

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

AMAZON.COM, INC.,
AMAZON.COM SERVICES LLC,
AMAZON WEB SERVICES, INC., and
AUDIBLE, INC.,
Petitioners

v.

AUDIO POD IP, LLC,
Patent Owner

Case IPR2025-00765
U.S. Patent No. 8,738,740

**PATENT OWNER'S BRIEF ON
DISCRETIONARY DENIAL**

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Patent Trial and Appeal Board
U.S. Patent and Trademark Office
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PATENT OWNER'S EXHIBIT LIST

Exhibit No.	Description
2001	Amended Complaint [13], <i>Audio Pod IP, LLC v. Amazon.com, Inc.</i> , Case No. 2:24-cv-00185 (E.D. Va. Mar. 28, 2024)
2002	Complaint [1], <i>Audio Pod IP, LLC v. Amazon.com, Inc.</i> , Case No. 3:24-cv-00407 (E.D. Va. May 30, 2024)
2003	Buckstein, J., “Entrepreneurs tap into growing audio book market,” The Ottawa Citizen (Jan. 12, 2008)
2004	Federal Court Management Statistics (Mar. 31, 2025)
2005	List of Docket Entries, <i>Audio Pod IP, LLC v. Amazon.com, Inc.</i> , Case No. 3:24-cv-00406 (E.D. Va.) (accessed June 11, 2025, at DocketNavigator.com)
2006	List of Docket Entries, <i>Audio Pod IP, LLC v. Amazon.com, Inc.</i> , Case No. 3:24-cv-00407 (E.D. Va.) (accessed June 11, 2025, at DocketNavigator.com)
2007	Joint Claim Construction Chart [89], <i>Audio Pod IP, LLC v. Amazon.com, Inc.</i> , Case No. 3:24-cv-00406 (E.D. Va. Apr. 30, 2025)
2008	FAQs for Interim Processes for PTAB Workload Management, USPTO (Mar. 26, 2025) https://www.uspto.gov/patents/ptab/faqs/interim-processes-workload-management (accessed June 11, 2025)
2009	Redline comparison of IPR Petition to Declaration of Professor Ketan Mayer-Patel, Ph.D.
2010	Scheduling Order [56], <i>Audio Pod IP, LLC v. Amazon.com, Inc.</i> , Case No. 3:24-cv-00406 (E.D. Va. Jan. 30, 2025)
2011	Memorandum in Support of Motion to Compel [80], <i>Audio Pod IP, LLC v. Amazon.com, Inc.</i> , Case No. 3:24-cv-00406 (E.D. Va. Mar. 17, 2025)

Exhibit No.	Description
2012	Amended Scheduling Order [92], <i>Audio Pod IP, LLC v. Amazon.com, Inc.</i> , Case No. 3:24-cv-00406 (E.D. Va. May 22, 2025)
2013	Letter from Greg Shostakovsky (President and CEO, Audio Pod, Inc.) to Kelly Jo MacArther (VP of IP Acquisition and Investments, Amazon.com Inc.) (Dec. 27, 2012)
2014	Amended Answer [83], <i>Audio Pod IP, LLC v. Amazon.com, Inc.</i> , Case No. 3:24-cv-00406 (E.D. Va. Mar. 28, 2025)
2015	Declaration of John McCue
2016	“Amazon.com Completes Acquisition of Audible,” Amazon.com, Inc. (Mar. 18, 2008) https://press.aboutamazon.com/2008/3/amazon-com-completes-acquisition-of-audible (accessed June 14, 2025)
2017	Letter from Steve Messere (President, Revenue Spark, Inc.) to Eric Ayers (Business Development, Amazon.com) (Sept. 20, 2011)
2018	Declaration Of Kevin Sprenger
2019	Joint Proposed Scheduling Order [54], <i>Audio Pod IP, LLC v. Amazon.com, Inc.</i> , Case No. 3:24-cv-00406 (E.D. Va. Jan. 28, 2025)
2020	Unopposed Motion to Extend Time to Respond to Amended Complaint [21] <i>Audio Pod IP, LLC v. Amazon.com, Inc.</i> , Case No. 2:24-cv-00185 (E.D. Va. Apr. 16, 2024)
2021	Complaint [1], <i>Audio Pod IP, LLC v. Amazon.com, Inc.</i> , Case No. 3:24-cv-00406 (E.D. Va. May 30, 2024)
2022	List of Docket Entries, <i>Audio Pod IP, LLC v. Amazon.com, Inc.</i> , Case No. 2:24-cv-00185 (E.D. Va.) (accessed June 14, 2025, at DocketNavigator.com)

I. INTRODUCTION

Patent Owner Audio Pod IP, LLC (“Patent Owner” or “Audio Pod”) respectfully requests that the Director exercise discretion and deny institution of the Petition for *inter partes* review (IPR) of U.S. Patent No. 8,738,740 (“the ’740 patent”). Three entrepreneurial brothers and a friend with software backgrounds invented server-based, segmented streaming for use with audio book technology, so the brothers’ aging mother could continue to enjoy her passion for reading as her eyesight failed. Realizing their inventions represented fundamental technology breakthroughs, they sought patent protection for their inventions and formed Audio Pod to bring their technology to market. Unfortunately, Amazon has used its enormous market power to thwart their efforts repeatedly and completely, while establishing and expanding its dominant e-reader Kindle market position. This and the related IPRs are further Amazon efforts to take advantage of Amazon’s nearly unlimited resources to game the system and stifle Audio Pod’s ability to benefit from their innovation. Audio Pod respectfully urges the Director to prevent this from happening.

Numerous factors individually support denial. Collectively these factors overwhelmingly support denial. First, the Petition merits are weak. Petitioner did not even attempt to make the required minimum showing *in the Petition* that three non-patent literature references, one or more of which is included in each of the

asserted grounds, were even prior art printed publications. Moreover, there are significant shortcomings in the proposed invalidity grounds, which are premised on claim construction positions that conflict with constructions that Amazon took in the district court proceedings for related patents in the Eastern District of Virginia (EDVA). The merits-based shortcomings will be addressed in the Patent Owner Preliminary Response (POPR).

Second, the totality of the *Fintiv* factors strongly favors denial. Specifically, trial in the district court will likely occur at least five months prior to a Final Written Decision (FWD) in the present matter, and seven months prior in the district court proceeding for related patents. The parties have also made significant investment in the district court proceedings—including Audio Pod successfully defeating motions by Amazon (1) to dismiss the case for ineligible subject matter in both proceedings, and (2) to stay discovery, and (3) to modify the protective order in the related patents’ proceeding. Additionally, Audio Pod has been forced to file a motion to compel discovery in that proceeding. These activities not only demonstrate a portion of the significant investment in the district court matter, but also highlight Amazon’s dilatory litigation tactics, which impose significant delay and costs upon Audio Pod. But the investment does not stop there. It also includes significant discovery, with Audio Pod already completing three depositions and providing extensive infringement contentions. Lastly, claim construction briefing

in the related patents' proceeding will be completed prior to the institution decision deadline of this proceeding, and the *Markman* hearing is scheduled for shortly thereafter. Further favoring denial under *Fintiv*, Amazon was not diligent in filing this Petition, taking over 11.5 months to file from service of the district court complaint. This is particularly egregious given they have been (or at least should have been) well-aware of the '740 patent for over a decade.

