

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
ALEXANDRIA DIVISION**

SOUNDCLEAR TECHNOLOGIES LLC,

Plaintiff,

v.

AMAZON.COM, INC.;
AMAZON.COM SERVICES LLC; and
AMAZON WEB SERVICES, INC.,

Defendants.

Case No. 1:24-cv-01283-AJT-WBP

JURY TRIAL DEMANDED

**REPLY IN SUPPORT OF DEFENDANTS'
MOTION TO STAY PENDING *INTER PARTES* REVIEW**

TABLE OF CONTENTS

INTRODUCTION ----- 1

ARGUMENT ----- 1

I. THIS CASE IS IN ITS EARLY STAGES THROUGH NO FAULT OF AMAZON----- 1

 A. Amazon Has Not Engaged in Dilatory Tactics ----- 1

 B. This Case Is in its Infancy ----- 4

II. A STAY WOULD SIMPLIFY THIS CASE AND AVOID INCONSISTENCIES----- 6

 A. Plaintiff’s Argument that Amazon Will Try to “Avoid” Estoppel Fails ----- 7

 B. Plaintiff’s Manufactured Claim Construction Concerns Do Not Weigh Against a Stay ----- 8

 C. Plaintiff’s Arguments Regarding the Strength of the Petitions Lack Merit and Support Staying this Case ----- 10

 D. The PTAB Is Likely to Institute Amazon’s IPRs and Cancel the Asserted Claims ----- 11

 1. The PTAB Statistics ----- 11

 2. Plaintiff Speculates About Future Institution Rates----- 13

 3. The Claims May Be Amended During the IPR Process----- 14

 4. Plaintiff’s Arguments About the Relative Timelines Supports a Stay----- 14

 E. Plaintiff’s Case Law Does Not Weigh Against a Stay ----- 15

III. A STAY WOULD NOT CAUSE PLAINTIFF UNDUE PREJUDICE----- 17

 A. As a Non-Practicing Entity, Plaintiff Would Not Be Prejudiced by a Stay----- 17

 B. Plaintiff’s Purported Harms Are Insufficient----- 18

 C. A Stay Will Not Give Amazon “Two Bites of the Apple”----- 19

IV. AMAZON’S MOTION ADDRESSES ALL STAY FACTORS----- 20

CONCLUSION-----20

TABLE OF AUTHORITIES

Cases:	Page(s):
<i>Aylus Networks, Inc. v. Apple Inc.</i> , 856 F.3d 1353 (Fed. Cir. 2017) -----	11
<i>Bell Northern Research, LLC v. Coolpad Techs., Inc.</i> , No. 18-CV-1783-CAB-BLM, 2020 U.S. Dist. LEXIS 28081 (S.D. Cal. Feb. 18, 2020)-----	15
<i>Chrimar Sys., Inc. v. Adtran, Inc.</i> , No. 6:15-CV-618-JRGJDL, 2016 U.S. Dist. LEXIS 99935 (E.D. Tex. Aug. 1, 2016)-----	5
<i>Continental Automotive Systems, Inc. v. Hamaton Automotive Technology Co. Ltd., et al.</i> , No. 2:16-cv-226, Dkt. 63 (E.D. Va. Feb. 7, 2017) -----	16
<i>Dragon Intell. Prop., LLC v. Apple Inc.</i> , 700 F. App'x 1005 (Fed. Cir. 2017)-----	15
<i>EHS Lens Philippines, Inc. v. Essilor Int'l (Compagnie Generale D'Optique)</i> , No. 3:16-cv-00563-JAG, 2016 WL 11670108 (E.D. Va. Sep. 22, 2016)-----	16
<i>Gibbs v. Plain Green LLC</i> , 331 F. Supp. 3d 518 (E.D. Va. 2018) -----	17
<i>Grecia v. MasterCard, Inc.</i> , No. 15-cv-9059 (RJS), 2017 WL 11566955 (S.D.N.Y. Apr. 3, 2017) -----	6
<i>Health Diagnostic Lab'y, Inc. v. Boston Heart Diagnostics Corp.</i> , No. 3:14-cv-796, 2015 WL 13879824 (E.D. Va. Feb. 4, 2015)-----	21
<i>Locata LBS, LLC v. Yellowpages.com, LLC</i> , No. LA CV13-07664 JAK (SHx), 2014 WL 8103949 (C.D. Cal. July 11, 2014)-----	5
<i>Longhorn HD LLC v. Netscout Sys., Inc.</i> , No. 2:20-cv-00349-JRG, 2022 WL 71652 (E.D. Tex. Jan. 6, 2022) -----	18
<i>Maxell Ltd. v. Apple Inc.</i> , No. 5:19-cv-00036-RWS, 2020 WL 10456915 (E.D. Tex. Apr. 27, 2020)-----	18
<i>Merck Sharp & Dohme LLC v. Johns Hopkins Univ.</i> , No. CV 22-3059-JRR, 2024 WL 3252974 (D. Md. June 29, 2024) -----	2

<i>Mizuho Orthopedic Sys., Inc. v. Allen Med. Sys., Inc.</i> , 610 F. Supp. 3d 362 (D. Mass. 2022) -----	5
<i>Nidec Motor Corp. v. Zhongshan Broad Ocean Motor Co.</i> , 868 F.3d 1013 (Fed. Cir. 2017) -----	8
<i>Packet Intel. LLC v. NetScout Sys., Inc.</i> , 100 F.4th 1378 (Fed. Cir. 2024)-----	15
<i>RJ Tech. LLC v. Apple Inc.</i> , No. 8:22-cv-01874, 2023 WL 8188475 (C.D. Cal. Oct. 4, 2023)-----	5, 19
<i>SAS Inst., Inc. v. Iancu</i> , 584 U.S. 357 (2018) -----	16
<i>Security First Innovations, LLC v. Google LLC</i> , No. 2:23-CV-97, 2024 WL 234720 (E.D. Va. Jan. 22, 2024) -----	<i>passim</i>
<i>Segin Sys., Inc. v. Stewart Title Guar. Co.</i> , 30 F. Supp.3d 476 (E.D. Va. 2014)-----	16, 20
<i>Semiconductor Energy Lab’y Co., Ltd. v. Chimei Innolux Corp.</i> , No. 8:12-cv-00021, 2012 WL 7170593 (C.D. Cal. Dec. 19, 2012)-----	3
<i>Sharpe Innovations, Inc. v. T-Mobile USA, Inc.</i> , No. 2:17-CV-351, 2018 WL 11198604 (E.D. Va. Jan. 10, 2018)-----	8, 17, 19, 21
<i>In re TLI Commc’ns</i> , 2014 WL 12615711 -----	21
<i>Trs. of Columbia Univ. in the City of N.Y. v. Symantec Corp.</i> , 390 F. Supp. 3d 665 (E.D. Va. 2019) -----	15
<i>Va. Innovation Sciences, Inc. v. Samsung Elecs. Co.</i> , No. 2:14-cv-217, 2014 WL 13059257 (E.D. Va. Nov. 18, 2014)-----	17, 19, 21
<i>Wonderland Switzerland AG v. Britax Child Safety, Inc.</i> , No. 0:19-cv-02475-JMC, 2020 WL 7075122 (D.S.C. Dec. 2, 2020)-----	6
<i>Statutes and Rules:</i>	
35 U.S.C. § 101 -----	2, 7
35 U.S.C. § 102 -----	7
35 U.S.C. § 103 -----	7
35 U.S.C. § 112 -----	7

