also deny the present Petition because the grounds set forth therein completely overlap with Petitioner’s invalidity contentions in the EDTX Proceeding. “[I]f the petition includes the same or substantially the same claims, grounds, arguments, and evidence as presented in the parallel proceeding, this fact has favored denial.” *Fintiv I* at 12.

In its contentions, Petitioner relies on the same primary references Hendry (U.S. Patent App. Pub. No. 2012/0303178, Ex. 1005) and Singh (U.S. Patent App.

(holding that completion of claim construction did not impact Factor 3 where “neither party contends that the merits of the Petition turn on any claim constructions” such that “the court’s issuance of the claim construction order does not bear on the unpatentability issues in this case”)

Pub. No. 2007/0255464, Ex. 1008) as set forth in the Petition. Ex. 2010, pp. 5-6. Petitioner also relies upon the same secondary references in combination with these primary references as set forth in the Petition: Poulsen (Ex. 1006), Rovik (Ex. 1007), Cazanas (Ex. 1009), and Forstall (Ex. 1010). *Id.* Petitioner also challenges the '243 Patent under 35 U.S.C. 101, just like in the Petition. The complete overlap of the issues illustrates the duplication of efforts that would occur if this Petition were to be instituted. Such inefficiencies weigh in favor of discretionary denial.

Acknowledging this complete overlap, Petitioner filed a "*Sotera*" stipulation stating that "if the PTAB institutes post grant review of U.S. Patent No. 12,039,243 ('the '243 Patent') in the above-captioned proceeding, Petitioner will not pursue, against the '243 Patent in the parallel district court proceeding [the EDTX Proceeding], the grounds Petitioner raised in this post grant review or any other ground that Petitioner could have been raised in this post grant review." Ex. 1027, p. 2. This type of stipulation, however, is not dispositive. Ex. 2011, pp. 2-3.

While Petitioner has submitted a *Sotera* stipulation, the USPTO has indicated that reliance on system art and other invalidity theories renders a *Sotera* stipulation "not ... particularly meaningful because the efficiency gained by any AIA proceeding will be limited." Ex. 2012, at 5. For example, this stipulation does not prevent Petitioner from relying on the same prior art in district court in support of combinations involving non-printed publication art, e.g., prior art based on public

use or an on sale-bar. *Ingenico Inc. v. IOENGINE, LLC*, 136 F.4th 1354, 1365–66 (Fed. Cir. 2025) (“IPR estoppel does not preclude a petitioner from relying on the same patents and printed publications as evidence in asserting a ground that could not be raised during the IPR, such as that the claimed invention was known or used by others, on sale, or in public use.”).

Additionally, *the Sotera stipulation will not simply the issues in the EDTX Proceeding because Petitioner has asserted the same prior art against other asserted patents*. This supports discretionary denial. *See, e.g., Motorola Sols. v. Stellar, LLC*, IPR2024-01205, Paper 19 at 3–4 (PTAB Mar. 28, 2025) (denying institution despite Petitioner’s *Sotera* stipulation, in part, because “Petitioner’s invalidity arguments in the district court are more expansive” and “Petitioner’s stipulation does not ensure that the[] IPR proceedings would be a ‘true alternative’ to the district court proceeding”); *SAP Am., Inc. v. Cyandia, Inc.*, IPR2024-01495, Paper 13, 8-9 (Apr. 7, 2025). For example, Petitioner asserts each of Singh and Hendry in support of obviousness defenses to three other asserted patents not at issue here. Ex. 2010 at 3-5, 9, 11-12, 15-16, 23-31 (addressing U.S. Patent Nos. 8,793,034; 9,147,296; and 11,163,931). Petitioner also cites its secondary references in the Petition—Poulson, Rovik, Cazanias, and Forstall—in support of obviousness

