

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

HYUNDAI MOTOR AMERICA, INC.,
Petitioner,

v.

GERM DOME INDUSTRIES LLC,
Patent Owner.

PGR2026-00030
Patent No. 12,296,061

**PETITIONER'S REPLY TO
PATENT OWNER'S PRELIMINARY RESPONSE**

Pursuant to the Board’s authorization on June 3, 2026 (Ex. 3101), Petitioner submits this Reply to Patent Owner’s Preliminary Response (“POPR”) regarding Patent Owner’s (“PO”) request for discretionary denial.

I. PO’S DISCRETIONARY-DENIAL ARGUMENTS ARE PROCEDURALLY IMPROPER AND UNTIMELY

PO’s request for discretionary denial should not be considered. Its reliance on *Magnolia Med. Techs., Inc. v. Kurin, Inc.* does not excuse its failure to comply with the Board’s procedures and deadlines for seeking discretionary denial. IPR2026-00097, Paper 17 (Director May 14, 2026).

The USPTO’s “Interim Director Discretionary Process,” expressly provides that “[t]he petitioner and the patent owner should not present discretionary considerations in the petition or the Patent Owner Preliminary Response (POPR), respectively.” Ex. 1020 (emphasis added). Consistent with that guidance, the Board’s February 24, 2026 Notice of Filing Date Accorded to Petition expressly advised that PO “may file a brief requesting discretionary denial within two months from the date of this notice.” Paper 3 at 1 (emphasis added). Accordingly, PO was required to use—and cannot sidestep—the prescribed discretionary-denial briefing process, for which the deadline was April 24, 2026. *Id.*

The substantive framework on which PO relies in an attempt to justify its untimely arguments was also known before the April 24 deadline. As PO acknowledges, *Magnolia* applied the framework set forth in the Director’s March

11, 2026 memorandum, “Additional Discretionary Institution Considerations – U.S. Manufacturing and Small Business Use of AIA Proceedings” (“March 11 Memo”). POPR at 3–4; *see Magnolia*, Paper 17 at 7; Ex. 1021. Thus, more than six weeks before PO’s April 24 deadline, the Director had already identified the very factors PO now invokes. *Magnolia* did not announce a new standard, create a new procedural mechanism, or alter any existing deadline. It merely applied the framework already articulated in the March 11 Memo. PO’s reliance on *Magnolia* is therefore no excuse for its untimely presentation of discretionary-denial arguments in the POPR.

PO failed to follow the prescribed process. By raising discretionary-denial arguments in its POPR more than a month after the briefing deadline expired, PO seeks to circumvent the Board’s procedures. The Board should not reward that procedural default and should instead find that PO waived any request for discretionary denial.

II. THE RELEVANT FACTS WEIGH AGAINST DISCRETIONARY DENIAL

Even if the Board were to consider PO’s procedurally improper and untimely arguments, the relevant factors weigh strongly against discretionary denial here.

First, the domestic-manufacturing considerations favor institution of this PGR. The POPR fails to mention that one of Petitioner’s accused products in the parallel litigation—the Hyundai Santa Fe—is manufactured in the United States, in

Montgomery, Alabama. Moreover, PO does not contend that it practices or licenses the '061 Patent in the United States. Instead, PO only claims to license a separate family of patents to a third party that allegedly began commercializing a practicing product in 2025. Ex. 2009 at ¶7; POPR at 4. PO therefore remains—despite its contrary characterization—a non-practicing entity with respect to the '061 Patent. POPR at 4. Thus, to the extent domestic-manufacturing considerations are relevant, they weigh strongly against discretionary denial, given that one of the accused products in the parallel litigation is manufactured in the United States.

Second, the parallel-validity considerations also favor institution because the procedural posture is completely different than in *Magnolia*—Petitioner is not seeking a “second bite at the apple.” In *Magnolia*, the petitioner filed an IPR petition shortly before trial, after losing the ability to present anticipation and obviousness defenses in district court, and the Director concluded that the IPR did not serve as a true alternative to litigation because it sought to relitigate issues the petitioner had already lost in district court. *Magnolia*, Paper 17 at 9–10. The facts here are completely different. In this proceeding, Petitioner filed a PGR petition involving a very-recently issued patent, for which PO has no settled expectations. *See Multi-Color Corp. v. Brook & Whittle Ltd.*, PGR2025-00025, Paper 10, at 2–3 (Director July 16, 2025) (“Petitions for post-grant review are favored because they must be filed no later than nine months from the grant of the patent (35 U.S.C. § 321(c)), are

close in time to examination, and occur before expectations in the patent rights are strongly settled.”) (precedential). Moreover, Petitioner filed its petition in February 2026, less than three months after the parallel litigation was commenced. The district court proceedings have addressed only § 101 eligibility, while this PGR presents unadjudicated §§ 102 and 103 grounds. Institution would thus serve the public interest by enabling review of those grounds and potentially streamlining the parallel district court cases filed by PO asserting the ’061 Patent.

In addition, unlike in *Magnolia*, the district court cases have already been stayed in favor of this PGR. Specifically, the litigation that PO filed against Petitioner—as well as a related action that PO subsequently filed in April 2026 against Petitioner’s subsidiary, Genesis Motor America LLC (Ex. 2006)—were stayed by the district court pending this proceeding (Exs. 2007–08). Accordingly, there is no trial scheduled to occur before the Board’s projected Final Written Decision (“FWD”). This favors institution. *See Savant Techs. LLC v. Feit Electric Co., Inc.*, IPR2025-00260, Paper 16, at 3 (Director June 12, 2025) (declining to discretionarily deny institution where the parallel district court proceeding was stayed) (informative). Institution poses no risk of the inefficiency, duplication, or competing validity determinations that concerned the Director in *Magnolia*.

Finally, PO fails to even address the *Fintiv* factors in its POPR, which weigh heavily against discretionary denial. In this proceeding: (1) as noted above, the

parallel litigations asserting the '061 Patent have already been stayed by the district court (and indeed, no court schedule at all was even set in Genesis action before the stay); (2) Petitioner has filed a *Sotera* stipulation eliminating overlap (Paper 9); (3) the Board's FWD will precede any trial; and (4) the Petition presents strong invalidity grounds that the Examiner did not consider during prosecution. *See Tesla, Inc. v. Intellectual Ventures II LLC*, IPR2025-00217, Paper 9 at 2 (Director June 13, 2025) (weighing the relevant factors and declining to discretionarily deny institution where the petitioner filed a broad *Sotera* stipulation and the merits were strong) (informative).

In sum, even assuming PO's discretionary-denial arguments were properly before the Board, the relevant facts do not support denial. The domestic manufacturing considerations favor Petitioner, this PGR is a true alternative to litigation, the timing and posture of the related litigations distinguish this case from *Magnolia*, and the *Fintiv* factors weigh against discretionary denial.

III. CONCLUSION

For these reasons and those set forth in the Petition, Petitioner respectfully requests that the Board reject PO's improper request and institute PGR.

Dated: June 8, 2026

Respectfully submitted,

/Robert C.F. Pérez/

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CERTIFICATE OF SERVICE

Pursuant to 37 CFR §§ 42.6(e)(4) and 42.205(b), the undersigned certifies that on June 8, 2026, a complete and entire copy of this Petitioner's Reply to Patent Owner's Preliminary Response was provided by email to the Patent Owner by serving the correspondence address of record as follows:

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