35 U.S.C. § 314 ----- 14, 18

35 U.S.C. § 315 ----- 7

Fed. R. Civ. P. Rule 12----- 2

Miscellaneous:

Leahy-Smith America Invents Act, Pub. L. No. 112-29, 125 Stat. 284

§ 18(a)(1)(D)-----20

H.R. Rep. No. 112-98 (2011) -----20

INTRODUCTION

In its opening brief, Amazon explained how each of the three relevant factors weighs in favor of granting a stay. In response, Plaintiff largely sidesteps any substantive discussion of the stay factors and instead resorts to baseless accusations that Amazon has somehow acted improperly by defending itself. Plaintiff mischaracterizes both the facts and the law in an attempt to avoid the result that is plainly warranted here: this case should be stayed pending IPR.

The factual record is clear. As of the filing of Amazon's motion, there was no operative scheduling order and minimal discovery has occurred. Staying the case now will minimize the risk of wasted resources for the parties and the Court. In addition, as many courts in this District have recognized, a stay is certain to simplify this case regardless of whether the PTAB ultimately institutes review. Lastly, Plaintiff points to no undue prejudice that it would suffer from staying this case. Thus, the Court should stay this case pending final resolution of Amazon's IPRs.

ARGUMENT

The Court considers three factors in deciding motions to stay: (1) the stage of the litigation; (2) whether a stay would simplify the issues; and (3) whether a stay would unduly prejudice the nonmoving party. (Dkt. 126 at 6-7; Dkt. 109 at 5.) Considering those factors, it is clear that the Court should stay this case, as all three factors weigh in favor of a stay.¹

I. THIS CASE IS IN ITS EARLY STAGES THROUGH NO FAULT OF AMAZON.

A. Amazon Has Not Engaged in Dilatory Tactics.

Plaintiff argues that the case has not progressed further because of Amazon's "tactics." (Dkt. 126 at 13-14.) But Amazon's actions have been proper and diligent.

¹ Plaintiff's argument begins with accusations about Amazon's litigation strategy and arguments regarding PTAB statistics. Amazon addresses those arguments in connection with the relevant factors below.

Plaintiff first criticizes Amazon for “filing several dispositive motions.” (*Id.* at 13.) But both of Amazon’s motions were meritorious. Indeed, the Court granted Amazon’s first motion to dismiss, entering judgment for Amazon. (Dkts. 63, 64.) One of the three patents SoundClear initially asserted remains dismissed. (*Id.*; *see also* Dkt. 126 at 7 n.3.) That motion was not filed for the purpose of delay—the pleading stage is the appropriate time for Amazon to raise patent eligibility under § 101. (Dkt. 63 at 4 n.4 (this Court acknowledging it may determine patent eligibility at the pleading stage).) Amazon’s motion to dismiss the second amended complaint is based on Plaintiff’s continued failure to plausibly plead infringement (Dkt. 104), an issue from the first motion to dismiss that the Court did not resolve (because it declined to reach that issue) and that Amazon was required to raise in a Rule 12 motion. Fed. R. Civ. P. 12. No negative intent should be inferred from Amazon’s filing of meritorious motions.

Second, Plaintiff criticizes Amazon for allegedly not engaging in discovery. (*See* Dkt. 126 at 13.) But Plaintiff’s discovery grievances are not material considerations for determining whether to stay the case. *Merck Sharp & Dohme LLC v. Johns Hopkins Univ.*, No. CV 22-3059-JRR, 2024 WL 3252974, at *3 (D. Md. June 29, 2024) (granting stay and finding that “none of these [discovery] frustrations addresses or bears upon the key considerations material to the court’s determination of whether the posture of the case and the nature and scope of the PTAB’s IPR of the ’393 patent warrant a stay pending the PTAB’s ruling.”).

Even if Plaintiff’s discovery complaints were material to determining a stay, Plaintiff’s allegations are false and actually support finding this case is in its infancy. Plaintiff noticed six depositions so far, only two of which it has taken. (Dkt. 126 at 14.) There are still dozens of depositions that will be taken. And as Plaintiff explains in its opposition, there are only about 100 documents produced to date, while Plaintiff is seeking thousands more from Amazon. (*See id.* at

15.) Moreover, while Amazon has responded to Plaintiff's interrogatory requests, Plaintiff argues that Amazon must provide additional information.² (*Id.* at 8-9.) Contrary to showing an advanced stage of the litigation, Plaintiff's arguments support that this case is in its infancy, with minimal discovery provided to date and the bulk of the discovery forthcoming.

Third, Plaintiff argues the timing of Amazon's IPRs and motion to stay was tactical. (Dkt. 126 at 13.) As Plaintiff admits, Amazon filed both IPRs less than two months after the Court revived this case, and within seven months after Plaintiff filed its first complaint. (*See id.*) Courts routinely find that defendants have acted diligently in filing motions to stay on even longer timelines. *See, e.g., Security First Innovations, LLC v. Google LLC*, No. 2:23-CV-97, 2024 WL 234720, at *4 (E.D. Va. Jan. 22, 2024). In fact, Congress statutorily provided one year for defendants to file IPRs. Amazon filed well within the one-year deadline. If Amazon had a "dilatory" motive, Amazon would have waited until July 2025, the one-year deadline, to file its IPRs.