of the '034 and '296 patents (as both primary and secondary references).⁴ *Id.* at 2, 4, 6, 9, 11, 16-17, 19-21, 23-28. Not only does Petitioner rely on these same reference for the '034 and '296 patents as it does for the '243 patent in the Petition, it addresses all three of those patents in a single, common section in its invalidity contentions, confirming it is relying on a common invalidity theory for all three patents. Ex. 2010, pp. 8-28. Thus, regardless of whether this PGR is instituted, the parties and the EDTX will be required to address all six references that Petitioner relies upon for its obviousness grounds in this PGR when in connection with Petitioner's common obviousness challenge to the '034 and '296 patents, and will also address multiple of these references when addressing Petitioner's obviousness challenge to the '931 and '297 patents in the EDTX Proceeding. *Id.*; *see also id.* at 30-31. The objectives of efficiency and fairness behind *Fintiv* would be defeated if the Board were to institute post-grant review.

Petitioner's stipulation does not eliminate all invalidity issues in the parallel proceeding, and fails to render this post-grant proceeding from being a true alternative to district court. Because of the significant overlap issues between the petition and the parallel proceeding and the limited impact of Petitioner's stipulation,

⁴ Petitioner additionally cites Hendry and Cazanias with respect to a fourth asserted patent, U.S. Patent No. 9,147,297. *Id.* at 7, 31.

this factor favors discretionary denial.

E. *Fintiv* Factor 5 Favors Denial Because the Parties in the Parallel Proceeding are Identical.

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

F. *Fintiv* Factor 6 Favors Denial Because the Merits of the Petition are Not Compelling

Fintiv Factor 6 weighs in favor of denial because the merits are not compelling, and the rest of the factors favor denial. If the merits are not strong or “if the merits of the grounds raised in the petition are a closer call, then that fact has favored denying institution when other factors favoring denial are present.” *Fintiv I* at 14–15. Here, the Petition does not set forth particularly strong merits and *Fintiv* Factor 6 does not warrant institution.

Regarding ground 1, Petitioner’s arguments regarding subject matter eligibility mischaracterize the claims and ignore many fundamental claim elements. It is well established that claims are to be considered as a whole and should not be overgeneralized. *E.g., Diamond v. Diehr*, 450 U.S. 175, 188, 101 S. Ct. 1048, 1057–58, 67 L. Ed. 2d 155 (1981) (“In determining the eligibility of respondents’ claimed process for patent protection under § 101, their claims must be considered as a whole.”); *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1337 (Fed. Cir. 2016)

(“[D]escribing the claims at such a high level of abstraction and untethered from the language of the claims all but ensures that the exceptions to § 101 swallow the rule.”); *CardioNet, LLC v. InfoBionic, Inc.*, 955 F.3d 1358, 1371 (Fed. Cir. 2020) (“Generalizing the asserted claims as being directed to collecting, analyzing, and reporting data is inconsistent with our instruction that courts be careful to avoid oversimplifying the claims by looking at them generally and failing to account for the specific requirements of the claims.”) (internal quotations omitted).

Petitioner ignores this precedent and suggests “claim [1] ‘as a whole’ is directed to nothing more than updating stored information after verifying that the updater is allowed to do the updating.”⁵ Petition, p. 20. Petitioner then takes its abstraction a level further, suggesting the claimed invention “could be conducted mentally or with pen and paper.” Petition, p. 22. But the claims require automated

⁵ Elsewhere, Petitioner characterizes the invention as merely “accessing and updating information.” Petition at 20, 25, 28. Petitioner similarly genericizes claims 2-5, suggesting they are simply “collecting, sending, and storing information.” *Id.* at 29. Petitioner does not provide any characterizations of claims 6-10, and instead argues only that the language of claims 6-8 “does not change the abstract nature.” *Id.* at 30. Petitioner relies on these same characterizations to challenge method claims 11-20. *Id.* at 31.

