

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE OFFICE OF THE UNDER SECRETARY OF COMMERCE
FOR INTELLECTUAL PROPERTY AND DIRECTOR OF THE
UNITED STATES PATENT AND TRADEMARK OFFICE

TOYOTA MOTOR CORP,
Petitioner,

v.

AUTOCONNECT HOLDINGS LLC,
Patent Owner.

PGR2025-00041
Patent 12,039,243 B2

Before COKE MORGAN STEWART, *Acting Under Secretary of
Commerce for Intellectual Property and Acting Director of the United States
Patent and Trademark Office.*

DECISION
Referring the Petition to the Board

AutoConnect Holdings LLC (“Patent Owner”) filed a request for discretionary denial (Paper 6, “DD Req.”) in the above-captioned case, and Toyota Motor Corp. (“Petitioner”) filed an opposition (Paper 7, “DD Opp.”).

After considering the parties’ arguments and the record, and in view of all relevant considerations, discretionary denial of institution is not appropriate in this proceeding. This determination is based on the totality of the evidence and arguments the parties have presented.

Some factors weigh in favor of discretionary denial. For example, the projected final written decision due date in the Board proceeding is November 12, 2026. DD Req. 7. The district court’s scheduled trial date is July 20, 2026, and the time-to-trial statistics suggest trial will begin between July 2026 and November 2026. *Id.* at 6–7; DD Opp. 13. As such, it is unlikely that a final written decision in this proceeding will issue before the district court trial occurs.

Other considerations, however, counsel against discretionary denial. For example, the challenged patent issued on July 16, 2024, and Petitioner filed its Petition on April 7, 2025. Accordingly, Petitioner challenged the patent early in the life of the patent. Early challenges favor robust, predictable patent rights and weigh against discretionary denial. Further, 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. *LifeVac, LLC v. DCSTAR Inc.*, IPR2025-00454, Paper 11 at 2 (Director July 11, 2025). Additionally, Petitioner has stipulated that it will not pursue in district court any ground raised, or that could have been raised, in this post-grant review. DD Opp. 19. As such,

Petitioner's stipulation broadly covers nearly all invalidity defenses in district court. Petitioner's broad stipulation reduces the concern of inconsistent outcomes or significant duplication of efforts, and strongly weighs against discretionary denial. On balance, the circumstances that do not warrant discretionary denial outweigh those that favor discretionary denial.

Although certain arguments are highlighted above, the determination not to exercise discretion to deny institution is based on a holistic assessment of all of the evidence and arguments presented. Accordingly, the Petition is referred to the Board to handle the case in the normal course, including by issuing a decision on institution addressing the merits and other non-discretionary considerations, as appropriate.

In consideration of the foregoing, it is:

ORDERED that Patent Owner's request for discretionary denial is *denied*;

FURTHER ORDERED that the Petition is referred to the Board; and

FURTHER ORDERED that neither party shall file a request for rehearing or Director Review of this decision until the Board issues a decision on institution.

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