Several discretionary denial factors enumerated in the Director's Workload Management Memo further support denial. First, the "settled expectations" factor strongly favors denial. The '740 patent has been in force for over a decade and Amazon was well-aware of the '740 patent. Indeed, Audio Pod attempted to partner with Amazon in the audio book streaming space. The parties participated in an extensive in-person meeting and Audio Pod provided a letter to Amazon's Vice President of IP Acquisitions in December 2012, notifying Amazon of the '740 patent's application. Rather than engaging in meaningful discussions, after learning about Audio Pod's inventions Amazon proceeded by ignoring Audio Pod's outreach and bringing its strikingly similar audio book products to market. Amazon's awareness of Audio Pod's application and failure to seek early review of the patent favors denial.

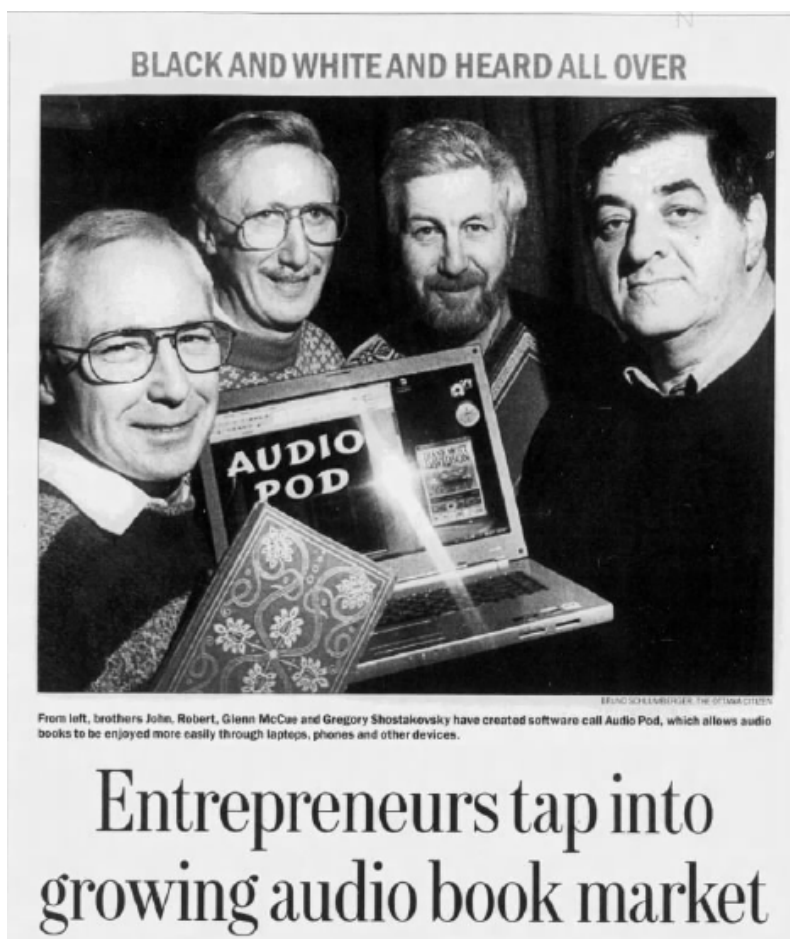
Finally, numerous public policy factors also support denial. For a decade, Amazon has used its enormous market power to thwart the entrepreneurial efforts

of a small company with breakthrough technology that forms the foundation for streaming audio books. Moreover, Amazon has used delaying tactics in the district court proceeding combined with this IPR (and others) to impede Audio Pod's opportunity to have its day in court to finally realize the fruits of its innovation and labors. By ignoring Audio Pod's partnership requests after learning about Audio Pod's technology, Amazon effectively shut Audio Pod out of the market. With market opportunities closed to it, Audio Pod was forced to strengthen its patent portfolio and secure funding. Given its limited financial resources and the daunting task of being adverse to Amazon, this was a long process. As a result, time is particularly of the essence here, as one inventor has already passed away and others are in declining health. The PTAB should not encourage such behavior of large corporations to hinder monetization of innovation by small companies, thereby squelching innovation, by instituting this IPR. For all of these reasons, Audio Pod respectfully requests denial of this IPR.

II. BACKGROUND

A. Audio Pod's founders invented key early media streaming technologies, including the inventions claimed in the '740 patent.

Audio Pod's innovative concepts and early technology development was headlined in The Ottawa Citizen newspaper in January 2008.



EX2003, 1.

The news story recounts that, in the late 1990s, “John McCue began looking for a way to help his mother, Monica, continue her lifelong love affair with literature in spite of her failing eyesight.” EX2003, 1; EX2015, ¶6. He teamed up with senior software architect, and co-founder, Gregory Shostakovsky, as well as his brothers, Robert McCue and Glenn McCue. EX2003, 1; EX2015, ¶6. All four had computer science backgrounds. EX2003, 1.

They created a brilliant solution—a server-based, virtual approach to streaming audio across multiple devices:

Say, for example, you are in an airport departure lounge in a WiFi hotspot listening to a podcast or an audio book....

... Then your flight is called and you may lose your wireless Internet service while airborne.

But even without a wireless connection, Audio Pod's technology will allow you to pick up that story again on the plane exactly where you left off.

This is possible because Audio Pod's memory manager retains the content and is able to deliver it to the user seamlessly, even on a different device.

The technology is unique because it utilizes a digital virtual representation of the audio stream. This virtual approach eliminates the delays associated with mass downloads that could easily take eight to 10 hours for larger books, and it also eliminates the network dependence used by streaming technologies

EX2003, 2; *see also* EX2015, ¶6.

According to Mr. McCue's 2008 interview, "[t]he hardest part in developing th[e] technology was devising a way to break up a media stream into a large number of manageable audio chunks that can then be played in perfect sequence."

EX2003, 2. Solving that problem unlocked a world of possibilities. "[T]he

successful result provides users with a seamless audio experience for bookmarking and memory management in a way that allows the delivery of ‘many, many media streams through very small devices using limited network resources’. . . .” *Id.* That benefit extended to any type of media stream, including, for example, handheld messaging. *Id.*

The patent claims constitute foundational technology that make multi-media, multi-device streaming possible.

B. Audio Pod disclosed their innovative technology to Amazon, but Amazon ignored their subsequent outreach attempting to partner or license, and Amazon instead implemented Audio Pod’s technology on its own.