processes in vehicles that were never before—and could not now—be performed within a human mind. Instead, the claims are directed to an improved computer process involving personalization of settings in a vehicle based on verified/authenticated requests to access a user profile, requested modifications, and creation of an updated user profile; not an abstract mental process. *E.g.*, *SRI Int’l, Inc. v. Cisco Systems, Inc.*, 930 F.3d 1295, 1304 (Fed. Cir. 2019) (declining to identify the claimed collection and analysis of network data as abstract because ‘the human mind is not equipped to detect suspicious activity by using network monitors and analyzing network packets as recited by the claims’); *Research Corp. Techs. v. Microsoft Corp.*, 627 F.3d 859, 97 USPQ2d 1274 (Fed. Cir. 2010), and *SiRF Tech., Inc. v. Int’l Trade Comm’n*, 601 F.3d 1319, 94 USPQ2d 1607 (Fed. Cir. 2010); MPEP 2106.04(a)(2)(III)(A) (collecting cases).

Not only does Petitioner overly abstract the claims, it also dissects the claim elements and separately analyzes them to suggest each element, divorced from the others, is abstract. For example, Petitioner suggests that the requirement of a “‘verification process’ or ‘authentication process’ does not affect the analysis” because “these steps have routinely been found abstract.” Petition at 27. But the verification process and/or authentication process of claim 1 are only one aspect of claim 1, which, again, sets forth an improved process for maintaining user preferences for vehicle settings with improved security mechanisms that prevent

accidental modifications by different legitimate users, such as a driver's spouse and minimize data breaches. Indeed, multiple other elements of the claim (e.g., determining whether the request is authorized, determine one or more requested modifications to the one or more preferences, and creating an updated user profile at the vehicle) are triggered based on (and therefore affected by) either the "verification process" or the "authentication process." Ignoring elements that affect and interplay with additional elements is a clear failure to consider the claims as a whole.⁶ Because of this failure, Petitioner has not set forth compelling merits that the claims set forth an abstract idea.

The '243 Patent recognized a technological shortcoming in vehicle technology that others failed to appreciate: "because manufacturers have added features to a conveyance, they have built comfort around a vehicle and failed to build a vehicle around comfort." Ex. 1001, 3:50-51. To address this problem, the inventors created "a vehicle ecosystem, which can integrate both physical and mental comforts, while seamlessly communicating with current electronic devices" while preserving system integrity. *Id.* at 3:55-58. The claims of the '243 patent illustrate an aspect of the improved vehicle ecosystem, integrating computing components (memory, processors, instructions) in a non-conventional arrangement

⁶ This failure is only multiplied in Petitioner's analysis of the dependent claims.

that provides secure, in-vehicle profile modification based on real-time access authorization. This is not a generic computer implementation; it requires specific functionalities, including authentication of profile access and creation of a new, updated profile within the vehicle environment. The inventors created a secure vehicle ecosystem around user comfort rather than build comfort around a vehicle. Because of this real-world practical application, the Petition also fails at Step Two of the analysis.

For ground 2, Petitioner fails to show the obviousness of multiple elements, including the requirement that the “user profile including one or more preferences associated with functions or settings of the vehicle”, “receiving a request to access” the profile, and the creation of an “updated user profile including one or more updated preferences based on the one or more requested modifications” of element. For example, Petitioner alleges that Hendry discloses “receive a request to access a user profile stored at a vehicle, the user profile including one or more preferences associated with functions or settings of the vehicle” (element 1[c-1]) by referring to Hendry’s discussion of “‘retrieving settings of the at least one vehicle component of the vehicle from a data store.’ EX1005, [0004], [0014] (‘[u]pon receiving notification of the user or external device 100, each of the modules 104, 112, 116, and 120, will retrieve user settings corresponding to the user or external device 100 from a respective datastore’ in the vehicle, such as HVAC, etc.), [0021] (‘Each

