

Filed on behalf of: Meta Platforms, Inc.

Entered: November 6, 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 IPR2023-01021
Patent 10,917,737 B2

**PETITIONERS' REPLY TO THE
PATENT OWNER'S PRELIMINARY RESPONSE**

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I. Institution Is Appropriate Under *Fintiv*

Petitioners have 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 before the PTAB. *See Sotera Stipulation* (Ex. 1141). Specifically, Petitioners stipulate:

If the PTAB institutes the pending IPR in IPR2023-01021 challenging the patentability of claims 1-20 of the '737 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*, IPR2020-01019, Paper 12 at 16-19.

Sotera Stipulation at 3. 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*, IPR2020-01019, Paper 12 at 19; *see Fintiv Memo* (Ex. 2006) 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*, IPR2020-01019, 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 Petitioners’ 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 (PTAB Oct. 25, 2023). This argument fails for multiple reasons. First and foremost, when a petitioner “explicitly characterizes its stipulation as conforming to [*Sotera*],” as Petitioners have 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. v. Ravin Crossbows, LLC*, IPR2023-00407, Paper 13 at 9 (PTAB July 10, 2023); *Sotera* Stipulation at 3.

Second, Patent Owner argues that the stipulation does not fall under *Sotera* because Petitioners expressly reserved the right to rely on “invalidity under 35

U.S.C. §§ 102 and 103 not available in IPR.” *Eight kHz*, IPR2023-01019, Paper 8 at 1; *Sotera* Stipulation 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 Petitioners to reserve their rights with respect to invalidity grounds that they could not have reasonably raised in IPR. Moreover, Petitioners’ 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., Inc. v. Lionra Techs. Ltd.*, IPR2023-00670, Paper 9, Attachment A at 2 (PTAB Sept. 26, 2023) (“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 Petitioners advance system prior art that is materially identical to the art asserted in their 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, Petitioners will not pursue in the parallel litigation any grounds raised or that could have been reasonably raised in the IPR. *Sotera* Stipulation at 3. 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, Petitioners' *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's 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. v. G+ Commc'ns, LLC*, IPR2023-00441, Paper 10 at 18 (PTAB Aug. 3, 2023) (*Sotera* stipulation provided in Petitioner's Reply to POPR is not "belated").

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Petitioners' *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,

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CERTIFICATE OF SERVICE

Pursuant to 37 C.F.R. § 42.6(e), I certify that on this 6th day of November, 2023, a true and correct copy of the foregoing **Petitioners' 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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