Filed on behalf of: Meta Platforms, Inc.

Entered: November 1, 2023

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

META PLATFORMS, INC.,
Petitioner,

v.

EIGHT KHZ, LLC,
Patent Owner.

Case No. IPR2023-01003
U.S. Patent No. 9,226,090

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

TABLE OF AUTHORITIES

Page(s)

Cases

Apple Inc. v. Fintiv, Inc.,
IPR2020-00019, Paper 11 (PTAB Mar. 20, 2020) 2

Sotera Wireless, Inc. v. Masimo Corp.,
IPR2020-01019, Paper 12 (PTAB Dec. 1, 2020) 1, 2

Exhibit List

Exhibit	Description
1001	U.S. Patent No. 9,226,090 ("'090 Patent")
1002	Prosecution History of U.S. Patent No. 9,226,090 ("'090 FH")
1003	Declaration of Dr. Kyriakakis
1004	*Curriculum Vitae* of Dr. Kyriakakis
1005	U.S. Patent No. 8,406,439 to Bedingfield et al. ("Bedingfield")
1006	U.S. Patent No. 9,131,305 to Li et al. ("Li")
1007	U.S. Patent No. 8,818,000 to Andrea ("Andrea")
1008	U.S. Patent Pub. No. 2003/0059070 to Ballas ("Ballas")
1009	U.S. Patent No. 7,606,375 to Bailey et al. ("Bailey")
1010	RESERVED
1011	RESERVED
1012	RESERVED
1013	U.S. Patent App. Pub. 2014/0064526 to Otto, et al. ("Otto")
1014	RESERVED
1015	Rumsey, Francis "Whose head is it anyway? Optimizing binaural audio." J. Audio Eng. Soc., Vol. 59, No. 9, 2011 ("Rumsey")
1016	RESERVED
1017	U.S. Patent App. Pub. 2008/0273708 to Sandgren, et al. ("Sandgren")
1018	RESERVED

Exhibit	Description
1019	RESERVED
1020	Scheinerman, Matt "Exploring Augmented Reality." Haverford College Computer Science (2009) ("Scheinerman")
1021	Comeau, Charles et al. "Headsight TV System." Electronics, 1961, pp. 86-90 ("Comeau")
1022	Sutherland, Ivan "The Ultimate Display." Proceedings of IFIP Congress, pp. 506-508 (1965) ("Sutherland1965")
1023	Sutherland, Ivan "A head-mounted three dimensional display." Fall Joint Computer Conference, pp. 757-764 (1968) ("Sutherland1968")
1024	Moller, Henrik, et al. "Head-Related Transfer Functions of Human Subjects." J. Audio Eng. Soc., Vol. 43, No. 5, 1995, pp. 300-321 ("Moller")
1025	Akeroyd, Michael. "The psychoacoustics of binaural hearing." International Journal of Audiology, 45:sup1, 25-33 (2006) ("Akeroyd")
1026	Middlebrooks, John, et al. "Sound Localization by Human Listeners." Annual Review of Psychology, 1991. 42:135-39 ("Middlebrooks")
1027	*Eight KHZ, LLC v. Meta Platforms, Inc. et al.*, 6:22-cv-575-ADA-DTG (W.D. Tex.), Plaintiff's Claim Construction Reply Brief (ECF 92) ("8KHZ Claim Construction Brief")
1028	RESERVED
1029	RESERVED
1030	RESERVED
1031	Cheng, Corey, et al. "Moving Sound Source Synthesis for Binaural Electroacoustic Music Using Interpolated Head-Related Transfer Functions (HRTFs)." ("Cheng")
1032	May 22, 2023 Deposition Transcript of Durand Begault, Ph.D. from *Eight KHZ, LLC v. Meta Platforms, Inc. et al.*, 6:22-cv-575-ADA-DTG (W.D. Tex.)
1033	U.S. Patent No. 257,453 to Ader("Ader")
1034	Olson, Harry. "Sound Reproducing Systems - Monaural, Binaural, Monophonic, and Stereophonic." Audio, 1958 ("Olson")