The timing for Amazon's IPRs is also not dilatory when considered in relation to Plaintiff's infringement contentions. Courts recognize a defendant's interest in understanding the plaintiff's infringement theories, including which claims the plaintiff asserts, "a valid reason for not filing a petition shortly after the Complaint was filed." *Semiconductor Energy Lab'y Co., Ltd. v. Chimei Innolux Corp.*, No. 8:12-cv-00021, 2012 WL 7170593, at *3 (C.D. Cal. Dec. 19, 2012). Plaintiff served its infringement contentions at the end of October 2024, shortly before the Court dismissed this case. Amazon filed both of its IPR petitions soon after the case was reinstated. Amazon diligently moved to stay the day after filing its second IPR petition. (*See* Dkt. 109 at 13.)

² Plaintiff attempts to fault Amazon for not providing its invalidity contentions within a certain timeframe. (Dkt. 126 at 13.) But the case was only recently revived. Although Amazon attempted to meet Plaintiff's timing demands, Amazon provided the contentions within a reasonable timeframe. Parties routinely grant one another the courtesy of extended time for discovery.

Lastly, Plaintiff claims that a scheduling order is “in place” to show this case is not in its early stages. But this is incorrect. As Plaintiff admits, “this Court has not updated its previously entered scheduling order” since the case was dismissed. (Dkt. 126 at 14) Thus, no operative scheduling order exists.

Contrary to Plaintiff’s assertions, Amazon filed meritorious motions, engaged in discovery, and diligently filed its IPR petitions. Amazon has not engaged in delay tactics.

B. This Case Is in its Infancy.³

The relevant facts regarding the stage of the case are undisputed. Discovery was open for less than seven weeks when the Court granted Amazon’s motion to dismiss and entered judgment in Amazon’s favor. (*Id.* at 8.) The Court amended that judgment and allowed Plaintiff to file an amended complaint, which Plaintiff filed on January 24, 2025. (Dkt. 89.) Plaintiff then filed a second amended complaint on February 3, 2025. (Dkt. 96.) Amazon moved to dismiss the second amended complaint (Dkt. 119), and that motion is pending. Thus, the pleadings have not yet closed. The parties have not even finalized a protective order. (Dkt. 126 at 14.)

The dates for a claim construction hearing and trial have not been set. Plaintiff argues that it can “infer dates” based upon an outdated scheduling order entered before this case was dismissed. (*Id.*) But, as explained above, Plaintiff concedes that no scheduling order is in place. These undisputed facts plainly favor a stay. *See Security First*, 2024 WL 234720, at *2.

Plaintiff incorrectly characterizes fact discovery as being “well underway.” (Dkt. 126 at 15.) But the parties served and responded to two sets of discovery requests each. (Dkt. 109-12,

³ In its discussion of this factor, Plaintiff argues that a stay is inappropriate here because a final written decision from the PTAB may issue a year or more after the jury trial. (Dkt. 126 at 15, 17.) But the duration of IPR proceedings does not alter the fact that this litigation is in its infancy, which is the relevant factor. The timeline of the IPR relative to the litigation is properly considered under the second factor, i.e., whether the IPR will simplify the issues in this case. Accordingly, Plaintiff’s arguments on that issue are addressed below.

Heideman Decl. ¶ 3.) Only two depositions have taken place and less than 100 documents have been produced. (Dkt. 109 at 3; Dkt. 126 at 14.) These discovery efforts are minimal compared to the amount of work that remains ahead of the parties, including dozens of depositions, significant document productions and source code review, claim construction briefing and oral argument, expert discovery, dispositive motions, and trial. *See RJ Tech. LLC v. Apple Inc.*, No. 8:22-cv-01874, 2023 WL 8188475, at *2 (C.D. Cal. Oct. 4, 2023). Courts routinely find the stage of the litigation favors a stay in similar circumstances, or even where discovery is much more advanced. (*See* Dkt. 109 at 7-8.)

Plaintiff further argues that Amazon's motions weigh against a stay. But courts routinely find that motion practice, such as Amazon's motions to dismiss and transfer, do not weigh against a stay. *Security First*, 2024 WL 234720, at *2 (granting motion to stay after the court had ruled on a motion to dismiss); *Locata LBS, LLC v. Yellowpages.com, LLC*, No. LA CV13-07664 JAK (SHx), 2014 WL 8103949, at *2-*3 (C.D. Cal. July 11, 2014) (finding case still in its "relatively early stages" even though court ruled on motion to transfer and motion to dismiss). Plaintiff's cases are distinguishable. In *Mizuho*, the parties represented that discovery was "substantially complete" and the court had held a claim construction hearing. *Mizuho Orthopedic Sys., Inc. v. Allen Med. Sys., Inc.*, 610 F. Supp. 3d 362, 365 (D. Mass. 2022). In *Chrimar*, the Court had construed the claims before the defendant moved to stay and discovery was set to close within weeks of the court issuing its decision on the motion to stay. *Chrimar Sys., Inc. v. Adtran, Inc.*, No. 6:15-CV-618-JRGJDL, 2016 U.S. Dist. LEXIS 99935, at *17-18 (E.D. Tex. Aug. 1, 2016). Here, the case has not progressed nearly as far as in those cases.

The other cases Plaintiff cites (Dkt. 126 at 15-16) also do not support finding this case is in advanced stages. In *Wonderland*, the court found the stage-of-litigation factor weighed against

a stay where claim construction was complete, discovery would close in about a month, and the defendant had waited until the one-year statutory deadline to file its IPR petition. *Wonderland Switzerland AG v. Britax Child Safety, Inc.*, No. 0:19-cv-02475-JMC, 2020 WL 7075122, at *3-4 (D.S.C. Dec. 2, 2020). None of those facts exists here.

And, in *Grecia v. MasterCard, Inc.*, No. 15-cv-9059 (RJS), 2017 WL 11566955, at *3 (S.D.N.Y. Apr. 3, 2017), that Court declined to stay the case despite its early stage because other factors weighed against a stay. That is not true here. All three factors favor staying this case.

