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 IPR2023-01023
Patent 10,798,509 B1

PETITIONERS' REPLY TO THE PATENT OWNER'S PRELIMINARY RESPONSE

TABLE OF CONTENTS

I. Institution Is Appropriate Under *Fintiv* 1

TABLE OF AUTHORITIES

Page(s)

CASES

Cisco Sys., Inc. v. Lionra Techs. Ltd.,
IPR2023-00670, Paper 9 (PTAB Sept. 26, 2023).....3

Google LLC v. Touchstream Techs., Inc.,
IPR2022-00793, Paper 20 (PTAB Feb. 13, 2023).....4

Hunter's Mfg. Co. v. Ravin Crossbows, LLC,
IPR2023-00407, Paper 13 (PTAB July 10, 2023).....2

NXP USA, Inc. v. Impinj, Inc.,
IPR2021-01556, Paper 13 (PTAB Sept. 7, 2022).....4

Samsung Elecs. Co. v. G+ Commc'ns, LLC,
IPR2023-00441, Paper 10 (PTAB Aug. 3, 2023).....4

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

STATUTES

35 U.S.C.
§ 102.....3
§ 103.....3
§ 311(b).....3

Exhibit List

Ex.	Description
1001	U.S. Patent No. 10,798,509 ("'509 patent")
1002	U.S. Patent No. 10,798,509 File History ("'509 FH")
1003	Declaration of Dr. Gregory Welch in Support of Petition for *Inter Partes* Review of the '509 Patent ("Welch")
1004	Curriculum Vitae of Dr. Gregory Welch
1005	U.S. Patent No. 9,851,786 ("Pedrotti")
1006	U.S. Patent No. 8,520,872 ("Jang")
1007	Durand R. Begault, *3-D Sound for Virtual Reality and Multimedia*, NASA/TM-2000-209606 (Aug. 2000) ("Begault")
1008	U.S. Patent No. 9,041,622 ("McCulloch")
1009	U.S. Patent No. 8,767,968 ("Flaks")
1010	Declaration of Ingrid Hsieh-Yee in Support of Petition for *Inter Partes* Review of the '509 Patent ("Hsieh-Yee")
1011	*Curriculum Vitae* of Ingrid Hsieh-Yee
1012	International Patent Publication No. WO 2016/064435 ("Fei")
1013	U.S. Patent No. 8,884,984 ("Flaks 984")
1014	U.S. Patent No. 5,900,849 ("Gallery")
1015	U.S. Patent Application Publication No. 2007/0173265 ("Gum")
1016	U.S. Patent No. 2,955,156 ("Heilig")
1017	U.S. Patent No. 9,544,706 ("Hirst")
1018	U.S. Patent No. 10,095,031 ("Katz")
1019	U.S. Patent No. 7,330,197 ("Kobayashi")
1020	U.S. Patent No. 9,884,248 ("Koseki")
1021	U.S. Patent Application Publication No. 2015/0119130 ("Lovitt")
1022	U.S. Provisional Patent Application No. 62/289085 ("Mangiat")
1023	RESERVED
1024	RESERVED

Ex.	Description
1025	RESERVED
1026	U.S. Patent No. 10,509,466 ("Miller 466")
1027	U.S. Patent Application No. 13/288350 ("Mount 350")
1028	RESERVED
1029	U.S. Patent No. 9,703,369 ("Mullen")
1030	U.S. Patent No. 9,767,618 ("Najaf-Zadeh")
1031	U.S. Patent No. 9,037,468 ("Osman")
1032	U.S. Patent No. 10,162,177 ("Pedrotti 177")
1033	U.S. Patent No. 9,674,507 ("Pirchheim")
1034	U.S. Patent No. 9,367,811 ("Ramachandran")
1035	U.S. Patent No. 10,070,239 ("Romigh")
1036	U.S. Patent Application Publication No. 2016/0124502 ("Sawyer")
1037	U.S. Patent No. 9,301,069 ("Seligmann")
1038	U.S. Patent No. 9,787,846 ("Srinivasan")
1039	RESERVED
1040	U.S. Patent No. 10,114,465 ("Wan")
1041	U.S. Patent No. 8,419,545 ("Yen")
1042	U.S. Patent Application Publication No. 2012/0183161 ("Agevik")
1043	U.S. Patent Application Publication No. 2017/0115488 ("Ambrus")
1044	U.S. Patent No. 7,710,654 ("Ashkenazi")
1045	RESERVED
1046	V.R. Algazi et al., *The CIPIC HRTF Database*, IEEE Workshop on Applications of Signal Processing to Audio and Acoustics 99-102 (2001) ("Algazi")
1047	ASME International, *The Link Flight Trainer, A Historic Mechanical Engineering Landmark*, (June 2000)
1048	Mark Billinghurst et al., *A Wearable Spatial Conferencing Space*, IEEE (1998) ("Billinghurst 1998")