Exhibit	Description
1035	Kyriakakis, Chris. "Fundamental and Technological Limitations of Immersive Audio Systems." Proceedings of the IEEE, Vol. 86, No. 5, 1998 ("Kyriakakis 1998")
1036	Begault, Durand. "3-D Sound for Virtual Reality and Multimedia." 2000 ("Begault")
1037	Vertesi, Janet. "Seamful Space: Heterogeneous Infrastructures in Interaction." Science, Technology, & Human Values 2014, Vol. 39:2, 264-284 ("Vertesi")
1038	Torrejon, Alfonso, et al. "Improving Communication and Presence in Online Telepresence Systems." Workshop Proceedings of the 9th International Conference on Intelligent Environments, 2013 ("Torrejon")
1039	RESERVED
1040	RESERVED
1041	RESERVED
1042	RESERVED
1043	RESERVED
1044	U.S. Patent No. 2,955,156 to Heilig ("Heilig")
1045	October 25, 2023 E-mail from Board authorizing Petitioner Reply and Patent Owner Sur-Reply to Patent Owner's Preliminary Response
1046	Defendants' Stipulation Regarding Invalidity Challenges, *Eight kHz, LLC v. Meta Platforms, Inc*., No. 6:22-cv-00575 (W.D. Tex. Oct. 17, 2023), ECF No. 149

I. Institution Is Appropriate Under *Fintiv*

Petitioner has executed a stipulation pursuant to *Sotera Wireless, Inc. v. Masimo Corp.*, IPR2020-01019, Paper 12 at 16-19 (PTAB Dec. 1, 2020) (precedential as to § II.A), agreeing not to pursue in the parallel district court litigation the same grounds or any grounds that could have reasonably been raised in this IPR. *See Sotera* Stipulation (Ex. 1046). Specifically, Petitioner stipulates:

> If the PTAB institutes the pending IPR in IPR2023-01003 challenging the patentability of claims 1-3, 6, 8-10, 12, 14-19 of the '090 patent, then [Defendants Meta Platforms, Inc., Meta Platforms Technologies, LLC, and Twisted Pixel Games, LLC] will not pursue as to the challenged claims any ground raised or that could have been reasonably raised in the IPR in the above-captioned district court litigation (No. 6:22-cv-00575-ADA). *See Sotera Wireless, Inc. v. Masimo Corp.*, IPR2020-01019, Paper 12 at 16-19 (PTAB Dec. 1, 2020).

Sotera Stipulation at 4. Such a *Sotera* stipulation "mitigates any concerns of duplicative efforts between the district court and the Board, as well as concerns of potentially conflicting decisions," and the PTAB should not discretionarily deny institution in view of the parallel district court litigation given that stipulation. *Sotera*, Paper 12 at 19; *see Fintiv* Memo (Ex. 2004) at 7.

Indeed, the Director's *Fintiv* Memo states that a *Sotera* stipulation ends the inquiry on discretionary denial based on the parallel litigation. Specifically, the Director's *Fintiv* Memo instructs that "the PTAB will not discretionarily deny

institution of an IPR or PGR in view of parallel district court litigation where a petitioner" provides a *Sotera* stipulation. *Fintiv* Memo at 7. It explains that "[w]hen a petitioner stipulates not to pursue in a parallel district court proceeding the same grounds as in the petition or any grounds that could have reasonably been raised in the petition, it mitigates concerns of potentially conflicting decisions and duplicative efforts between the district court and the PTAB." *Id.* (citing *Sotera*, Paper 12 at 18-19). "With such a stipulation, if an IPR … is instituted, the grounds the PTAB resolves will differ from those present in the parallel district court litigation." *Id.*