II. A Stay Would Simplify this Case and Avoid Inconsistencies.

It is undisputed that the IPRs may completely moot this case, which would be the “ultimate simplification.” *Security First*, 2024 WL 234720, at *3 (quoting *VirtualAgility, Inc. v. Salesforce.com, Inc.*, 759 F.3d 1307, 1314 (Fed. Cir. 2014)) (“[I]f Google prevails with respect to every claim, IPR could dispose of the entire case, which is ‘the ultimate simplification of the issues.’”). Plaintiff does not address many of Amazon’s arguments regarding how a stay will simplify this case. For example, Plaintiff does not dispute that Amazon’s IPRs challenge every asserted claim, which weighs “heavily in favor of the stay.” (Dkt. 109 at 8.) Plaintiff does not dispute that, if any claims survive IPR, this case would be simplified because Amazon would be estopped from raising certain invalidity defenses in this litigation. (*Id.* at 8.) Plaintiff also does not dispute that the IPR, if instituted, will be decided by a panel of three expert patent judges, and that this Court would benefit from the PTAB’s expertise. (*Id.* at 9.) Plaintiff does not dispute that the PTAB proceedings will create additional intrinsic evidence, which the Court would be required to consider when construing the claims during claim construction. (*Id.*) For these undisputed reasons alone, this factor weighs strongly in favor of a stay.

Unable to contest the simplification of issues that will necessarily occur regardless of whether the IPRs are instituted, Plaintiff argues that this case will not be simplified because:

(a) Amazon will supposedly “try to avoid estoppel;” (b) Amazon may try to take “inconsistent” claim construction positions; (c) the IPR petitions are unlikely to succeed because the prior art does not disclose “voice classification”; (d) the PTAB may not institute IPR or some claims may survive IPR; and (e) Amazon overstates the possibility that SoundClear may amend its claims during the IPR. All of these arguments are meritless.

A. Plaintiff’s Argument that Amazon Will Try to “Avoid” Estoppel Fails.

Once the PTAB issues a final written decision in Amazon’s IPRs, Amazon will be estopped from raising in this litigation any invalidity grounds that were or reasonably could have been raised in the IPR. 35 U.S.C. § 315(e)(2). Thus, to the extent any claim survives the IPRs, this litigation would be simplified because Amazon would be estopped from raising certain invalidity defenses as to those claims. (Dkt. 109 at 8 (citing cases).)

To be sure, the estoppel provision does not preclude Amazon from raising *other* invalidity defenses, namely those that could *not* have been reasonably raised in the IPR. For example, Amazon could still pursue invalidity theories based on patent ineligibility under § 101, invalidity under §§ 102 and 103 based on known prior systems, and § 112. Indeed, Plaintiff acknowledges that invalidity grounds based on “actual product prior art” are “not ... subject to estoppel.” (Dkt. 126 at 18.) The fact that Amazon may pursue these invalidity defenses if any claim survives IPR in no way suggests that Amazon would try to “avoid” IPR estoppel. By Congressional design, IPR estoppel applies only to grounds of invalidity that were raised or reasonably could have been raised in the IPR. This estoppel covers numerous grounds of invalidity that would otherwise have to be litigated in this Court.

The IPR process need not eliminate *all* invalidity defenses to simplify this case. If the PTAB issues a final written decision, it will necessarily simplify this case by significantly

narrowing the available invalidity grounds. *Sharpe Innovations, Inc. v. T-Mobile USA, Inc.*, No. 2:17-CV-351, 2018 WL 11198604, at *3 (E.D. Va. Jan. 10, 2018).

B. Plaintiff’s Manufactured Claim Construction Concerns Do Not Weigh Against a Stay.

Plaintiff next argues that Amazon has taken inconsistent positions regarding claim construction. (Dkt. 126 at 19.) That argument reflects a misunderstanding on Plaintiff’s part.

As Plaintiff acknowledges, Amazon’s IPR petitions state that no claim terms require construction “to resolve the invalidity challenges here.” (Dkt. 126 at 2 n.1.) Plaintiff argues that this statement is inconsistent with Amazon’s representation that construction will be necessary in the litigation. (Dkt. 126 at 19 (“Amazon took the exact opposite approach with this Court.”).) But there is no inconsistency. The need for claim construction depends on the specific issues in dispute before the tribunal. *Nidec Motor Corp. v. Zhongshan Broad Ocean Motor Co.*, 868 F.3d 1013, 1017 (Fed. Cir. 2017). A claim term may require construction to resolve infringement issues in district court, but that same term may not require construction to resolve invalidity issues presented by the prior art in the IPR.

For example, suppose a patent discloses a fire truck and claims “a red truck comprising lights and a siren.” If a petitioner files an IPR petition with prior art that describes a traditional fire truck with these features, none of those claim terms would require construction to resolve the invalidity issues presented in that IPR. If, at the same time, the patent owner is asserting that patent against a pink ice cream van with headlights and a speaker for playing music, then many claim terms may require construction in the litigation. For example, the jury will need to know whether the term “red” is defined broadly enough in the patent to include the accused shade of pink, whether the term “truck” covers vans, whether the term “lights” includes headlights or is limited to flashing emergency lights as described in the patent, and whether “siren” is broad enough to include

speakers. Thus, although no construction would be necessary to resolve the invalidity issues presented in the IPR, claim construction would be required in the district court litigation because the issues in dispute are different. Plaintiff's inconsistency argument is meritless.

Plaintiff's assertion that Amazon will "likely attempt" to apply a broader claim construction in the IPR and a narrower construction at the same time in the litigation is pure speculation and makes no sense. (Dkt. 126 at 19.) First, Amazon could just as easily speculate that Plaintiff would apply a narrower claim construction in the IPR and a broader construction at the same time in the litigation. But even if Amazon (or Plaintiff) were to advance different claim constructions, it would *support* staying the case because it would give the Court the benefit of any claim construction positions from either party in the IPR when deciding the claim construction issues here.

On the issue of claim construction, as Amazon explained, a stay is beneficial because this Court would gain the benefit of the PTAB's expertise in evaluating the asserted claims. (*See* Dkt. 109 at 9 (citing *Pleasurecraft Marine Engine Co. v. Indmar Prods. Co., Inc.*, No. 8:14-cv-04507, 2015 WL 5437181, at *2 (D.S.C. Sep. 15, 2015).) Moreover, PTAB findings and statements by the patent owner during the IPRs add to the prosecution history, which this Court considers during claim construction. (*See id.* (citing *Security First*, 2024 WL 234720, at *3 n.1; *In re TLI Commc'ns*, 2014 WL 12615711, at *2).) This is true even if the IPRs are not instituted. (*See id.* (citing *Security First*, 2024 WL 234720, at *3 n.1).) Without a stay, this Court will likely complete claim construction proceedings before the entire IPR record has been developed. Doing so risks inconsistent constructions and may require this Court to reconstrue the claims after the IPR proceedings are complete.