The inventors formed Audio Pod Inc. in 2005. EX2015, ¶7; EX2001, ¶64; EX2002, ¶56. They had a working product, and in July 2007, the inventors had a lengthy meeting with Amazon and Brilliance Audio (an audiobook publisher acquired by Amazon in May 2007), who had expressed interest in Audio Pod’s technology. EX2015, ¶¶9-10; EX2001, ¶¶68-69; EX2002, ¶¶60-61.

A small group from Amazon and Brilliance agreed to meet with Audio Pod. EX2015, ¶9. The meeting was originally scheduled for one hour; in fact, the Amazon team initially expressed disbelief that the technology would work. EX2015, ¶¶9-11. But, when Audio Pod presented a working product, the meeting extended to the entire day—with more and more Amazon/Brilliance representatives joining as the day went on. EX2015, ¶¶10-11. By the end, there

was acknowledgement from the Amazon team that they had “never thought of using a central server.” EX2015, ¶11.

After the meeting, beyond a brief acknowledgement of a “thank you” email sent by the Audio Pod team, Amazon broke contact with Audio Pod, ignoring repeated attempts by Audio Pod to follow up after the meeting. EX2015, ¶12. Amazon acquired Audible in 2008, and subsequently released “Whisper Sync for Voice” Kindle technology. *See* EX2013; EX2016. Through 2013, Audio Pod continued its efforts to partner with Amazon.

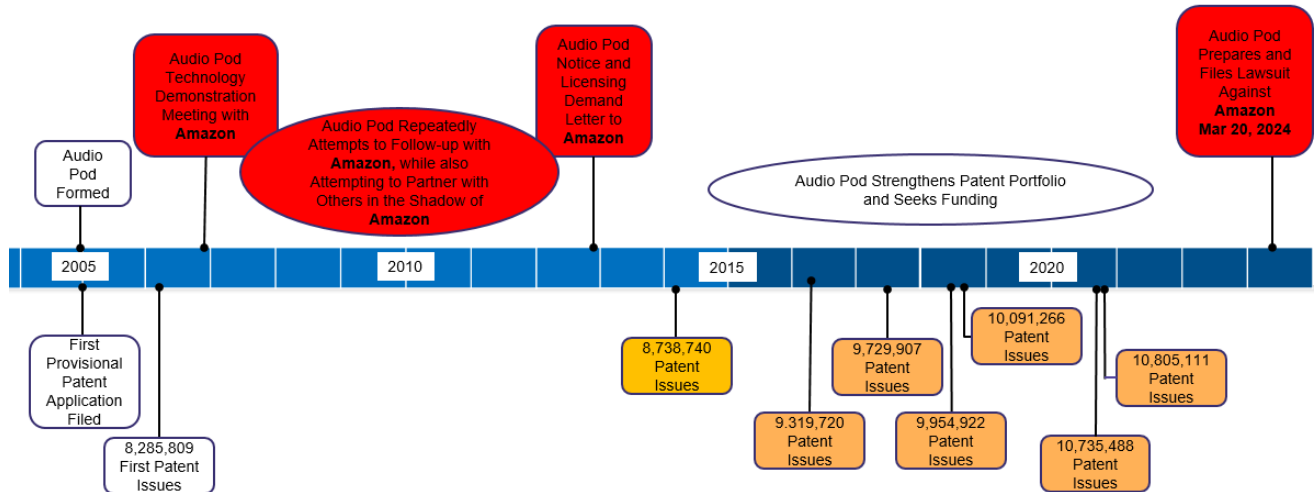
Audio Pod also marketed its technology to other companies in the industry, but Amazon, already a market giant, had cornered the market, limiting Audio Pod’s ability to compete. As Mr. McCue testifies:

It was common for us to present our technology and get the response “Amazon is already doing that” or concerns about having to compete with Amazon as a direct competitor.

EX2015, ¶17.

In sum, Amazon’s disregard for Audio Pod’s intellectual property led to Audio Pod’s infringement suit—a suit Audio Pod tried to avoid. The following timeline portrays the long road taken by Audio Pod to attempt to realize the benefit of its inventions in the face of Amazon’s stonewalling Audio Pod’s attempt to work

together, while bringing Amazon's strikingly similar and infringing audio book products to market. *See* EX2015, ¶¶6-17.



C. Amazon's gamesmanship includes engaging in dilatory litigation tactics in an attempt to wear down Audio Pod, as well as presenting inconsistent claim construction positions in the two forums.

Amazon's litigation strategy is predicated on delaying Audio Pod's ability to advance its case and have its day in court. By delaying progress in the district court, Amazon has continued to push out the typically fast trial schedule in the Eastern District of Virginia. *See* EX2004, 25 (EDVA has 11.9 months median time-to-trial). Then, after waiting until nearly the end of its one-year statutory eligibility, Petitioner filed this IPR. Making matters worse, Petitioner presents inconsistent claim construction positions in the IPRs and the district court, without any explanation.

Audio Pod first filed suit against Amazon and Audible in March 2024, in *Audio Pod IP, LLC v. Amazon.com, Inc., et al.*, CA No. 2:24-cv-00185 (E.D. Va.

March 20, 2024) (“the -185 EDVA proceeding”). EX2001.¹ Rather than acting diligently to file IPRs challenging the ’740 patent and other asserted patents, Amazon instead filed several motions in an attempt to slow the district court proceedings.² Only then—less than two weeks before the statutory bar date—did

¹ Other patents related to the ’740 patent also are involved in *Audio Pod IP, LLC v. Amazon.com, Inc., et al.*, CA No. 3:24-cv-00407 (E.D. Va. May 30, 2024) (transferred from Alexandria Division Case No. 1:24-cv-00915) and *Audio Pod IP, LLC v. Amazon.com, Inc., et al.*, CA No. 3:24-cv-00406 (E.D. Va. May 30, 2024) (transferred from Alexandria Division Case No. 1:24-cv-00914). EX2002; EX2005; EX2006; EX2021. These proceedings have been consolidated (collectively, “the -406/-407 EDVA consolidated proceeding”). EX2005, ECF No. 51; EX2006, ECF No. 49.

² The -406/-407 EDVA consolidated proceeding is currently the most advanced, and provides an example of Petitioner’s tactics. After Audio Pod filed the complaint, Petitioner filed a Motion to Dismiss for ineligible subject matter under 35 U.S.C. § 101 and for improper venue. EX2005, ECF No. 17; EX2006, ECF No. 16. The court denied Amazon’s motion to dismiss on § 101 grounds, granting dismissal only of the Audible parties on venue grounds. EX2005, ECF Nos. 73, 74. (The Audible parties were transferred to the District of New Jersey. *Audio Pod IP,*

Petitioner file this IPR. *See* Paper 5 (according a March 20, 2025 filing date to the Petition).

Amazon has also failed to meaningfully participate in discovery in the district court. This necessitated Audio Pod filing a Motion to Compel in the -406/-407 EDVA consolidated proceeding, asking the court to order Amazon to respond to almost every discovery request in the case. EX2005, ECF Nos. 79, 80. Amazon has not supplemented its document production since March 31, 2025 (approximately one week after most of the IPRs were filed). EX2018, ¶4. To date, it also has not produced a single confidential document in the case, despite repeated requests. EX2018, ¶5. This further evidences Amazon's lack of good faith in advancing the district court proceeding.