In an attempt to evade the Director's clear *Fintiv* instructions in concurrent IPRs, Patent Owner argues that Petitioner's stipulation is not a *Sotera* stipulation, but an untimely "*Sotera*-like" stipulation. *Meta Platforms, Inc. v. Eight kHz, LLC*, IPR2023-01019, Paper 8 at 1-4. This argument fails for multiple reasons. First and foremost, when a petitioner "explicitly characterizes its stipulation as conforming to [*Sotera*]," as Petitioner has done here, the Board should "determine that Petitioner's stipulation is a *Sotera* stipulation of the kind discussed in the Interim Procedure." *See Hunter's Mfg. Co., Inc. v. Ravin Crossbows, LLC*, IPR2023-00407, Paper 13 at 9 (PTAB Jul. 10, 2023); *Sotera* Stipulation at 3.

Second, Patent Owner argues that the stipulation does not fall under *Sotera* because Petitioner expressly reserved the right to rely on "invalidity under 35 U.S.C. §§ 102 and 103 not available in IPR" (Ex. 1046 at 4). But an IPR is limited to prior

art grounds relying solely on "patents or printed publications" (35 U.S.C. § 311(b)), while district court allows parties to pursue additional grounds of invalidity under §§ 102 and 103. It is therefore appropriate for Petitioner to reserve its rights with respect to invalidity grounds that it could not have reasonably raised in IPR. Moreover, Petitioner's reservation of rights is similar to language used in other *Sotera* stipulations that have been expressly authorized by the PTAB. *See, e.g.*, *Cisco Sys. v. Lionra Techs. Ltd.*, IPR2023-00670, Paper 9, Attachment A at 2 ("Cisco also reserves the right to assert grounds other than the grounds raised or could have been reasonably raised in the IPR for these claims.").

Third, Patent Owner argues the Petitioner advances system prior art that is materially identical to the art asserted in its IPRs. *Eight kHz,* IPR2023-01019, Paper 8 at 1. But whether system art is identical to art asserted in the IPRs is not an issue for the Board to decide. If the Board institutes, Petitioner will not pursue in the parallel litigation any grounds raised or that could have been reasonably raised in the IPR. *Sotera* Stipulation at 4. And if the parties dispute which art is precluded by the stipulation, the district court will decide that issue based on the full record of the evidence, references, and art before it. That same record is not before the Board.

Last, Petitioner's *Sotera* stipulation is timely, because it was "offered before [the Board's] Decision on whether to institute, which is appropriate under binding precedent." *See Google LLC v. Touchstream Techs., Inc.*, IPR2022-00793, Paper

20 at 3 (PTAB Feb. 13, 2023) (citing *NXP USA, Inc. v. Impinj, Inc.*, IPR2021-01556, Paper 13 at 4 (PTAB Sept. 7, 2022) (precedential) (Director holding "that the only appropriate time for a petitioner to offer a stipulation related to the *Fintiv* factor 4 analysis is prior to the Board's decision of whether to institute review")); *Samsung Elecs. Co., Ltd. v. G+ Comms, LLC*, IPR2023-00441, Paper 10 at 18 (PTAB Aug. 3, 2023) (*Sotera* stipulation provided in Petitioner's Reply to POPR is not "belated").

* * *

Petitioner's *Sotera* stipulation mitigates any concerns of potentially conflicting decisions and duplicative efforts between the District Court and the PTAB. Consistent with the Director's *Fintiv* Memo, the Board should decline Patent Owner's request to deny institution under *Fintiv*.

Respectfully submitted,

Dated: November 1, 2023

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CERTIFICATE OF SERVICE

Pursuant to 37 C.F.R. § 42.6(e), I certify that on this 1st day of November, 2023, a true and correct copy of the foregoing **Petitioner's Reply to the Patent Owner's Preliminary Response and all Exhibits** were served by electronic mail on Patent Owner's lead and backup counsel at the following email addresses:

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