datastore stores parameter values relating to the user’s personal settings’), [0027]-[0028]; EX1003 ¶171.” Petition at 42. Petitioner continues to allege that “Hendry discloses various user settings stored in the vehicle datastores that are retrieved by the vehicle component modules—for various vehicle functions and settings including HVAC, seats, lighting, etc. EX1005, [0012]-[0014], [0005], [0020]-[0021], FIGs. 1-2, 3A-3B, 4B, 5; EX1003 ¶¶165-74.” *Id.* at 43. However, Petitioner fails to demonstrate how Hendry’s disparate datastores satisfy the claimed “user profile including one or more preferences associated with functions or settings of the vehicle” of element 1[c-1], let alone receiving a request to access said user profile. Rather, Petitioner points to Hendry’s disclosure of a “request to reinstate the personal settings of the user,” not a request to access a user profile. *Id.* at 41. Because of this failure, Petitioner also fails to explain how any adjusted settings that are allegedly saved into the disparate datastores (Petition at 53) satisfies the claimed creation of an “updated user profile including one or more updated preferences based on the one or more requested modifications” of element 1[c-4]. It is Petitioner’s burden to illustrate unpatentability, and Petitioner’s errors noted above showcase a failure of this burden with respect to all claims of ground 2. Certainly, no compelling merits have been set forth in view of this failure.

Regarding ground 3, Petitioner’s proof fails for at least the reasons discussed with respect to Ground 2. Petitioner’s proof additionally fails with respect to claims

3-7 and 13-17 based on a failure of proof on the issue of motivation to combine and modify Hendry based on Poulson. Petitioner sets forth a common motivation to combine Hendry and Poulsen for all the challenged claims of Ground 3. Petition pp. 57-60. But this motivation to combine fails to address the actual language of claims 3-7 and 13-17. It is Petitioner's burden to identify "with particularity" the evidence that "a skilled artisan would have been motivated to combine the teachings of the prior art references to achieve the claimed invention, and that the skilled artisan would have had a reasonable expectation of success in doing so." *Apotex Inc. v. Wyeth LLC*, IPR2014-00115, Paper 94 at 11 (Apr. 20, 2015). The Petitioner has failed its burden.

For example, Petitioner argues that "a POSA would have been motivated to transmit and save profiles to an external location (such as to a server, mobile device, database, etc.) for various purposes (e.g., as a back-up in the event that the local vehicle copy is deleted or corrupted; so that the profile can be remotely updated and stored for future use by a user while not located within the vehicle; and so that the profile can be shared with, and applied to, other vehicles that the user may own, lease, rent or otherwise use, thereby eliminating or minimizing the need for the user to manually set preferences and settings each time the user uses a different vehicle)" (Petition at 59) and "a POSA would have understood that it would have been a simple modification to transmit and share user profiles among devices, including

vehicles and servers, mobile devices, etc., using conventional techniques such as the Internet, Bluetooth, a wireless network, and the like” (*id.* at 59-60). Even if this was a proper motivation to combine based on the level of ordinary skill in the art, which Patent Owner does not concede, claims 2 and 12 are the only claims that discuss “transmit[ing] the updated user profile from the vehicle to at least one of a mobile device, a cloud server, a remote server, or another vehicle.” Petitioner offers no motivation to modify Hendry in view of Poulson to arrive at the inventions of claims 3-5 and 13-15, which include additional elements different from those of claims 2 and 12.

Indeed, claims 3-7 and 13-17 refer to “determin[ing] whether any conflicts exist between the updated preferences of the updated user profile and the local preferences of the local user profile” (claims 3 and 13), “in response to determining that one or more conflicts exist between the updated preferences and the local preferences, the one or more processors are to execute the machine-readable instructions to overwrite conflicted ones of the local preferences with corresponding conflicting ones of the updated preferences” (claims 4 and 14), “in response to determining that one or more conflicts exist between the updated preferences and the local preferences, the one or more processors are to execute the machine-readable instructions to perform a reconciliation process that allows selective determination of which conflicted ones of the local preferences should be overwritten by

corresponding conflicting ones of the updated preferences” (claims 5 and 15), “wherein the one or more processors are to perform both the verification process and the authentication process, and wherein the one or more processors are to determine that the request is authorized to access the user profile in response to successfully verifying the request via the verification process and successfully authenticating the request via the authentication process” (claims 6 and 16), and “wherein the verification process includes at least one of biometric recognition, gesture recognition, facial recognition, or identification of a mobile device” (claims 7 and 17). Petitioner’s common motivation to combine and modify fails to address at least the determination of conflicts (claims 3-5, 13-15), performing both the verification process and the authentication process (claims 6 and 16), and biometric recognition, gesture recognition, facial recognition, or identification of a mobile device (claims 7 and 17).