Ex.	Description
1049	Mark Billinghurst et al., *A Survey of Augmented Reality*, 8 Foundations and Trends in Human-Computer Interactions 73-272 (2015) ("Billinghurst 2015")
1050	Douglas S. Brungart, *Near-Field Virtual Audio Displays*, IMAGE 2000 Conf., Scottsdale, Ariz., July 10-14, 2000 ("Brungart")
1051	Anil Çamci et al., *Interactive Virtual Soundscapes: A Research Report*, ICMC 2015, Sept. 25-Oct. 1, 2015 ("Çamci")
1052	Michael Cohen, *Integrating Graphic and Audio Windows*, 1 Presence 468-81 (Fall 1992) ("Cohen 1992")
1053	Michael Cohen, *Throwing, Pitching and Catching Sound: Audio Windowing Models and Modes*, 39 Int. J. Man – Machine Studies 269-304 (1993) ("Cohen 1993")
1054	John David N. Dionisio et al., *3D Virtual Worlds and the Metaverse: Current Status and Future Possibilities*, 45 ACM Computing Surveys, 34 (June 2013)
1055	Steve DiPaola & David Collins, *A 3D Virtual Environment for Social Telepresence*, W. Comput. Graphics Symp., Mar. 24-27, 2002 ("DiPaola")
1056	Kai-Uwe Doerr et al., *Evaluation of a Low-Cost 3D Sound System for Immersive Virtual Reality Training Systems*, 13 IEEE Transactions on Visualization & Computer Graphics 204-12 (2007)
1057	Thomas Erickson et al., *Synchronous Interaction Among Hundreds: An Evaluation of a Conference in an Avatar-based Virtual Environment*, CHI 2001 Session: Meetings & Interaction Spaces, May 7-12, 2011 ("Erickson")
1058	Oli Welsch, *Oculus Touch Is the Gold Standard in VR Control*, (June 24, 2015) https://www.eurogamer.net/oculus-touch-is-the-gold-standard-in-vr-control
1059	Foster, Cornell Univ. (SP2012), Lecture 25 *Memory and Locality*, https://www.cs.cornell.edu/courses/cs3110/2012sp/lectures/lec25-locality/lec25.html ("Foster")
1060	Nathan Martz, *Spatial Audio Comes to the Cardboard SDK*, Google Developers Blog (Jan. 13, 2016), https://developers.googleblog.com/2016/01/spatial-audio-comes-to-