LLC v. Audible, Inc., CA No. 2:25-cv-02198 (D.N.J. April 1, 2025)). While these motions were still pending, Amazon filed a Motion to Stay Discovery (which was denied) and a Motion to Supplement the protective order (which also was denied). EX2005, ECF Nos. 40, 47, 71, 91; EX2006, ECF Nos. 38, 45. Likewise, in the -185 proceeding, Petitioner also filed a Motion to Dismiss for ineligible subject matter under 35 U.S.C. § 101 and for improper venue. EX2022, ECF No. 25. The § 101 motion was denied, and the Audible parties were transferred to New Jersey. EX2022, ECF No. 65.

To make matters worse, Amazon presents inconsistent claim construction proceedings between the forums. Amazon did not acknowledge that fact to the Board, nor has it attempted to explain this inconsistency. As explained in more detail below, Amazon is clearly engaging in gamesmanship with its claim construction positions—extending the district court schedule by contending claim construction requires extensive expert testimony, while advocating for the plain and ordinary meaning at the Board. Petitioner’s gamesmanship and delay should not be rewarded. Discretionary denial of this IPR is necessary to discourage such gamesmanship.

III. THE BOARD SHOULD NOT WASTE ITS LIMITED RESOURCES INSTITUTE TRIAL IN THIS PROCEEDING BECAUSE MULTIPLE DISCRETIONARY CONSIDERATIONS FAVOR DENIAL.

In addition to considerations under the Board’s discretionary denial precedent (including *Fintiv*, discussed below in Section IV), Acting Director Stewart’s March 26, 2025 Memorandum titled “Interim Processes for PTAB Workload Management” (“the PTAB Workload Management Memo”) includes additional considerations for the Director’s exercise of discretion to institute trial. PTAB Workload Management Memo, 2-3. Many of these considerations are relevant here. The ’740 patent has been in force for over a decade and Petitioner was (or at least should have been) aware of the patent the entire time.

Further, Amazon—one of the world’s largest corporations—is clearly engaging in gamesmanship and dilatory litigation tactics to wear down Audio Pod and to prevent the inventors—the remaining of whom are now in their retirement years—from defending their patent rights and benefitting from their contributions to innovation. Compounding these issues, the Petition does not even meet the statutory and regulatory requirements of presenting the asserted grounds “with particularity.” Further, this proceeding may involve extensive and complex evidentiary issues better suited for the district court. The ’740 patent’s inventors should not be forced to waste their resources defending against a deficient petition at the PTAB while simultaneously engaging in parallel litigation in the district court.

A. The ’740 patent issued over 11 years ago, and Petitioner has been aware of Audio Pod’s patented technology since 2007.

Under the interim process, the Director can consider “[s]ettled expectations of the parties, such as the length of time the claims have been in force” when deciding whether to exercise discretion to deny institution. PTAB Workload Management Memo, 2. Here, the ’740 patent issued on May 27 2014—over 11 years ago. Despite knowing of the ’740 patent for over a decade, Petitioner did nothing, thereby creating an expectation between the parties regarding the patent’s validity. *See iRhythm Techs., Inc. v. Welch Allyn, Inc.*, IPR2025-00363, Paper 10 at 3 (P.T.A.B. June 6, 2025) (granting patent owner’s request for discretionary denial

due to settled expectations of the parties, stemming from petitioner’s awareness of the challenged patent(s) since at least 2013).

As explained above, Audio Pod met with Brilliance Audio (an audiobook publisher acquired by Amazon in May 2007) to demonstrate Audio Pod’s innovative technology in July 2007³—*nearly twenty years ago*. EX2001, ¶¶68-69; EX2002, ¶¶60-61. Rather than responding to Audio Pod’s repeated attempts to follow up after this meeting, Amazon incorporated the technology into its Kindle and Audible platforms. EX2001, ¶¶70, 73; EX2002, ¶¶62, 65. After this meeting, Amazon—a sophisticated technology company—should have been well aware of Audio Pod’s developing patent portfolio in this technology space.

In any event, Amazon was certainly aware of Audio Pod’s specific intellectual property, including the application leading to the ’740 patent, at least as early as December 2012, when Audio Pod’s CEO contacted Amazon’s Vice President of IP Acquisitions informing them of Audio Pod’s patents. EX2013; EX2015, ¶14; EX2001, ¶72; EX2002, ¶64. In this correspondence, Audio Pod’s

³ The ’740 patent’s parent, U.S. Patent No. 8,285,809 (“the ’809 patent”), was filed on December 12, 2006, EX1001, (63), prior to this meeting. The ’740 patent was filed on August 17, 2012, and is a continuation of the ’809 patent. EX1001, (22), (63).

CEO noted specific Amazon technologies having a “marked similarity” to Audio Pod’s intellectual property. EX2013. The attachment to the correspondence specifically identifies U.S. Patent No. 8,285,809 (the parent to the ’740 patent), as well as U.S. Patent Application No. 13/313,393 (which issued as U.S. Patent No. 9,319,720⁴) and U.S. Patent Application No. 13/588,084 (which issued as the ’740 patent). EX2013. Thus, Petitioner was on notice as early as December 2012 that Audio Pod considered Amazon’s products to be covered by Audio Pod’s intellectual property, including the application leading to the ’740 patent. *See* EX2014, ¶64 (Amazon admitting receipt of the correspondence from Audio Pod Inc.).

Had Petitioner objected to the issuance of the ’740 patent in May 2014, they could (and should) have raised challenges at the time—over a decade ago. 35 U.S.C. §§ 302 (permitting any person at any time to file a request for reexamination), 311 (permitting *inter partes* review challenges). Instead of acting promptly, Petitioner waited many years to challenge the ’740 patent, only raising a challenge after Audio Pod relied on the issued claims in its complaint for patent infringement—and even then less than two weeks before the one-year statutory bar

⁴ The ’720 patent also claims priority to the ’809 patent and is challenged in IPR2025-00777.

period expired. As in *iRhythm*, this extended delay in challenging the claims favors denying institution.

B. Amazon’s dilatory tactics and gamesmanship should not be rewarded.

Amazon has continued to engage in delay throughout the co-pending litigation—filing iterative fact-intensive motions that delay progress—all the while waiting until nearly the statutory deadline to file this IPR. *See* Section II.C. Amazon’s delay in challenging the ’740 patent is further exacerbated by its gamesmanship, particularly the inconsistent claim construction positions presented to the PTAB and district court.