Petitioner’s individual sections addressing claims 3-7 and 13-17 fail to cure the above deficiencies. Indeed, for claims 3-5 and 13-15, Petitioner fails to discuss *why* a POSA would have been motivated to modify Hendry (and if so, what aspects of Hendry to modify) based on any of Poulsen’s alleged teachings. Petition at 67-71. Rather, Petitioner merely alleges that the references individually disclose the claim language. *Id.* This does not support obviousness. *KSR Int’l Co. v. Teleflex, Inc.*, 550 U.S. 398, 418 (2007) (“[A] patent composed of several elements is not

proved obvious merely by demonstrating that each of its elements was, independently, known in the prior art.”). Instead, this is a purely hindsight driven analysis. *Innogenetics, N.V. v. Abbott Lab'ys*, 512 F.3d 1363, 1373 (Fed. Cir. 2008) (finding a lack of explanation as to why a POSA would have found claims obvious in light of a combination of references “not helpful ... in avoiding the pitfalls of hindsight that belie a determination of obviousness”); *see also ActiveVideo Networks, Inc. v. Verizon Commc'ns, Inc.*, 694 F.3d 1312, 1327 (Fed. Cir. 2012) (finding conclusory motivation to combine “not sufficient and [] fraught with hindsight bias”). Furthermore, for claims 6-7 and 16-17, Petitioner fails to discuss both *why* and *how* the alleged teachings of Poulsen regarding authentication and verification would be combined with Hendry, which Petitioner already contends discloses “verify[ing] and/or authenticat[ing].” Petition at 54-55; Ex. 1003, ¶¶ 237-239. Again, this is not sufficient. *ActiveVideo*, 694 F.3d at 1327 (finding evidence insufficient to support a determination of obviousness where expert “failed to explain how specific references could be combined, which combination(s) of elements in specific references would yield a predictable result, or how any specific combination would operate or read on the asserted claims.”); *see also KSR*, 550 US at 418.

Finally, Petitioner fails to allege with particularity that a POSA would have had reasonable expectations of success in making any of the unidentified and

unsupported changes to Hendry based on Poulsen to arrive at the invention of claims 2-7 and 12-17. A petition that “itself does not show, let alone with the particularity required by statute, a reasonable expectation of success,” fails to demonstrate by a preponderance of the evidence that the claims would have been obvious over the alleged combination. *Juniper Networks, Inc. v. Correct Transmission, LLC*, IPR2021-00682, Paper 26 at 26, 35 (PTAB Oct. 3, 2022). Although Petitioner includes a section header that states the words “reasonable expectation of success” and concludes, within the first sentences following those headers, that “[a] POSA would have been motivated to apply, and had a reasonable expectation of success,” Petitioner only addressed its alleged motivation to combine Hendry and Poulsen. *See* Petition at 57. Nowhere does Petitioner address the required showing of a reasonable expectation of success for each of the inventions described in claims 2-7 or 12-17. Petitioner’s expert declaration contains the same errors. *See* Ex. 1003, ¶¶ 201-211. Instead, the Petition (and the Expert Declaration) merely provide conclusory assertions of expectations of success with no explanation and “[a] conclusory assertion with no explanation is inadequate to support a finding that there would have been a motivation to combine.” *TQ Delta, LLC v. Cisco Sys.*, 942 F.3d 1352, 1359 (Fed. Cir. 2019). Petitioner’s conclusory statements fail to show reasonable expectations of success with the required particularity for each of the claims addressed in ground 3. For all of these reasons, ground 3 lacks compelling

merits.