Ex.	Description
	cardboard-sdk.html
1061	John L. Hennessy & David A. Patterson, *Computer Architecture, A Quantitative Approach* (5th ed. 2012) ("Hennessy") (excerpts)
1062	M.P. Hollier et al., *Spatial Audio Technology for Telepresence*, 15 BT Tech. J. 33-41 (Oct. 1997)
1063	Jason Jerald, *The VR Book: Perception and Interaction Design for Virtual Reality* (2015) ("VR Book")
1064	Jiménez, TAMU Lecture 7: Caches, https://people.engr.tamu.edu/djimenez/taco/utsa-www/cs5513-fall07/lecture7.html (last visited Apr. 18, 2023)
1065	RESERVED
1066	Dean F. Kocian, *A Visually-Coupled Airborne Systems Simulator (VCASS) – An Approach to Visual Simulation*, Report No. AMRL-TR-77-31 (1977)
1067	Julian Löhr, *OpenAL-MOB With OpenFrameworks on Android* (Dec.18, 2014), https://www.julianloehr.de/tag/ndk
1068	Bruce D. Lucas & Takeo Kanade, *An Iterative Image Registration Technique with an Application to Stereo Vision*, Proc 7th Intl Joint Conf on Artificial Intelligence (IJCAI) 674-79 (Aug. 24-28, 1981)
1069	David McGrath, *Huron – A Digital Audio Convolution Workstation*, 5th Australian Regional Convention 1-7 (Apr. 26-28, 1995) ("McGrath")
1070	Timoni West, *UX Pointers for VR Design* (Nov. 10, 2015), https://medium.com/@timoni/ux-pointers-for-vr-design-dd52b718e19
1071	Todd Holmdahl, *BUILD 2015: A Closer Look at the Microsoft HoloLens Hardware*, Microsoft Blog (Apr. 30, 2015) https://blogs.windows.com/devices/2015/04/30/build-2015-a-closer-look-at-the-microsoft-hololens-hardware/ ("Microsoft, *BUILD 2015*")
1072	Microsoft, Overview, Spatial Audio (Dec. 1, 2015)
1073	NSA, *Virtual Reality*, DOCID: 3929132 (1992) ("NSA, *Virtual Reality*")
1074	Xueni Pan et al., *Virtual Character Personality Influences Participant Attitudes and Behavior – An Interview with a Virtual Human*

Ex.	Description
	Character about Her Social Anxiety, 2 Frontiers in Robots & AI Article 1 (Feb. 2015) ("Pan 2015")
1075	Tony Parisi, *Learning Virtual Reality: Developing Immersive Experiences and Applications for Desktop, Web and Mobile*, (2016) ("Parisi")
1076	Randy Pausch et al., *Disney's Aladdin: First Steps Toward Storytelling in Virtual Reality*, ACM 193-205 (1996) ("Pausch")
1077	Tabitha C. Peck et al., *An Evaluation of Navigational Ability Comparing Redirected Free Exploration with Distractors to Walking-in-Place and Joystick Locomotion Interfaces*, Proc IEEE Virtual Real Conf. 55-62 (Mar. 19, 2011) ("Peck")
1078	Glenn Chapman, *Google Glass Available in US as of April 15*, Phys.Org (Apr. 10, 2014) https://phys.org/news/2014-04-google-glass-april.html
1079	RESERVED
1080	Spanner Spencer, *Sixense Picks Up CES Awards for Virtual Reality Controller* (Jan. 13, 2015), http://www.pocketgamer.biz/news/60642/sixense-picks-up-ces-awards-for-virtual-reality-controller
1081	Qualcomm, *What's So Special About the Digital Signal Processor?*, Qualcomm OnQ Blog (Dec. 5, 2013)
1082	Francisco Cheng, *Mobile Processors 101: Why Smartphones are Smarter with an All-In-One Processor*, Qualcomm OnQ Blog (June 12, 2013)
1083	RAF Museum, *Flight Simulation and Synthetic Trainers*, https://www.rafmuseum.org.uk/research/online-exhibitions/taking-flight/historical-periods/flight-simulation-and-synthetic-trainers/ (last visited Apr. 4, 2023)
1084	VisiSonics Corp., *Manual for VisiSonics' RealSpace3D Audio Unity Plugin* (Nov. 17, 2015)
1085	Paul James, *Watch Halo Played on Microsoft HoloLens in Augmented Reality*, RoadtoVR (Dec. 7, 2015), https://www.roadtovr.com/watch-halo-played-on-microsoft-hololens-in-augmented-reality/