In this IPR, filed on March 20, 2025, Petitioner asserted that “[n]o claim terms require construction.” Pet., 7-8. Just one month later, in the -406/-407 EDVA consolidated proceeding, the parties jointly submitted their claim construction positions—and unlike in the Petition which argues no construction is necessary,⁵ in

⁵ Across all of the IPRs filed against Audio Pod’s patents, Petitioner has not proposed construction for a single claim term. *See* IPR2025-00757 Pet., 12; IPR2025-00768 Pet., 6; IPR2025-00769 Pet., 6; IPR2025-00774 Pet., 5; IPR2025-00777 Pet., 5; IPR2025-01003 Pet., 4; IPR2025-01041 Pet., 6. In the district court proceedings on the other hand, Petitioner contends many terms require construction.

the district court, Petitioner proposed constructions for several claim terms and argued that others are indefinite.⁶ EX2007. In fact, the EDVA court set a longer time-to-trial schedule based on Amazon's representation that it would conduct extensive claim construction proceedings, including introducing expert testimony.⁷ EX2019; EX2010.

Claims must be interpreted the same for invalidity and infringement: "It is axiomatic that claims are construed the same way for both invalidity and infringement." *Amgen Inc. v. Hoechst Marion Roussel, Inc.*, 314 F.3d 1313, 1330

See, e.g., EX2007. Notably, some of these petitions were filed *after* Amazon's claim construction positions were submitted in the district court.

⁶ The parties have not yet submitted claim construction positions in the -185 EDVA proceeding. However, there is overlap between the claim terms of the '740 patent and the claim terms included in the joint claim construction chart for the -406/-407 EDVA consolidated proceeding, such as "descriptor file," "bookmark," "segment." *Compare* EX2007, *with* EX1001, 17:4-19:14 (the '740 claims).

⁷ The parties initially negotiated a schedule around an August 2025 *Markman* hearing and early 2026 trial. That schedule was pushed out when the Court could not schedule a *Markman* hearing until October 2025, and then a medical issue with Audio Pod's expert necessitated an additional extension to November 2025.

(Fed. Cir. 2003) (citing *W.L. Gore & Assoc., Inc. v. Garlock, Inc.*, 842 F.2d 1275, 1279 (Fed. Cir. 1988)). “A patent may not, like a ‘nose of wax,’ be twisted one way to avoid anticipation and another to find infringement.” *Amazon.com, Inc. v. Barnesandnoble.com, Inc.*, 239 F.3d 1343, 1351 (Fed. Cir. 2001) (citing, among others, *White v. Dunbar*, 119 U.S. 47, 51 (1886)). Yet, Amazon attempts to do just that—applying a broader plain and ordinary meaning construction in this and related IPRs, while simultaneously proposing narrower constructions for several terms in the district court. This is improper. *Cf. Cambridge Mobile Telematics, Inc. v. Sfara, Inc.*, IPR2024-00952, Paper 12 (P.T.A.B. Dec. 13, 2024) (informative) (denying institution where petitioner argued for a means-plus-function construction in district court and a plain and ordinary meaning construction in the petition, but failed to explain the difference in claim construction positions).

Petitioner’s approach is fundamentally unfair, and results in a certainty of inconsistent results between the Board and the district court. These strategies should not be rewarded. Rather, Office policy should encourage petitioners to maintain consistent positions across forums. Because Petitioner has not done so here, the Petition should be denied and the disputes resolved in the co-pending district court proceedings.

C. The Petition is not presented “with particularity,” as required by the statute, and therefore the Board should not waste its limited resources on this proceeding.

“It is of the utmost importance that petitioners in the IPR proceedings adhere to the requirement that the initial petition identify ‘with particularity’ the ‘evidence that supports the grounds for the challenge to each claim.’” *Intelligent Bio-Systems, Inc. v. Illumina Cambridge Ltd.*, 821 F.3d 1359, 1369 (Fed. Cir. 2016); 35 U.S.C. § 312(a)(3). Petitioner has not done so here, and the Board, thus, should not waste its limited resources instituting trial.

Most egregiously, Petitioner has not even attempted to make the required minimum showing *in the Petition* that certain asserted references—DTB (EX1003), Yoshimura (EX1006), and Bulterman (EX1012)—are prior art printed publications. One or more of these references is included in each of Petitioner’s asserted grounds. *See* Pet., 8. Board precedent requires that a petitioner establish a reasonable likelihood *in the petition* that a reference is a printed publication. *Hulu, LLC v. Sound View Innovations, LLC*, IPR2018-01039, Paper 29 at 13 (P.T.A.B. Dec. 20, 2019) (precedential). Petitioner has not met that burden here. Petitioner provides *no* discussion supporting the alleged publication dates of these references, Pet., 8, nor does Petitioner “discuss in the Petition *any* evidence supporting the implicit position that the[se] [references] w[ere] *publicly accessible* prior to the critical date of the claimed invention.” *BabyBjörn AB v. The ERGO Baby Carrier*,

Inc., IPR2025-00110, Paper 20 at 14 (P.T.A.B. Apr. 22, 2025) (emphasis original).

The *only* evidence cited by Petitioner in support of the publication dates is a bare citation in the parenthetical following the list of references of “EX-1097 ¶¶49-71.” Pet., 8. Paragraphs 49-71 of Exhibit 1097, however, encompass 15-pages of a declaration from Sylvia D. Hall-Ellis, Ph.D. Not only does citing to such a large portion of the declaration with no accompanying explanation fall short of the requirement that “the petition identifies [the supporting evidence], in writing and *with particularity*,” 35 U.S.C. § 312(a)(3) (emphasis added), it also runs afoul of Rule 42.6(a)(3), which provides that “[a]rguments must not be incorporated by reference from one document into another document.” Petitioner simply has not met its burden under *Hulu* to show a reasonable likelihood that these references are prior art printed publications.

Further still, as will be explained in the POPR, Petitioner fails to properly address the *Graham* factors in its analysis.⁸ *See Graham v. John Deere Co. of Kansas City*, 383 U.S. 1, 17–18 (1966)). Compounding this issue, Petitioner’s declarant Dr. Mayer-Patel does not provide any testimony beyond a copy-paste

⁸ Patent Owner asks the Director to consider the full merits briefing presented in the POPR, which evinces the significant deficiencies of the Petition in this regard. *See* EX2008, FAQs 8, 12, 25.

verbatim regurgitation of the attorney arguments presented in the Petition. *See* EX2009 (redline comparison of Petition and declaration). Where a declaration “merely repeats, *verbatim*, the conclusory assertion[s] for which it is offered to support” and “does not cite to any additional supporting evidence or provide any technical reasoning to support [the] statement,” the testimony is entitled to little or no weight. *Xerox Corp. v. Bytemark, Inc.*, IPR2022-00624, Paper 9 at 15 (P.T.A.B. Aug. 24, 2022) (precedential); *see also* 37 C.F.R. § 42.65(a) (“Expert testimony that does not disclose the underlying facts or data on which the opinion is based is entitled to little or no weight.”); *Tableau Software, LLC v. iCHARTS LLC*, IPR2024-01388, Paper 8 at 44-45 (P.T.A.B. May 14, 2025) (denying institution; giving “little weight” to an expert’s “conclusory statements” that “do[] not state the basis for [the] testimony”); *Solus Advanced Materials Co., Ltd. v. SK nexilis Co., Ltd.*, IPR2024-01461, Paper 14 at 17-18, 19-20 (P.T.A.B. Apr. 23, 2025) (same). Dr. Mayer-Patel does not provide additional technical reasoning to support many of the substantive statements. Additionally, as set forth in the USPTO guidance about the PTAB Workload Management Memo, “[t]he failure to provide focused expert testimony may weigh against institution.” EX2008, FAQ 21.

