

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

RØDE MICROPHONES, LLC AND
FREEDMAN ELECTRONICS PTY LTD,
Petitioners

v.

ZAXCOM, INC.,
Patent Owner.

IPR2025-00231

Patent 7,929,902

AUTHORIZED RESPONSE TO DIRECTOR REVIEW REQUEST

TABLE OF CONTENTS

	Page
I. PATENT OWNER’S EXPECTATIONS WERE FAR FROM SETTLED....	1
II. THE BOARD DID NOT ABUSE ITS DISCRETION IN INSTITUTING BEFORE DECIDING PO’S MOTION TO TERMINATE	3
III. THE BOARD DID NOT ERR IN EVALUATING <i>FINTIV</i> FACTORS 1-3 AND 6.....	3
IV. CONCLUSION.....	5

TABLE OF AUTHORITIES

Page(s)

Cases

<i>Apple Inc. v. Fintiv, Inc.</i> , IPR2020-00019, Paper 15 (PTAB May 13, 2020)	4
<i>Applications in Internet Time, LLC v. RPX Corp.</i> , 897 F.3d 1336 (Fed. Cir. 2018)	3
<i>Cambridge Indus. USA, Inc. v. Applied Optoelectronics, Inc.</i> , IPR2025-00434, 436, 437 Paper 11 (June 26, 2025).....	2, 3
<i>Ericsson, Inc. v. ProComm Int’l Pte. Ltd.</i> , IPR2024-01455, Paper 15 (PTAB May 16, 2025)	4
<i>Posco Co., Ltd. v. Acelorimittal</i> , IPR2025-00370, 371, Paper 10 (PTAB June 25, 2025)	1, 2
<i>Rode Microphones, LLC v. Zaxcom, Inc.</i> , IPR2025-00557, Paper 6 (PTAB June 7, 2025)	5
<i>Sand Revolution II v. Cont’l Intermodal Grp.–Trucking</i> , IPR2019-01393, Paper 24 (PTAB June 16, 2020)	4
<i>Zaxcom, Inc. v. Lectrosonics, Inc.</i> , Nos. 2020-1350, 2020-1405, 2022 WL 499843 (Fed. Cir. Feb. 18, 2022).....	1
<i>Zaxcom, Inc. v. Lectrosonics, Inc.</i> , Nos. 2020-1921, 2020-1922, 2020-1943, 2020-1944, 2022 WL 499848 (Fed. Cir. Feb. 18, 2022).....	1

Statutes

35 U.S.C. § 314(b)	3
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I. Patent Owner’s Expectations Were Far from Settled

A “holistic assessment of all of the evidence and arguments presented” does not warrant discretionary denial based on “settled expectations.” *Posco Co., Ltd. v. Acelorimittal*, IPR2025-00370, 371, Paper 10 at 3 (PTAB June 25, 2025). The settled expectations argument by Patent Owner (“PO”) based on “the ’902 Patent [being] in force for 14 years” and Petitioner’s awareness of the ’902 patent (Paper 26, Req., 3) ignores the weakness of the challenged claims as demonstrated by the prior invalidation of highly similar claims in IPRs affirmed on appeal. *Posco*, IPR2025-00370, 371, Paper 10 at 2-3. This weakness undermines PO’s argument.

On February 22, 2022, the Federal Circuit affirmed the Board’s invalidation of all claims challenged in an IPR of the ’902 patent as well as two other related patents, U.S. Patent Nos. 8,385,814 (“the ’814 patent”) and 9,336,307 (“the ’307 patent”). *Zaxcom, Inc. v. Lectrosonics, Inc.*, Nos. 2020-1350, 2020-1405, 2022 WL 499843, at *1-2 (Fed. Cir. Feb. 18, 2022); *Zaxcom, Inc. v. Lectrosonics, Inc.*, Nos. 2020-1921, 2020-1922, 2020-1943, 2020-1944, 2022 WL 499848, at *1-2 (Fed. Cir. Feb. 18, 2022); *see also* Petition, 12. The claims challenged in this Petition were not challenged in earlier IPRs, but they are highly similar to the invalidated claims in the ’902, ’814, and ’307 patents. Petition, 8-14. The Petition details how the presently challenged claims are unpatentable for the same reasons that the Board found the previously challenged claim elements unpatentable. *Id.* at 10-14;

see also id. at 26 (claim 1[Pre]), 31 (1[A]), 32 (1[B]), 34 (1[C]), 36 (1[D]), 40 (1[E]), 42 (1[F]), 44 (1[G]); 48 (claim 2); 50 (claims 6); 51-57 (claims 12-13); 58 (claim 16); 64 (claim 9); 65-67 (claim 7); 69 (claim 10).

The presently challenged claims, facing IPR for the first time, carry only *unsettled* expectations given their similarity to the invalidated claims. The Decision Instituting the IPR (Paper 23, “DI”) acknowledged the “issues raised by Petitioner are similar to those raised in the Lectrosonics IPRs.” DI, 12, 29 (“the Lectrosonics IPRs involved the ’902 patent ... which recite many similar claim limitations”). PO could not have had “settled expectations” regarding the challenged claims when nearly identical claims were invalidated. “Petitioner’s arguments ... that PO’s claims were ‘highly vulnerable to invalidation based on prior art’—tip the balance against discretionary denial.” *Posco*, IPR2025-00370, 371, Paper 10 at 2-3.