Ex.	Description
1086	Paul James, *Samsung Gear VR Gets Positional Tracking Via Sixense STEM, Announced at SFVR (Video)*, RoadtoVR (Nov. 8, 2014), https://www.roadtovr.com/samsunng-gear-vr-gets-positional-tracking-via-stem-demod-sfvr-video/
1087	Warren Robinett & Richard Holloway, *The Visual Display Transformation for Virtual Reality*, 4 Presence 1-23 (1995)
1088	Eric E. Sabelman & Roger Lam, *The Real-Life Dangers of Augmented Reality*, North American, Spectrum.ieee.org (July 2015) ("Sabelman")
1089	*Using the Oculus Rift with Second Life*, Linden Labs Blog (May 21, 2014), http://community.secondlife.com/blogs/entry/1275-using-the-oculus-rift-with-second-life/
1090	Jianbo Shi and Carlo Tomasi, *Good Features to Track*, IEEE Conf. on Comput. Vision & Pattern Recognition (CVPR94) (June 1994) ("Shi")
1091	M. Slater et al., *Acting in Virtual Reality*, ACM 103-10 (2000) ("Slater")
1092	*Characteristics of Flight Simulator Visual Systems*, NASA Technical Memorandum 81278 (Irving C. Statler ed., Apr. 1981)
1093	Ivan E. Sutherland, *A Head-Mounted Three Dimensional Display*, Fall Joint Comput. Conf. 757-64 (1968) ("Sutherland 1968")
1094	Frederic Lardinois, *HoloLens Hands-On: How We Built An App For Microsoft's Augmented Reality Headset*, TechCrunch (May 2015)
1095	Stuart Dredge, *Virtual World Second Life to Be Reincarnated, with Oculus Rift*, The Guardian (June 24, 2014), https://www.theguardian.com/technology/2014/jun/24/second-life-oculus-rift-virtual-world
1096	Unity Manual: Audio Spatializer SDK (2020), https://docs.unity.cn/530/Documentation/Manual/AudioSpatializerSDK.html
1097	Ian Hamilton, *In a Cartoon World, Holojam Shows Participants a Slice of Space-Time*, Upload VR (Aug. 4, 2015) https://www.uploadvr.com/holojam-shows-participants-slice-space-

Ex.	Description
	time/
1098	Joe Durbin, *Google Cardboard Now Offers Spatial Audio*, UploadVR (Jan. 15, 2016)
1099	Dean Takahashi, *Second Life Creator Linden Lab Starts Testing Its Virtual-Reality World: Project Sansar*, Venture Beat (Aug. 18, 2015), https://venturebeat.com/games/linden-lab-starts-testing-its-virtual-reality-world-projet-sansar/
1100	Dean Takahashi, *Unreal Engine's Latest Innovation Is About Building Games While Inside Virtual Reality*, Venture Beat (Feb. 4, 2016), https://venturebeat.com/games/epic-games-lets-you-design-your-game-inside-vr-with-new-edition-of-unreal-engine-editor
1101	Dean Takahashi, *Final Approach Is an HTC Vive VR Game that Turns You into a Kid Playing with Toy Airplanes*, Venture Beat (Jan. 29, 2016), https://venturebeat.com/games/final-approach-is-an-htc-vive-vr-game-that-turns-you-into-a-kid-playing-with-toys
1102	Dean Takahashi, *Valve's Virtual Reality Apps with the HTC Vive Headset Won't Make You Seasick*, Venture Beat (May 2, 2015), https://venturebeat.com/games/valves-virtual-reality-apps-with-the-htc-vive-headset-wont-make-you-seasick/
1103	Greg Welch et al., *High Performance Wide-Area Optical Tracking: The HiBall Tracking System*, 10 Presence: Teleoperators and Virtual Environments 1-22 (Feb. 2001) ("Welch 2001")
1104	Elizabeth M. Wenzel et al., *A Virtual Display System for Conveying Three-Dimensional Acoustic Information*, Proc. Hum. Factors Soc'y – 32nd Annual Meeting (1988) ("Wenzel 1988a")
1105	Elizabeth M. Wenzel et al., *Development of a Three-Dimensional Auditory Display System*, 20 SIGCHI Bull. 52-57 (Oct. 1988) ("Wenzel 1988b")
1106	Elizabeth M. Wenzel et al., *Localization with Non-Individualized Virtual Acoustic Display Cues*, ACM (1991) ("Wenzel 1991")
1107	Zhiying Zhou, *An Experimental Study on the Role of Software Synthesized 3D Sound in Augmented Reality Environments*, 16 Interacting with Computers 989-1016 (2004) ("Zhou")
1108	RESERVED