Regarding ground 4, which is asserted only against claims 9-10 and 19-20, Petitioner's proof fails for at least the reasons discussed with respect to Ground 2. Petitioner also fails to allege with particularity that a POSA would have had reasonable expectations of success in combining Rovik with Hendry. Petition at 73-81 (including the words "reasonable expectation of success" in the section header and first sentence, but failing to further support these conclusory remarks with the required particularity). Petitioner's expert declaration likewise never addresses whether a POSA would have had a reasonable expectation of success beyond declaring one in conclusory fashion. Ex. 1003, ¶¶ 243-253. Accordingly, ground 4 lacks compelling merits due to the lack of reasonable expectations of success for similar reasons as set forth above with respect to ground 3.

For ground 5, Petitioner fails to show the obviousness of multiple elements, including "receiv[ing] a request to access a user profile stored at a vehicle, the user profile including one or more preferences associated with functions or settings of the vehicle" (element 1[c-1]) and "performing at least one of a verification process or an authentication process in response to the request" (element 1[c-2]). According to Petitioner, Singh's authentication/verification process *initiates* a request to access a user profile. Petition at 83 ("Singh discloses 1[c-1], e.g., a multi-factor authentication/verification process to initiate a request to access a user profile stored

at the vehicle, after which the profile is loaded with particular user preferences/settings for the vehicle (for seats, mirrors, temperature, etc.). Ex. 1008 at [0034], [0038]-[0039], [0041].”). There are multiple problems with this argument. First, Petitioner never identifies what it contends is the claimed request, and Petitioner does not point to any evidence of a sequence of events to support its allegation that Singh’s authentication/verification process *initiates* a request to access a user profile. Petitioner’s expert makes the same conclusory statements that a request is initiated without pointing to anything in Singh as teaching or suggesting the claimed request or sequence of events. Ex. 1003, ¶ 284. The failure to identify this element in the referenced prior art is fatal to the Petition, and illustrates the lack of compelling merits.

Second, Petitioner’s allegation that Singh’s authentication/verification process *initiates* a request (i.e., authentication/verification occurs *before* the request) defeats Petitioner’s argument for element 1[c-2] that Singh performs “at least one of a verification process or an authentication process *in response to* the request” (i.e., authentication/verification occurs *after* the request). Petition, p. 84; Ex. 1003, ¶ 289. Not only are these allegations contradictory, but Petitioner (and its expert) again fail to point to any evidence of a sequence of events to support its allegation that Singh’s authentication/verification process is performed in response to the request to access a user profile. Thus, no compelling merits have been set forth for ground 5.

Regarding ground 6, Petitioner’s proof fails for at least the reasons discussed with respect to ground 5. In addition, Petitioner sets forth essentially the same motivation to combine Singh, Cazanias, and Forstall as it did for Hendry and Poulsen in ground 3. *Compare* Petition pp. 57-60; *with id.* at 89-91. Not only does this repetition illustrate the disassociation of Petitioner’s arguments from the references (the motivation is so generic that Petitioner applies it across five references), but this repetition also carries the deficiencies identified above for ground 3 through to ground 6, where Petitioner again fails to address the language of claims 3-5 and 13-15. Petitioner’s motivation to combine Singh, Cazanias, and Forstall for claims 3-5 and 13-15 fails for similar reasons discussed above with reference to ground 3.

Furthermore, Petitioner relies upon Forstall, which Petitioner alleges is “in the same field as [Singh and Cazanias] and the ’243 Patent and its claims (vehicular data management including, *e.g.*, user data management such as vehicle settings).” *Id.* at 89. But Forstall (Ex. 1010) is not in the same field as Singh, Cazanias, or the ’243 patent and its claims. Forstall describes using vehicle sensors to determine a location of a mobile device. Ex. 1010, Abstract (“an estimated location of the mobile device is calculated based at least in part on the location information and the sensor data.”). Forstall also describes the opposite (using location information from the mobile device to update the vehicle device). *Id.* at ¶¶ [0008]-[0009]. Using a location of a vehicle to update a location of a mobile device (or vice versa) is not akin to