Institution ensures the “appropriate use of Office resources to provide consistency and predictability to the public.” *Id.* Additionally, in the prior proceeding, “the Board found [the] challenged claims ... of the ’902 patent unpatentable and granted [PO]’s motion to amend seeking to add proposed substitute claims 21–26” in 2020. DI, 3 (citing Ex. 1017). Although “the ’902 patent has been in force for 14 years” (Req., 3), PO recently prosecuted substitute claims to overcome the Board’s unpatentability determination for challenged claims. *See Cambridge Indus. USA, Inc. v. Applied Optoelectronics, Inc.*, IPR2025-00434, 436, 437, Paper

11 at 2-3 (PTAB June 26, 2025) (declining to deny institution based on “settled expectations” for patents issued in 2019-2020). These substitute claims added new limitations to overcome the patentability failings. Petition, 74; DI, 3. PO also continued to prosecute continuations of the ’902 patent, including U.S. Patent No. 12,051,444 (the “’444 patent”), which issued less than a year before its expiration. These actions indicate PO’s lack of settled expectations regarding the ’902 patent.

II. The Board Did Not Abuse Its Discretion in Instituting Before Deciding PO’s Motion to Terminate

The Board was not required to decide PO’s termination motion before instituting the IPR, as PO alleges. Req., 6-7. Real party-in-interest (“RPI”) and 35 U.S.C. § 315(b) can be decided in a FWD and appealed by PO to the Federal Circuit. *See Applications in Internet Time, LLC v. RPX Corp.*, 897 F.3d 1336, 1358 (Fed. Cir. 2018). PO’s alleged “mandate” that the Board must decide the RPI issue before institution (Req. 6) would obstruct the Board’s compliance with its obligation to issue an institution decision within three months of the Preliminary Response. 35 U.S.C. § 314(b); DI, 2. Because the RPI obligation attaches until institution, a party could become an RPI a day before institution. Delaying institution to decide a late-arising RPI issue would stymie the IPR process.

III. The Board Did Not Err in Evaluating *Fintiv* Factors 1-3 and 6

PO’s allegation that Board abused its discretion is based on a misleading description of the record and the law. For **factor 1**, there remains uncertainty as to

whether the district court will eventually grant a stay. Although Petitioners' recent motion to stay was denied, it was without prejudice, leaving open a potential stay if the "situation changes materially." Order at 1 n.1, *Zaxcom, Inc. v. RØDE Microphones, LLC, et al.*, No. 1:23-cv-01245-JFM (D. Del. July 8, 2025), ECF No. 153 (Denying the motion "because [] prospects for simplification are too uncertain at this time."). Petitioners plan to file another motion to stay if the Board institutes IPR2025-00557 involving the '444 patent. Because this would further simplify the case, there remains a significant likelihood that a stay will still be granted. Thus, PO's assertion that the Board should have speculated on whether a stay will be granted, Req., 6, is just as wrong now as it was when PO filed this Request. Board precedent rejects such speculation. *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 15 at 12 (PTAB May 13, 2020) (informative) ("We decline to infer ... how the District Court would rule...."); *see also Sand Revolution II v. Cont'l Intermodal Grp.*, IPR2019-01393, Paper 24 at 7 (PTAB June 16, 2020) (informative).

For **factor 2**, no trial date has been set. Ex. 1031, 3. PO misreads the facts underpinning the case it cites (Req., 8-9), where "Petitioner acknowledge[d] that a trial date ... will precede the projected [FWD]." *Ericsson, Inc. v. ProComm Int'l Pte. Ltd.*, IPR2024-01455, Paper 15 at 2 (PTAB May 16, 2025). Petitioners here make no such acknowledgement. In other briefing, PO projected a trial date of November 8, 2026, months after the FWD. *Rode Microphones, LLC v. Zaxcom*,

Inc., IPR2025-00557, Paper 6 at 19 (PTAB June 7, 2025). If PO cannot decide on a projected trial date, it cannot argue that the Board erred.

For **factor 3**, the Board correctly assessed that “much work remains in the district court case as it relates to validity.” DI, 10 (citing Ex. 1031, 3). PO disagrees (Req., 9-10) but fails to establish the Board abused its discretion when fact discovery completion and expert discovery commencement are months away.

For **factor 6**, the DI disproves PO’s argument that the Board based its merits consideration on the Lectrosonics IPR, which was conducted under the BRI claim construction standard. Req., 10-13. The Board declined to apply Petitioners’ collateral estoppel argument based on the Lectrosonics IPRs and evaluated the Grounds under the *Phillips* standard. DI, 28-29. The substitute claims in the ’902 patent (Req., 12-14) are irrelevant to this proceeding, because they contain additional limitations not in the challenged claims. Petition, 74; DI, 3. PO’s arguments fail to establish any failure of the Board to apply the *Fintiv* factors.

IV. Conclusion

PO has not identified any legitimate basis for the Director to find the Board abused its discretion. PO’s Director Review Request should be denied.

Dated: July 9, 2025

/ Jeffrey B. Plies /
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CERTIFICATE OF SERVICE

I certify that today in:

RØDE Microphones, LLC., et al. v. Zaxcom, Inc., IPR2025-00231 (U.S. Patent 7,929,902)

I caused to be served a copy of:

**Petitioner's Reply to Patent Owner's
Request for Director Review Under 37 C.F.R. § 42.75**

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