Ex.	Description
1109	Cardboard Unity (2015), https://github.com/jkammerl/cardboard-unity/blob/master/Cardboard/Editor/CardboardAudioSourceEditor.cs
1110	Aurale R. DeRuyck & Jack Kuipers, *An Electromagnetic Position Sensor*, Report No. AFAL-TR-73-281 (Nov. 30, 1973)
1111	Dmitry N. Zotkin et al., *Rendering Localized Spatial Audio in a Virtual Auditory Space*, 6 IEEE Transactions on Multimedia 553-64 (Aug. 2004) ("Zotkin")
1112	Ronald T. Azuma, *A Survey of Augmented Reality*, 6 Presence 355-85 (1997) ("Azuma")
1113	Gary Bishop & Henry Fuchs, *The Self-Tracker: A Smart Optical Sensor on Silicon*, 1984 Conf. on Advanced Rsch. in VLSI 65-73 (Jan. 23, 1984) ("Bishop")
1114	Mark R. Mine, *Working in a Virtual World: Interaction Techniques Used in the Chapel Hill Immersive Modeling Program*, TR96-029, Univ. N.C. (August 1, 1996) ("Mine 1996")
1115	Mark R. Mine, *ISAAC: A Meta-CAD System for Virtual Environments*, 29 Computer-Aided Design 547-53 (1997) ("Mine ISAAC 1997")
1116	Mark Raymond Mine, *Exploiting Proprioception in Virtual-Environment Interaction* (1997) (Ph.D. dissertation, Univ. N.C.) ("Mine Exploiting Proprioception 1997")
1117	Adrienne Vincent-Phoenix, *Step into the DISH – A Visit to Imagineering's Digital Immersive Showroom*, MousePlanet (June 5, 2012), https://mouseplanet.com/9994/Step_into_the_DISH_a_visit_to_Imaginerrings_Digital_Immersive_Showroom
1118	Ian Hamilton, *How They Did It: Cars Land's Virtual Reality*, Orange Cnty. Reg., June 25, 2012, https://www.ocregister.com/2012/06/25/how-they-did-it-cars-lands-virtual-reality/
1119	Gregory F. Welch, *Hybrid Self-Tracker: An Inertial/Optical Hybrid Three-Dimensional Tracking System* (1995) (dissertation proposal, Univ. N.C.) ("Welch 1995")

Ex.	Description
1120	Steven M. Kaplan, *Wiley Electrical and Electronics Engineering Dictionary* 71, 335 (2004)
1121	Plaintiff's Infringement Contentions, Exhibit 16, *Eight Khz, LLC v. Meta Platforms, Inc*., No. 6:22-cv-00575 (W.D. Tex. Mar. 3, 2023)
1122	Amended Complaint for Patent Infringement and Demand for Jury *Trial*, *Eight Khz, LLC v. Meta Platforms, Inc*., No. 6:22-cv-00575 (W.D. Tex. Oct. 10, 2022)
1123	Mark Billinghurst et al., *The MagicBook – Moving Seamlessly Between Reality and Virtuality*, IEEE Computer Graphics and Applications, 6-8 (2001) ("Billinghurst 2001")
1124	Jaka Sodnik & Sašo Tomažič, *Spatial Auditory Human-Computer Interfaces*, Springer Briefs Comput. Sci. (2015) ("Sodnik")
1125	U.S. Patent No. 9,392,212 ("Ross")
1126	Defendant's Opening Claim Construction Brief, *Eight kHz, LLC v. Meta Platforms, Inc*., No. 6:22-cv-00575 (W.D. Tex. Apr. 12, 2023), ECF No. 83
1127	Plaintiff's Claim Construction Reply Brief, *Eight kHz, LLC v. Meta Platforms, Inc*., No. 6:22-cv-00575 (W.D. Tex. May 3, 2023), ECF No. 92
1128	Declaration of Durand R. Begault, Ph.D. in Support of Plaintiff's Claim Construction Reply Brief, *Eight kHz, LLC v. Meta Platforms, Inc*., No. 6:22-cv-00575 (W.D. Tex. May 3, 2023), ECF No. 92-7
1129	Plaintiff's Infringement Contentions, Exhibit 15, *Eight Khz, LLC v. Meta Platforms, Inc*., No. 6:22-cv-00575 (W.D. Tex. Mar. 3, 2023)
1130	Plaintiff's Infringement Contentions, Exhibit 17, *Eight Khz, LLC v. Meta Platforms, Inc*., No. 6:22-cv-00575(W.D. Tex. Mar. 3, 2023)
1131	U.S. Patent No. 5,173,944 ("Begault 944")
1132	U.S. Patent No. 5,438, 623 ("Begault 623")
1133	RESERVED
1134	Mark Mine, *Towards Virtual Reality for the Masses: 10 Years of Research at Disney's VR Studio*, Eurographics Ass'n (2003) ("Mine 2003")