“vehicular data management including, e.g., user data management such as vehicle settings,” as alleged by Petitioner. Forstall is also not “directed to the same problem: improved systems and methods for increased user convenience and ease for creating, saving, updating, and restoring user preferences and data, such as for vehicle settings—like the ’243 Patent.” Forstall is silent with respect to user preferences and vehicle settings⁷. Although Petitioner lumps Forstall in with Cazanias and Singh in a summary motivation to combine, it is apparent that Forstall differs from Singh and Cazanias because Petitioner excludes any citations to Forstall when arguing that “a POSA would have been motivated to transmit and save profiles to an external location (such as to a server, mobile device, database, etc.) for various purposes.” Petition at 90.

Petitioner additionally fails to discuss *how* a POSA would modify Singh based on any of Cazanias’ or Forstall’s alleged teachings with respect to claims 6-8 or 16-18. Petition at 98-99. As discussed above, that is not sufficient to prove obviousness. *ActiveVideo*, 694 F.3d at 1327; *KSR*, 550 US at 418.

⁷ Forstall also describes transmitting contact information from a mobile device to a vehicle (Ex. 1010, ¶¶ [0008]-[0009], but exchanging contact information does not amount to “vehicular data management including, e.g., user data management such as vehicle settings.”

Lastly Petitioner fails to allege with particularity that a POSA would have had reasonable expectations of success in making any alleged combinations of Cazan, Forstall, and Singh. Petition at 89-91 (addressing only the alleged motivation to combine but not the required showing of a reasonable expectation of success). The individual allegations against each of claims 2-8 and 12-18 fail to cure these deficiencies. *Id.* at 91-99. Petitioner's expert declaration contains the same errors. *See* Ex. 1003, ¶¶ 308-344. Thus, the Petition fails to show reasonable expectations of success with the required particularity for each of the claims addressed in ground 6.

For at least these reasons, Ground 6 lacks compelling merits.

Regarding ground 7, Petitioner's proof fails for at least the reasons discussed with respect to ground 5. In addition, Petitioner also fails to allege with particularity that a POSA would have had reasonable expectations of success in combining Rovik with Singh. Petition at 99-106 (including the words "reasonable expectation of success" in the section header and first sentence, but failing to further support these conclusory remarks with the required particularity). Petitioner's expert declaration again contains the same errors. Ex. 1003, ¶¶ 346-371. Ground 7, therefore, lacks compelling merits due to the lack of reasonable expectations of success for similar reasons as set forth above with respect to grounds 3-4 and 6.

For all of these reasons, Factor 6 supports discretionary denial.

G. The Parties Settled Expectations Do Not Support Institution of the Petition.

Although the '243 patent issued in July 2024, institution is unwarranted in light of the parties' settled expectations. The '243 patent is part of an extensive and mature patent family that dates back almost 15 years that Petitioner has never previously challenged at the USPTO. The technology claimed in the '243 patent is also similar to a family member that issued almost a decade ago that Petitioner now contends is invalid based on the same prior art it invokes against the '243 patent. This course of conduct confirms that Petitioner has long been aware of the core disclosures underlying the '243 patent,⁸ yet until now chose not to pursue

⁸ Petitioner has known about this patent family for many years. For example, on June 21, 2017, during prosecution of Petitioner's App. No. 15/230,621, an examiner cited the grandparent of the '243 Patent (U.S. Patent No. 9,545,930) (while also rejecting the claims as obvious over a patent application related to the '243 patent). Ex. 2013 at 3-18, 20. On January 31, 2019, Petitioner cited another relative to the '243 Patent (U.S. Patent No. 9,123,186) when filing Patent No. 11,810,363. Ex. 2016 at 1. As another example, an examiner rejected the pending claims in Petitioner's Patent No. 11,285,896 as obvious over the '296 patent on March 29, 2021 (Ex. 2014 at 3-9), and Petitioner amended its claims in an ensuing response in an effort to address the '296 patent. As yet another example, Petitioner cited the parent of the

challenges—resulting in the parties settling their expectations concerning this disclosure long ago.