Given the lack of particularity in Petitioner’s asserted grounds—on fundamental factual issues underlying the asserted grounds and in the legal

analysis of obviousness—in addition to the copy-and-paste declaration, the Board should not waste resources instituting trial here.

D. There are extensive and complex evidentiary issues in this IPR as well as in the related IPRs that are better suited for District Court, and efficiency dictates all patents should be adjudicated in the same forum.

Across the eight Petitions challenging Audio Pod’s patents, this Petition and at least two other Petitions—IPR2025-00769 and IPR2025-00774—include one or more asserted grounds in which Amazon relies on one or more references that were published less than one year before the earliest priority date of the respective challenged patents, i.e., December 13, 2005, and would only be available as prior art under pre-AIA §§ 102(a) or (e). Thus, under the pre-AIA provisions applicable to those patents, Audio Pod is entitled to submit evidence to show an earlier invention date and antedate these references. *See* 37 C.F.R. § 1.131.

Antedating a reference requires substantial consideration of factual evidence and determination of credibility issues that are not the best use of PTAB resources here. The PTAB is generally not the best forum to resolve credibility issues given that live testimony is discouraged and its use has been almost non-existent since the inception of AIA trials. *See* Patent Trial and Appeal Board Consolidated Trial Practice Guide, 32 (Nov. 2019) (“Live testimony will be necessary only in limited circumstances and requests for live testimony will be approached by the Board on a case-by-case basis.”). The district court would be better positioned to adjudicate

these issues. Further, it would introduce unnecessary inefficiencies to split adjudication of the parties' dispute across multiple forums. Given that the district court is better suited to resolve these antedating issues, efficiency dictates the district court should resolve the parties' dispute in its entirety, including all disputes related to the '740 patent.

E. Patent Owner's size and the age of the inventors counsel for allowing this dispute to proceed in the district court.

Audio Pod is a small company, founded by the inventors of the '740 patent. EX2015, ¶¶3-4, 7. One of the inventors is now deceased. EX2015, ¶18. The remaining inventors and owners of the '740 patent (and the related patents involved in the co-pending litigations) are also in their retirement years. EX2015, ¶18. They face health issues that may impact their ability to meaningfully participate in defending their patent rights in the future. EX2015, ¶18. These individual inventors deserve to have their day in court. Each further delay by Amazon denies them this opportunity.

* * *

The totality of the above circumstances strongly weigh in favor of discretionary denial here. This is only further supported by the status of the co-pending litigation and the *Fintiv* factors, discussed below.

IV. THE TOTALITY OF THE *FINTIV* FACTORS HERE STRONGLY FAVORS DISCRETIONARY DENIAL.

When the patent owner raises an argument for discretionary denial due to an earlier trial date in a co-pending litigation, the Board weighs the following factors:

1. whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted;
2. proximity of the court's trial date to the Board's projected statutory deadline for a final written decision;
3. investment in the parallel proceeding by the court and the parties;
4. overlap between issues raised in the petition and in the parallel proceeding;
5. whether the petitioner and the defendant in the parallel proceeding are the same party; and
6. other circumstances that impact the Board's exercise of discretion, including the merits.

Apple Inc. v. Fintiv, Inc., IPR2020-00019, Paper 11 at 5-6 (P.T.A.B. Mar. 20, 2020) (precedential) ("*Fintiv*").

Petitioner challenges seven patents across eight petitions. *See* Paper 7 (PO's updated mandatory notices). Each of these seven patents stems from the same PCT application (PCT/CA2006/002046, filed December 12, 2006) and claims priority to the same provisional application (U.S. Appl. No. 60/749,632, filed December 13,

2025). *See* EX1001, (60), (63). And each of the seven patents is asserted in one or both of the -185 EDVA proceeding and the -406/-407 EDVA consolidated proceeding. *See* EX2001; EX2002; EX2021. The '740 patent is involved only in the -185 EDVA proceeding. There is, however, significant overlap in the patents involved in the -185 EDVA proceeding and those involved in the -406/-407 EDVA consolidated proceeding. *See* EX2001, 1 (asserting, *inter alia*, U.S. Patents 9,319,720; 9,954,922; and 10,091,266); EX2002, 1 (same). Thus, when considering overall judicial efficiency, the Board also should consider the -406/-407 EDVA consolidated proceeding in determining whether to exercise discretion here. *See General Plastic Indus. Co., Ltd. v. Canon Kabushiki Kaisha*, IPR2016-01357, Paper 19 at 16-17 (P.T.A.B. Sept. 6, 2017) (precedential) (“[A]n objective of the AIA is to provide an effective and efficient alternative to district court litigation.”); *NHK Spring Co. Ltd. v. Intri-Plex Techs., Inc.*, IPR2018-00752, Paper 8 at 20 (P.T.A.B. Sept. 12, 2018) (precedential) (citing *General Plastic* in exercising discretion based on advanced state of district court proceeding).

The *Fintiv* factors, when considered as a whole and in combination with consideration of overall judicial efficiencies, strongly support *denying* institution here in view of the -185 EDVA proceeding, as well as the -406/-407 EDVA consolidated proceeding. *See HP Inc. v. Universal Connectivity Techs., Inc.*, IPR2024-01428, Paper 12 at 5-6 (P.T.A.B. Apr. 8, 2025) (denying institution;

considering only the earliest trial date of multiple parallel proceedings). Factor 1 is neutral; factors 2, 3, 5, and 6 all weigh in favor of denial—factors 2 and 3 strongly so; and Petitioner’s stipulation under factor 4 does not outweigh the other factors.

A. Factor 1 is neutral because Petitioner has not moved for a stay, and the Board should not speculate on how the court might rule should a stay be requested.

Under the first factor, if the district court stays the case or provides guidance that it will stay the case and await the Board’s final resolution of the patentability issues, this fact usually weighs against exercising authority to deny institution.

Fintiv, Paper 11 at 7. Here, no motion to stay pending this IPR has been filed in any of the parallel proceedings. Even if Amazon were to move for a stay, at this point the motion likely would not be decided prior to the institution deadline. In any event, the Board should not speculate with respect to how the court would rule on a stay. *See Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 15 at 12 (P.T.A.B. May 13, 2020) (informative) (holding the Board should “decline to infer ... how the District Court would rule should a stay be requested by the parties.”); *see also Fusion Orthopedics, LLC v. Extremity Medical, LLC*, IPR2023-00894, Paper 15 at 28-29 (P.T.A.B. Nov. 17, 2023) (“[W]e decline to speculate whether the pending motion to stay might be successful.”). Thus, factor 1 is neutral.