C. Plaintiff's Arguments Regarding the Strength of the Petitions Lack Merit and Support Staying this Case.

Plaintiff next argues that simplification is unlikely because Plaintiff believes that the Petitions lack merit. (Dkt. 126 at 19-20, 2.) Tellingly, Plaintiff does not dispute that the prior art in the IPRs (a) calculates the distance between the user and the device, (b) tailors the voice response based on that distance, and (c) tailors the volume based on that distance. (Dkt. 109 at 10-11.) This alone demonstrates a high likelihood that the PTAB will institute the IPRs.

Plaintiff argues that the IPRs lack merit because neither primary reference “disclose[] voice classification.” (Dkt. 126 at 19-20.) But this is plainly incorrect. The asserted patents themselves describe classifying the voice by setting a threshold distance and then classifying the voice as a “first voice” or “second voice” “based on whether the [distance] exceeds the threshold.” (Dkt. 1-2 (’337 patent) at col. 8, lines 20-26 and 30-34.) The references in the IPR describe exactly the same classification. For example, Shin classifies a voice signal into a category based on whether the distance falls within various ranges. (Dkt. 109, Ex. 2 at ¶¶ 79-87.) The table below shows the voice classifications in Shin on the lefthand side:

TABLE 3		
	Distance (D) between user and electronic device	Output amount of information of content
First Voice	$D < 1 \text{ m}$	Amount of information of original content
	$1 \text{ m} \leq D < 2 \text{ m}$	Content of first abbreviation level
	$2 \text{ m} \leq D < 3 \text{ m}$	Content of second abbreviation level
	$3 \text{ m} \leq D < 4 \text{ m}$	Content of third abbreviation level
Second Voice	$D \geq 4 \text{ m}$	Content of fourth abbreviation level (abstract content)

(*Id.* at ¶ 86.)⁴ Similarly, Shimomura classifies a voice signal in one of two categories based on a threshold distance (i.e., more or less than 350 cm). (Dkt. 109, Ex. 6 at ¶ 50.) Shimomura also includes a table showing the different classifications:

Less than 350 cm	350 cm or more
None	Implementation

(*Id.* at Fig. 7.) Thus, contrary to Plaintiff’s assertions, the prior art discloses voice classification, showing a high likelihood the PTAB will institute the IPRs.

But more importantly, Plaintiff’s argument regarding voice classification reinforces the importance of a stay here and the issue simplification that would result. Plaintiff clearly intends to argue to the PTAB that the references do not disclose “classifying a voice.” Those arguments will become a part of the patent’s intrinsic record and may constitute a disclaimer of patent scope, which this Court would need to consider during claim construction here. *Aylus Networks, Inc. v. Apple Inc.*, 856 F.3d 1353, 1360-61 (Fed. Cir. 2017). Staying this case, at least pending the institution decisions, would simplify the issues in this case because it would allow the parties and the Court to have a complete record for claim construction and would allow this Court to benefit from the PTAB’s expertise.

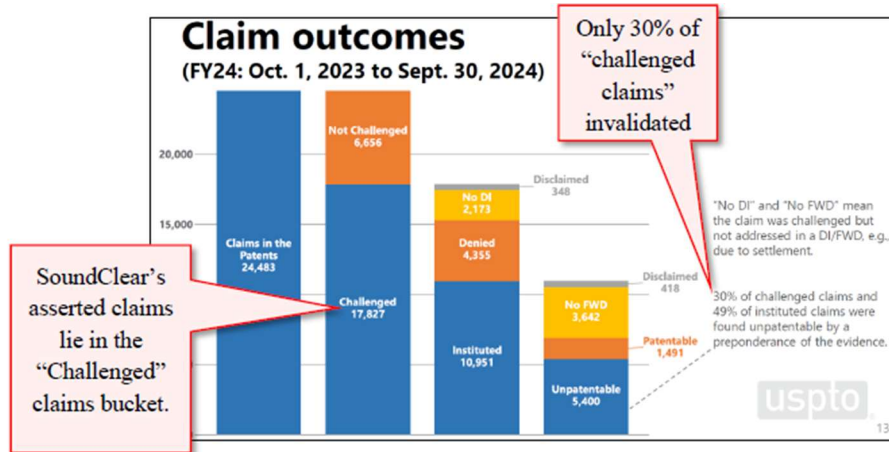
D. The PTAB Is Likely to Institute Amazon’s IPRs and Cancel the Asserted Claims.

1. The PTAB Statistics

Plaintiff argues that the PTAB statistics weigh against a stay because, according to

⁴ The identified “first voice” and “second voice” is just one example of how Shin discloses the claim. Any of the distance ranges up to 4 meters would satisfy the claimed “first voice.” For example, a voice between 3 and 4 meters away could be considered the recited “first voice.” Alternatively, all of the distances less than 4 meters could collectively be considered a first voice (e.g., a voice less than 4 meters away).

Plaintiff, the PTAB's statistics show that "70% of the claims will escape IPR." (Dkt. 126 at 12.) Plaintiff concludes that "7 or 8 of the 11 asserted claims would survive the IPR." Plaintiff relies upon the below graph from the PTO to create its "70%" statistic.



(*Id.* (pink annotations added by Plaintiff).) But Plaintiff distorts the PTAB's statistics.

The above graph reports statistics for two important stages of IPR proceedings: (1) the institution stage; and (2) the conclusion of the IPR. At the institution stage, the PTAB instituted IPRs for over 60% of the challenged claims. (Dkt. 109, Ex. 5 at 13.) The PTAB denied institution for only 28% of the challenged claims. (*Id.* (institution denied for 4,355 of the 17,827 challenged claims).) The remaining 14% of the challenged claims were never addressed by the PTAB because the patent owner disclaimed the claims to the public or the parties dismissed the IPRs (e.g., due to settlement). (*Id.*) Thus, of the claims actually addressed by the PTAB at institution, the PTAB instituted IPRs in over 70% of the challenged claims. (*Id.* (10,951 claims instituted out of the 15,306 decided at institution).) As Amazon previously explained, it is more likely than not that the PTAB will institute Amazon's IPRs. (Dkt. 109 at 10.)

For the IPRs that were instituted in this timeframe, the PTAB did not address 37% of the claims because the patent owner disclaimed the claims to the public or the parties dismissed the IPRs. (Dkt. 109, Ex. 5 at 13) Of the claims the PTAB addressed in a final written decision, the

PTAB found 78% of the claims unpatentable. (*Id.* (5,400 out of 5,891 claims held unpatentable).) In other words, for claims that went through the entire IPR proceeding, the PTAB found only 22% of the claims patentable. (*Id.* (only 1,491 out of 5,891 claims held patentable).)