The '243 patent is one of more than 40 patents in a family that stem from applications filed in 2013-2014. Many of these patents share a common specification and claim priority to the same foundational disclosures. Petitioner has challenged only two patents in this family—the '243 patent at issue here and U.S. Patent No. 9,147,296 (“the '296 patent”). It has also now separately challenged U.S. Patent No. 8,793,034 (“the '034 patent”), which is in a closely-related family and claims similar subject matter. Both the '034 and '296 patents have been in force for about 10 years, and during that time, Petitioner has had full visibility into their specifications and potential relevance yet chose not to pursue post-grant challenges. This inaction reflects a conscious decision to accept the risk of these disclosures, reinforcing the existence of settled expectations.

Further, Petitioner is advancing a unified obviousness theory based on the

'243 Patent (U.S. Patent No. 11,163,931) and the grandparent of the '243 Patent (the '930 Patent) when filing Patent No. 12,079,616 on June 1, 2022. Ex. 2015 at 2. In addition, Patent Owner sent a letter to Petitioner in 2023 raising infringement concerns with Petitioner's infringement of nineteen patents, including the '034, '296, '931, '186 and '153 patents.

same core references relied upon in the Petition (i.e., Hendry and Singh as primary references, with Poulson, Rovik, Cazanias, and Forstall as secondary references) to challenge each of the '243, '296, and '034 patents. *See* Ex. 2010, pp. 8-28 (consolidating obviousness allegations for all three patents). By asserting the same prior art combinations in a common invalidity theory across these patents, Petitioner effectively admits a close relationship between the '243 Patent and the earlier patents Petitioner has long known about and opted not to challenge. Because those patents have been in force for 9-10 years, the parties had developed settled expectations to the subject matter of those patents.

The parties' settled expectations were further informed by Petitioner's decision not to challenge multiple related patents that predate the '243 patent by several years. For example, the '243 patent shares an identical specification with U.S. Patent No. 11,163,931, which issued in 2021 and is asserted against Toyota in the same litigation. Petitioner has never pursued any post-grant challenge to that patent. Similarly, Petitioner has not sought post-grant review of three other asserted family members in the EDTX Proceeding—U.S. Patent Nos. 9,020,697 (issued 2015); 9,123,186 (2015), and 9,290,153 (2016)—each directly related to the '243 patent. Thus, while the '243 patent formally issued in 2024, a view of the full portfolio and Petitioner's arguments in the EDTX Proceeding indicates the parties had developed settled expectations as to the '243 patent, which further supports

discretionary denial of the Petition.

III. CONCLUSION

The '243 patent is but one of eleven patents asserted in the parallel EDTX Proceedings. The EDTX Proceedings are well underway, and trial is scheduled to be completed about four months before a final written decision would be issued in this case. Further, regardless of whether the Petition is instituted, the trial will involve presentation of the same invalidity arguments based on the same prior art with respect to multiple other patents. It would wholly defeat the goals of discretionary denials—efficiency and integrity of the system—to institute on the '243 patent simply because it happened to issue more recently than ten other related patents that Petitioner has never challenged. This is especially true here, where two patents for which Petitioner offers the same invalidity theories in the EDTX Proceedings as it offers for the challenged '243 patent, have been in force for 9-10 years and thereby created settled expectations. In view of the foregoing, Patent Owner requests discretionary denial of the Petition.

Date: July 14th, 2025

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CERTIFICATE OF COMPLIANCE

I hereby certify that this paper complies with the type-volume limitation of 14,000 words (as determined by the Microsoft Word word-processing system used to prepare this paper) because it contains 7,989 words, excluding the parts of the paper exempted by 37 C.F.R. § 42.24(c).

Dated: July 14th, 2025

/Eric A. Zelepugas/

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that the foregoing **PATENT OWNER'S REQUEST FOR DISCRETIONARY DENIAL** and associated exhibits (Exhibits 2001-2016) were served electronically via e-mail on July 14th, 2025, in their entirety on the following counsel of record for Petitioner:

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