B. Factor 2 strongly favors denial because the Eastern District of Virginia is highly likely to assess patentability of the '740 patent, as well as other patents in the same family as the '740 patent, before the FWD deadline.

“If the court’s trial date is earlier than the projected statutory deadline, the Board generally has weighed this fact in favor of exercising authority to deny institution.” *Fintiv*, Paper 11 at 9. The Board’s projected statutory deadline for issuing a FWD in this IPR is October 16, 2026.

Trial has yet to be scheduled in either the -185 EDVA proceeding or the -406/-407 EDVA consolidated proceeding. However, the delay in setting a schedule is due, at least in large part, to Petitioner’s dilatory tactics in the district court, discussed above in Sections II.C, III.B. In any event, median time-to-trial statistics are also relevant in assessing the proximity of the district court’s trial date to the FWD deadline. *See* Guidance on USPTO’s rescission of “Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation” (March 24, 2025) (“*Fintiv* Guidance”), 3. Here, the median time-to-trial statistics show that the Eastern District of Virginia is *highly likely* to assess the patentability of the '740 patent and other related patents before the October 16, 2026 projected FWD deadline.

In particular, in the EDVA, the median time-to-trial from filing is 11.9 months. EX2004, 25. Absent Petitioner’s delay, trial in the -185 EDVA proceeding would have been expected to *already occur* in March 2025, and trial in

the -406/-407 EDVA consolidated proceeding would have also been expected to *already occur*—in late March or early April 2025. Petitioner’s answer to the complaint was recently filed in the -185 EDVA proceeding, on May 14, 2025. EX2022, ECF No. 68. Even calculating a projected trial date from the date of the answer, the projected trial date is early May 2026. This is *over five months before* the projected FWD deadline. And, in the -406/-407 EDVA consolidated proceeding, Petitioner’s answer was filed on March 7, 2025. EX2005, ECF Nos. 75, 76. This puts the projected trial date in early March 2026, which is *over seven months before* the projected FWD deadline.

Thus, factor two weighs strongly in favor of denying institution. *See Arm Ltd. v. Daedalus Prime LLC*, IPR2025-00207, Paper 10 (P.T.A.B. May 16, 2025) (denying institution where trial was expected 5 months before FWD); *HP Inc.*, IPR2024-01428, Paper 12 at 5-6 (denying institution; considering only the earliest trial date of multiple parallel proceedings).

C. Factor 3 strongly favors denial because Petitioner filed the Petition on nearly the last possible day, causing the Board and parties to have expended significant effort in the district court.

Under the third *Fintiv* factor, “[t]he Board also has considered the amount and type of work already completed in the parallel litigation by the court and the parties *at the time of the institution decision*.” *Fintiv*, Paper 11 at 9 (emphasis added). The deadline for issuing a Decision on Institution (DI) in this IPR is not

until October 16, 2025. Under *Fintiv* factor 3, the Board also considers whether the petitioner could have filed the petition more expeditiously to avoid unnecessary investment by the parties and the court. *Fintiv*, Paper 11 at 11. “[I]f the petitioner cannot explain the delay in filing its petition, these facts have favored denial.” *Fintiv*, Paper 11 at 11-12; *Next Caller Inc. v. TRUSTID, Inc.*, IPR2019-00961, Paper 10 at 16 (P.T.A.B. Oct. 16, 2019) (weighing the petitioner’s unexplained delay in filing the petition in favor of denial and noting that had the petitioner filed the petition earlier, the PTAB proceeding may have resolved the issues before the district court). Here, both considerations under the third factor counsel for denial.

To start, Petitioner waited until nearly the last day to file its Petition. Petitioner was first served with a complaint in the -185 EDVA proceeding on April 2, 2024. EX2020, 1. The Petition was filed on March 20, 2025, less than two weeks before the statutory bar date. *See* Paper 5. This lack of diligence is exacerbated by the fact that Petitioner has been aware of Patent Owner’s technology for *years*, at least since December 2012 when Patent Owner contacted Amazon about licensing Patent Owner’s intellectual property. EX2001, ¶72; EX2002, ¶64; *supra* Sections II.A-B, III.A. Petitioner’s delay makes factor 3 weigh even more in favor of denying institution. *Next Caller*, IPR2019-00961, Paper 10 at 16.

And, due to Petitioner's lack of diligence in filing the Petition, there has already been continued and extensive substantive investment in the fast-moving district court actions—the court has considered and rejected a § 101 challenge in both EDVA proceedings, and in the -406/-407 EDVA consolidated proceeding claim construction and discovery are well underway, and multiple depositions have already taken place—which will continue to the institution deadline.

Work Performed to Date in -185 EDVA proceeding:

- March 20, 2024: Audio Pod filed complaint against Amazon and Audible defendants. EX2022, ECF No. 1.
- March 28, 2024: Audio Pod filed amended complaint against Amazon and Audible defendants. EX2022, ECF No. 13.
- May 31, 2024: Amazon filed Motion to Dismiss for ineligible subject matter under 35 U.S.C. § 101 and for improper venue. EX2022, ECF No. 25.
- June 17, 2024: Audio Pod filed Opposition to Motion to Dismiss. EX2022, ECF No. 41.
- June 24, 2024: Amazon filed Reply supporting Motion to Dismiss. EX2022, ECF No. 44.
- March 31, 2025: Court denied Amazon's Motion to Dismiss on *Alice* grounds but granted dismissal of Audible parties on venue grounds⁹. EX2022, ECF No. 65.

⁹ Audible parties were transferred to the District of New Jersey. *Audio Pod IP, LLC v. Audible, Inc.*, CA No. 2:25-cv-02198 (D.N.J. April 1, 2025).

- May 14, 2025: Answer filed. EX2022, ECF No. 68.

Work Performed to Date in -406/-407 EDVA consolidated proceeding:

- May 30, 2024: Audio Pod filed complaint in both cases, against Amazon and Audible defendants. EX2005, ECF No. 1; EX2006, ECF No. 1.
- August 26, 2024: Amazon filed Motion to Dismiss for ineligible subject matter under 35 U.S.C. § 101 and for improper venue. EX2005, ECF No. 17; EX2006, ECF No. 16.
- August 27, 2024: Court entered initial scheduling order. EX2005, ECF No. 20; EX2006, ECF No. 18.
- September 9, 2024: Audio Pod filed Opposition to Motion to Dismiss. EX2005, ECF No. 21; EX2006, ECF No. 19.
- September 16, 2024: Amazon filed Reply supporting Motion to Dismiss. EX2005, ECF No. 23; EX2006, ECF No. 21.
- November 22, 2024: Amazon filed Motion to Stay Discovery. EX2005, ECF No. 40; EX2006, ECF No. 38.
- November 26, 2024: Court entered amended initial scheduling order. EX2005, ECF No. 41; EX2006, ECF No. 39.
- November 29, 2024: Audio Pod served three deposition notices, first set of requests for the production of documents (RFPs), and first set of interrogatories. EX2018, ¶6.
- December 12, 2024: Court denied Amazon's Motion to Stay Discovery. EX2005, ECF No. 47; EX2006, ECF No. 45.
- December 13, 2024: Defendants served first sets of interrogatories and RFPs. EX2018, ¶7.
- December 20, 2024: Audio Pod served three additional deposition notices. EX2018, ¶8.