Plaintiff does not dispute that 68% of IPR petitions are instituted. (Dkt. 109, Ex. 4 at 6.) Thus, it is more likely than not that the IPRs will be instituted. And, once instituted, the vast majority of claims are held invalid. (*Id.* at 13.)

Plaintiff's assertion that 7 or 8 of the asserted claims are statistically likely to survive is not only wrong, but it ignores the reality of the IPR process. Most claims in an IPR rise or fall together. Indeed, only 6% of IPRs conclude in a "mixed" Final Written Decision, i.e., where some claims are held unpatentable and some are held patentable. Plaintiff's arguments here demonstrate why: if the PTAB agrees with Amazon that the Shin and Shimomura references disclose "voice classification" based on distance, then all of the claims are likely to be unpatentable.

2. Plaintiff Speculates About Future Institution Rates.

Plaintiff attempts to cast doubt on these statistics by arguing institution rates will go down because of "changes" at the PTAB. (*See* Dkt. 126 at 9-12.) This is pure speculation. Plaintiff relies on news articles speculating about what might happen under the new administration. (*Id.* (citing Exs. 3, 4, 6, 7).) There are no facts to support SoundClear's speculation. The only facts before this Court on institution and unpatentability are the reported statistics from the PTO, which show a high likelihood Amazon's IPRs will be granted and Plaintiff's claims found unpatentable.

Plaintiff also speculates about whether the PTAB might exercise its discretion to deny institution under § 314(a). (Dkt. 126 at 21-22) But Amazon explained at length in its IPR petitions why such denial would be unwarranted. (*See* Dkt. 109, Ex. 2 at 68-70; Dkt. 109, Ex. 3 at 70-72.) Nevertheless, Amazon recognizes that it is possible that the IPRs are not instituted. But the

likelihood of that result is small. And, in that scenario, this case would resume in August or September, with no prejudice to either party.

3. The Claims May Be Amended During the IPR Process.

Plaintiff argues the possibility that it amends the claims during the IPR is “overstated.” (See Dkt. 126 at 3, 12.) Notably, Plaintiff does not commit to foregoing amending the claims if the IPRs are instituted. Thus, Plaintiff is preserving its right to replace the existing claims with substitute claims during the IPR process. And Plaintiff’s statistics show that the PTAB granted or granted-in-part 17% of all motions to amend and 27% of pilot motions to amend. (See Dkt. 126, Ex. 8 at 17-18.) Thus, if Plaintiff does move to amend, there is a *one-in-five chance* that the PTAB would grant the motion and that this Court, absent a stay, would have litigated the wrong claims.

4. Plaintiff’s Arguments About the Relative Timelines Supports a Stay.

Plaintiff argues that a stay is not warranted because the PTAB may not render its final decision until *after* trial occurs in this case. (Dkt. 126 at 14-15.) But this is precisely why the Court should stay the case: all of the time and resources invested in this case would be wasted if the PTAB invalidates the patents, plaintiff amends its claims (resulted in new claims to be litigated and intervening rights), or this litigation proceeds on claim constructions that are incorrect and must be revised based on statements made by the patent owner during the IPR process. Indeed, even if this case proceeds through trial and final judgment, it will be vacated if the PTAB later finds the claims invalid. See *Packet Intel. LLC v. NetScout Sys., Inc.*, 100 F.4th 1378, 1380-88 (Fed. Cir. 2024) (the PTAB’s “unpatentability determinations must be given effect, which requires that we remand this case for dismissal.... Accordingly, we vacate the district court’s amended final judgment and remand with instructions to dismiss the case as moot.”); *Dragon Intell. Prop., LLC v. Apple Inc.*, 700 F. App’x 1005, 1006 (Fed. Cir. 2017) (affirming PTAB determination of

unpatentability and dismissing district court appeal as moot). Proceeding with this case presents a substantial likelihood that the parties and the Court's efforts will be wasted.

Additionally, Plaintiff argues against a stay because "the purpose of IPR proceedings is to provide a faster alternative to district court." (Dkt. 126 at 15.) But that is not the sole purpose of IPRs. As Plaintiff's citations explain, IPRs are intended to provide a "faster *and less expensive* alternative to litigation." *Bell Northern Research, LLC v. Coolpad Techs., Inc.*, No. 18-CV-1783-CAB-BLM, 2020 U.S. Dist. LEXIS 28081, at *4 (S.D. Cal. Feb. 18, 2020) (emphasis added); *Trs. of Columbia Univ. in the City of N.Y. v. Symantec Corp.*, 390 F. Supp. 3d 665, 676 (E.D. Va. 2019) (Congress created IPR to create a "timely, *cost-effective* alternative to litigation" (emphasis added)). Granting a stay will further the goal of IPRs, offering *both parties* a significantly less expensive way to litigate patent validity issues.

E. Plaintiff's Case Law Does Not Weigh Against a Stay.

Plaintiff argues that "enough uncertainty exists" on whether the PTAB will institute the IPR to "disfavor a stay." (See Dkt. 126 at 20-21.) But, as Amazon explained, this District "does not disfavor stays before IPR is instituted, and this Court has granted a stay in many such instances." (See Dkt. 109 at 9-10 (quoting *Sharpe Innovations*, 2018 WL 11198604, at *3 (collecting cases)).) Indeed, multiple courts in this District have found the simplification factor weighed in favor of a pre-institution stay. (See *id.* at 6, 9-10 (collecting cases).)

Plaintiff's cases do not support its position. In *Continental Automotive*, the court found that simplification was less likely because the covered business method ("CBM") review petition did not challenge every asserted patent claim. See *Continental Automotive Systems, Inc. v. Hamaton Automotive Technology Co. Ltd., et al.*, No. 2:16-cv-226, Dkt. 63, at 5 (E.D. Va. Feb. 7, 2017). Nevertheless, the court there still found the simplification factor to be neutral. *Id.* Here, Amazon's IPRs challenge all asserted claims, so this factor weighs in favor of a stay.

In *Segin*, the court found institution of a CBM tenuous given the patent’s lengthy prosecution history. *See Segin Sys., Inc. v. Stewart Title Guar. Co.*, 30 F. Supp.3d 476, 481 (E.D. Va. 2014). *Segin* also observed that simplification would be diminished because the plaintiff also brought breach-of-contract claims. Even so, *Segin* found the simplification factor weighed slightly in favor of a stay. *Id.* at 482. Thus, *Segin* supports finding this factor weighs in favor of a stay.