Ex.	Description
1135	Greg Welch & Eric Foxlin, *Motion Tracking: No Silver Bullet, but a Respectable Arsenal*, IEEE Computer Graphics and Applications 24-28 (2002) ("Welch, "*No Silver Bullet*")
1136	Deposition transcript of Durand Begault, Ph.D., *Eight Khz, LLC v. Meta Platforms, Inc.*, No. 6:22-cv-00575 (W.D. Tex. May 22, 2023) ("Begault Dep.")
1137	Dave Smith, *Three-Dimensional Audio Makes Virtual Reality So Much Better It's Crazy*, BUSINESS INSIDER (Apr. 3, 2015, 1:06PM), https://www.businessinsider.com/virtual-reality-the-importance-of-3d-positional-audio-2015-4
1138	Mona Lalwani, *Surrounded by Sound: How 3D Audio Hacks Your Brain*, THE VERGE (Feb. 12, 2015, 10:30AM), https://www.theverge.com/2015/2/12/8021733/3d-audio-3dio-binaural-immersive-vr-sound-times-square-new-york
1139	Ben Kuchera, *Google Cardboard Adds 'Inexpensive' Spatial Audio to Its SDK*, POLYGON (Jan. 13 2016, 12:00PM EST)
1140	Ivan Edward Sutherland, *Sketchpad, A Man-Machine Graphical Communication System* (Jan. 7, 1963) (Ph.D. dissertation, Mass. Inst. Tech) ("Sutherland 1963")
1141	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 ("*Sotera* Stipulation")
1142	RESERVED
1143	RESERVED
1144	Email from Board to Counsel Authorizing Petitioners' Request to Reply to Patent Owner's Preliminary Response in IPR2023-01021, -01022, and -01023 (Oct. 30, 2023)

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 IPR2023-01023 challenging the patentability of claims 1-14 and 17-20 of the '509 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").

* * *

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,

Dated: November 6, 2023

By: / Inge A. Osman /

Inge A. Osman (Reg. No. 74,480)
inge.osman@lw.com
Latham & Watkins LLP
555 Eleventh Street, NW, Ste. 1000
Washington, DC 20004-1304
Telephone: 202.637.2200
Fax: 202.637.2201

Counsel for Petitioners
Meta Platforms, Inc., Meta Platforms Technologies, LLC, and Twisted Pixel Games, LLC

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:

Kevin S. Tuttle (Reg. No. 52,307)
Kyle L. Elliott (Reg. No. 39,485)
Homayoon Rafatijo (Reg. No. 80,870)
Spencer Fane LLP
1000 Walnut Street, Suite 1400
Kansas City, MO 64106
Tel: (816) 474-8100
Fax: (816) 474-3216
ktuttle@spencerfane.com
kelliott@spencerfane.com
hrafatijo@spencerfane.com

Erick S. Robinson (Reg. No. 51,354)
Patrick M. Dunn (Reg. No. 70,474)
Spencer Fane LLP
3040 Post Oak Boulevard, Suite 1300
Houston, TX 77056
Tel: (713) 212-2638
Fax: (713) 963-0859
erobinson@spencerfane.com
pdunn@spencerfane.com

By: / Inge A. Osman /

Inge A. Osman (Reg. No. 74,480)
inge.osman@lw.com
Latham & Watkins LLP
555 Eleventh Street, NW, Ste. 1000
Washington, DC 20004-1304

Telephone: 202.637.2200
Fax: 202.637.2201

Counsel for Petitioners
Meta Platforms, Inc., Meta Platforms Technologies, LLC, and Twisted Pixel Games, LLC