In *EHS Lens*, the court acknowledged that different courts handle pre-institution stay motions differently. *See EHS Lens Philippines, Inc. v. Essilor Int’l (Compagnie Generale D’Optique)*, No. 3:16-cv-00563-JAG, 2016 WL 11670108, at *1 (E.D. Va. Sep. 22, 2016). *EHS Lens* decided to wait on staying the case until the PTAB issued its institution decision. *See id.* *EHS Lens* explained it did not know “whether the PTAB will institute an IPR at all, let alone on what claims.” *Id.* But the Supreme Court has since held that, if the PTAB institutes an IPR, it must institute on all challenged claims. *SAS Inst., Inc. v. Iancu*, 584 U.S. 357, 371 (2018). Thus, some of the uncertainty underlying the decision in *EHS Lens* does not exist here.

Plaintiff relies on cases from other districts, but those cases do not change the consistent approach in *this* District. Numerous cases in this District, including recent ones, enumerate the benefits of a pre-institution stay. *See, e.g., Security First*, 2024 WL 234720, at *5 (finding simplification factor in favor of pre-institution stay); *Sharpe Innovations*, 2018 WL 11198604, at *5.

Plaintiff argues that Amazon’s cases are distinguishable because “there is no indication that the movants in those cases gamed the system.” (Dkt. 126 at 22.) But Amazon has not “gamed the system” here. (*See supra* § I.A.) Plaintiff also argues that “none of the movants appear to have filed technically deficient petitions that appear designed simply to delay the inevitable trial court proceedings.” (Dkt. 126 at 22.) But, as previously explained, Amazon’s IPR petitions are meritorious, highly likely to be instituted, and diligently filed. (*See* Dkt. 109 at 9-11, 13; *supra* § II.C,

II.D, I.A.) Lastly, Plaintiff argues that Amazon’s cases were decided by courts “operating at a different time, under different circumstances.” (Dkt. 126 at 22.) But this argument is based on Plaintiff’s speculative, potential changes at the PTAB. (*See supra* § II.D.2.)

III. A STAY WOULD NOT CAUSE PLAINTIFF UNDUE PREJUDICE.

A. As a Non-Practicing Entity, Plaintiff Would Not Be Prejudiced by a Stay.

Plaintiff does not dispute that it is a non-practicing entity (“NPE”) and that it does not seek an injunction in this case. Thus, Plaintiff has not, and cannot, “show the type of prejudice that would weigh in favor of denying a stay of a patent infringement case pending the resolution of an IPR proceeding.” *Va. Innovation Sciences, Inc. v. Samsung Elecs. Co.*, No. 2:14-cv-217, 2014 WL 13059257, at *2 (E.D. Va. Nov. 18, 2014) (internal citation and quotation omitted).

Plaintiff’s cases are inapposite. *Gibbs* was a class-action suit alleging that lending websites violated state and federal laws. *See Gibbs v. Plain Green LLC*, 331 F. Supp. 3d 518, 523-24 (E.D. Va. 2018). *Gibbs* did not address a motion to stay pending IPR or involve a non-practicing entity.

Plaintiff also relies on multiple cases from Texas to show non-practicing entities can be prejudiced. But this District (like many other districts) consistently finds that monetary damages provide non-practicing entities adequate relief, thus there is no prejudice to a stay. (*See* Dkt. 109 at 12-13 (citing *Va. Innovation*, 2014 WL 13059257, at *2; *Security First*, 2024 WL 234720, at *4).) Regardless, Plaintiff’s cases do not support denying Amazon’s motion here. In *Longhorn HD*, the court expressed concern that staying the case for an *ex parte* reexam filed by a third party could lead to serial stays as there are no limits to filing *ex parte* reexams. *Longhorn HD LLC v. Netscout Sys., Inc.*, No. 2:20-cv-00349-JRG, 2022 WL 71652, at *2 (E.D. Tex. Jan. 6, 2022). Additionally, fact and expert discovery was closed and the parties were preparing for pre-trial motions. *Id.* at *4. In *Maxell*, discovery was nearly complete, with only some depositions outstanding

that could not be completed because of COVID-19. *Maxell Ltd. v. Apple Inc.*, No. 5:19-cv-00036-RWS, 2020 WL 10456915, at *2 (E.D. Tex. Apr. 27, 2020). Moreover, the defendant filed its last petition at the end of the one-year statutory deadline. *Id.* These facts are not present here.

Plaintiff also argues that *Virginia Innovation* was decided “before the *Fintiv* memo was withdrawn at the PTAB.” (Dkt. 126 at 23.) The *Fintiv* memo provided guidance to PTAB judges on determining whether to discretionarily deny institution under § 314(a). It has no bearing on whether a non-practicing entity suffers prejudice from a stay pending IPR. As in *Virginia Innovation*, monetary damages would be adequate to compensate Plaintiff here.

Likewise, Plaintiff’s incorrect assertion that Amazon delayed in filing its IPRs has no relevance to whether Plaintiff would suffer undue prejudice if the case were stayed. (Dkt. 126 at 23-24.) Amazon did not unduly delay filing its IPRs or bringing this motion. (*Supra* § I.A.) Amazon filed its IPRs and this motion just seven months after Plaintiff filed its initial complaint, and within months after the Court revived the case. (*See id.*) Courts have declined to find prejudice even where defendants waited longer into the one-year statutory period. *See, e.g., RJ Tech.*, 2023 WL 8188475, at *5 (undue prejudice factor favors stay despite defendant filing petition 10 months after lawsuit began); *see also Sharpe Innovations*, 2018 WL 11198604, at *4 (“Generally, the statutory time constraints on IPR proceedings limit the extent of prejudice to the non-movant . . .”).

B. Plaintiff’s Purported Harms Are Insufficient.

Plaintiff argues that it will be harmed because a stay will “delay resolution of the disputes between the parties and thus delay justice for SoundClear.” (Dkt. 126 at 24.) But Plaintiff ignores that courts in this District have routinely held that “[t]he mere potential for delay in itself does not constitute undue prejudice.” (*See* Dkt. 109 at 13 (citing *Pleasurecraft*, 2015 WL 5437181, at *2).

Plaintiff also argues that it “will suffer evidentiary prejudice as relevant witnesses’ memories fade and relevant documents are lost.” (Dkt. 126 at 24-25.) But, again, courts in this District

recognize that, by itself, “the passage of time is not sufficient to conclude that the nonmoving party will suffer evidentiary prejudice.” (See Dkt. 109 at 13 (citing *Security First*, 2024 WL 234720, at *4).) Plaintiff fails to identify any reason why evidentiary prejudice is of particular concern in this case. Indeed, Plaintiff identifies no evidence that they believe may be “lost” with time.⁵

Plaintiff ignores that a stay is designed to avoid wasting the Court’s and the parties’ resources litigating a case that may be mooted, narrowed, or otherwise simplified by parallel IPR proceedings. See *Va. Innovation*, 2014 WL 13059257, at *2 n. 1. Where a case is advanced and close to trial, most of the time and resources required to litigate the case have been spent. But where, as here, most of the expenditure is yet to take place and to take place quickly, a stay is particularly beneficial. (See Dkt. 109 at 11-12 (citing *Security First*, 2024 WL 234720, at *3).)

Plaintiff also ignores the substantial burden that litigating patent infringement cases places on businesses such as Amazon. Plaintiff has accused dozens of Amazon products of infringement. Discovery and trial will require dozens of Amazon employees to divert significant time from their jobs and families. And while Plaintiff—a shell company whose only business is litigation—can freely ignore the practical toll of litigation on an operating business, Amazon cannot.

C. A Stay Will Not Give Amazon “Two Bites of the Apple.”

Plaintiff argues that a stay will give Amazon “two bites of the apple.” (Dkt. 126 at 25.) But that is incorrect. The estoppel provisions ensure that Amazon will not relitigate the invalidity defenses it raised or reasonably could have raised in its IPR petitions. (See *supra* §§ II.A.) Plaintiff’s reliance on *Segin* is misplaced because that case involved a motion to stay pending CBM review, not IPR. See F. Supp. 3d at 484. At that time, CBM petitioners were not subject to the

⁵ Plaintiff identifies Amazon “declarants,” presumably referring to the employees who submitted declarations in support of Amazon’s transfer motion. But that motion was denied and the testimony of those employees is unlikely to be relevant in this case. To the extent it is, the testimony was captured in the declarations.

same estoppel provisions as IPRs. Rather, CBM petitioners were estopped only from raising grounds in a parallel proceeding that they *actually* raised in the petition. Leahy-Smith America Invents Act, Pub. L. No. 112-29, 125 Stat. 284 (“AIA”) § 18(a)(1)(D). Thus, the same “bite of the apple” concerns from *Segin* are not present here.

IV. AMAZON’S MOTION ADDRESSES ALL STAY FACTORS.

Plaintiff concludes by arguing that Amazon did not address any “hardship or inequity” Amazon would suffer if the case moved forward. (*See* Dkt. 126 at 26.) But this district’s post-AIA case law does not require this “fourth factor.”⁶ Courts in this District routinely stay cases pending IPRs analyzing only three factors. *See, e.g., Security First*, 2024 WL 234720; *Sharpe Innovations*, 2018 WL 11198604; *Health Diagnostic Lab’y, Inc. v. Boston Heart Diagnostics Corp.*, No. 3:14-cv-796, 2015 WL 13879824 (E.D. Va. Feb. 4, 2015); *Va. Innovation*, 2014 WL 13059257; *In re TLI Commc’ns, LLC*, No. 1:14-md-2534, 2014 WL 12615711 (E.D. Va. Aug. 11, 2014). Plaintiff identifies no post-AIA authority in this District requiring the movant to demonstrate a fourth “hardship or inequity” factor before granting a stay pending IPR. (*See* Dkt. 126 at 26.)

CONCLUSION

For the reasons set forth herein and in Amazon’s Motion, the Court should grant the Motion and stay this case.

Respectfully submitted,

By: /s/ William R. Poynter
William R. Poynter
wpoynter@kaleolegal.com

⁶ The AIA is the law that created IPR proceedings to provide “a more efficient system for challenging patents that should not have issued” and to reduce “unwarranted litigation costs.” H.R. Rep. No. 112-98, at 39-40 (2011).

Virginia State Bar No. 48672
KALEO LEGAL
4456 Corporation Lane, Suite 135
Virginia Beach VA 23462
Tel: (757) 238-6383
Fax : (757) 679-3503

Of Counsel:

Colin B. Heidman (*Pro Hac Vice*)
colin.heidman@knobbe.com
Logan P. Young (*Pro Hac Vice*)
logan.young@knobbe.com
KNOBBE, MARTENS, OLSON
& BEAR, LLP
925 4th Ave, Ste 2500
Seattle, WA 98104
Tel: (206) 405-2000
Fax: (206) 405-2001

Joseph R. Re (*Pro Hac Vice*)
joe.re@knobbe.com
Alan G. Laquer (*Pro Hac Vice*)
alan.laquer@knobbe.com
William O. Adams (*Pro Hac Vice*)
william.adams@knobbe.com
Jeremy A. Anapol (*Pro Hac Vice*)
jeremy.anapol@knobbe.com
Kendall M. Loebbaka (*Pro Hac Vice*)
kendall.loebbaka@knobbe.com
Raymond S. Lu (*Pro Hac Vice*)
raymond.lu@knobbe.com
KNOBBE, MARTENS, OLSON
& BEAR, LLP
2040 Main Street, 14th Floor
Irvine, CA 92614
Tel: (949) 760-0404
Fax: (949) 760-9502

Daniel P. Hughes (*Pro Hac Vice*)
daniel.hughes@knobbe.com
KNOBBE, MARTENS, OLSON
& BEAR, LLP
3579 Valley Centre Drive, Suite 300
San Diego CA 92130
Tel: (858)-707-4208
Fax: (858) 707-4001

Counsel for Defendants
AMAZON.COM, INC.;
AMAZON.COM SERVICES LLC;
and AMAZON WEB SERVICES INC.

March 20, 2025

CERTIFICATE OF SERVICE

I certify that on March 20, 2025, I electronically filed the foregoing with the Clerk of the Court using the CM/ECF system, which will then send notification of such filing (NEF) to all counsel of record.

By: /s/ William R. Poynter
William R. Poynter
wpoynter@kaleolegal.com
Virginia State Bar No. 48672
KALEO LEGAL
4456 Corporation Lane, Suite 135
Virginia Beach VA 23462
Tel: (757) 238-6383
Fax : (757) 679-3503