- December 30, 2024: Amazon provides extensive list of prior art in response to interrogatories.¹⁰ EX2018, ¶9.
- January 13, 2025: Audio Pod served *full, detailed preliminary infringement contentions* (in response to interrogatories). EX2018, ¶10.
- January 15, 2025: Court held initial scheduling conference, and consolidated -406 and -407 cases with -406 as the lead case. EX2005, ECF No. 51; EX2006, ECF No. 49.
- January 30, 2025: Court entered initial scheduling order, setting dates for expert discovery and briefing related to claim construction; *Markman* hearing originally set for October 8, 2025. EX2010, 2.
- February 4, 2025: Audio Pod deposed Bruce Li, Director for Amazon Prime Video. EX2018, ¶12.
- February 14, 2025: Audio Pod served another deposition notice. EX2018, ¶13.
- February 21, 2025: Amazon filed a motion to supplement the protective order with a broad prosecution and acquisition bar and extra export control provisions. EX2005, ECF No. 71.
- February 22, 2025: Audio Pod deposed Matthew Baldwin, Principal Engineer for Amazon CloudFront. EX2018, ¶14.

¹⁰ Amazon has declined to provide invalidity contentions despite being requested in interrogatories served on November 29, 2024. EX2018, ¶11.

- March 3, 2025: Court denied Amazon’s motion to dismiss on *Alice* grounds but granted dismissal of Audible parties on venue grounds¹¹. EX2005, ECF Nos. 73, 74.
- March 7, 2025: Answers filed. EX2005, ECF Nos. 75, 76.
- March 7, 2025: Audio Pod filed Opposition to motion to supplement the protective order. EX2005, ECF No. 77.
- March 13, 2025: Amazon filed Reply to motion to supplement the protective order. EX2005, ECF No. 78.
- March 17, 2025: Audio Pod filed motion to compel asserting that Amazon “refused to answer about 86% [] of Audio Pod’s interrogatories” and had “not produced a single non-confidential document.” EX2005, ECF No. 79; EX2011, 1-2.
- March 24, 2025: Audio Pod takes the deposition of Jeffrey Mroczkowski, Senior Manager Software Development at Amazon. EX2018, ¶15.
- March 31, 2025: Amazon filed opposition to motion to compel. EX2005, ECF No. 84.
- April 7, 2025: Audio Pod filed response supporting motion to compel. EX2005, ECF No. 86.
- April 30, 2025: Joint submission of claim construction chart, and Amazon served expert claim construction declaration. EX2005, ECF No. 89; EX2007; EX2018, ¶16.
- May 9, 2025: Amazon served first set of RFAs (all addressing pure legal questions related to claim construction) and second set of RFAs, second set of interrogatories. EX2018, ¶17.

¹¹ Audible parties were transferred to the District of New Jersey. *Audio Pod IP, LLC v. Audible, Inc.*, CA No. 2:25-cv-02198 (D.N.J. April 1, 2025).

- May 16, 2025: Audio Pod served first set of requests for admission (RFAs), second set of interrogatories, and second set of RFPs. EX2018, ¶18.
- May 19, 2025: Parties filed a joint motion to modify claim construction schedule based upon a health issue with one of Audio Pod's experts. EX2005, ECF No. 90.
- May 21, 2025: Court denied Amazon's motion to modify the protective order. EX2005, ECF No. 91.
- May 22, 2025: Court granted the motion to modify schedule and moved *Markman* hearing to November 12, 2025. EX2005, ECF No. 92.
- June 13, 2025: Audio Pod served a Notice of Subpoena on Defendants for third party discovery in the consolidated case on June 13, 2025. The subpoena will be served shortly. EX2018, ¶19.

Additional Work To Be Completed Before The Institution Decision:

- June 18, 2025: Audio Pod to serve rebuttal expert claim construction declarations. EX2012, 1.
- July 3, 2025: Amazon to serve reply expert claim construction declarations. EX2012, 1.
- July 11, 2025: Deadline for expert claim construction depositions. EX2012, 1.
- July 18, 2025: Settlement conference with the court. *See* EX2005, ECF No. 88.
- July 31, 2025: Opening claim construction briefs are due. EX2012, 1.
- August 28, 2024: Responsive claim construction briefs are due. EX2012, 1.

Further, all parties have collected, produced, and reviewed source code—a process that is ongoing. Audio Pod has reviewed Petitioner's source code for

several weeks. Petitioner has reviewed Audio Pod's source code for several days.

EX2018, ¶20.

As shown, extensive work has already been done, and continues to be done, by the parties and the court.

Further, the Board often considers whether the district court has issued a *Markman* order in determining whether this factor favors denial. Here, the *Markman* hearing in the -406/-407 EDVA consolidated proceeding is scheduled for November 12, 2025, only shortly after the institution deadline.¹² EX2012, 2. However, it was Petitioner's strategic delay tactics, as well as an unavoidable health issue of Audio Pod's expert, that caused the *Markman* hearing to be pushed past the institution deadline. In these circumstances, the fact that the *Markman* hearing will not have been completed until just after the institution deadline should not be held against Patent Owner. The significant investment here favors denial regardless. *HP Inc.*, IPR2024-01428, Paper 12 at 6-7 (denying institution; factor 3 neutral where in one parallel proceeding *Markman* hearing was soon and in other proceedings "no significant activity of note").

¹² And as discussed above, there is overlap between the claim terms of the '740 patent and those to be construed in the -406/-407 EDVA consolidated proceeding.

Because the parties and the court will have expended significant resources in both the -185 EDVA proceeding and the -406/-407 EDVA consolidated proceeding by the October 16, 2025 institution deadline and because Petitioner was not diligent in filing the Petition, factor three weighs strongly in favor of denying institution.

D. Petitioner’s *Sotera* stipulation under Factor 4 is not dispositive, and does not outweigh the other factors that strongly favor denial.

Fintiv factor four looks at the overlap between the issues raised in the IPR petition and in the parallel proceeding in order to evaluate concerns of inefficiency and the possibility of conflicting decisions. *Fintiv*, Paper 11 at 12. “[I]f the petition includes the same or substantially the same claims, grounds, arguments, and evidence as presented in the parallel proceeding, this fact has favored denial.” *Fintiv*, Paper 11 at 12. “Conversely, if the petition includes materially different grounds, arguments, and/or evidence than those presented in the district court, this fact has tended to weigh against exercising discretion to deny institution” *Id.*, 12-13.

In view of Petitioner’s *Sotera* stipulation, factor 4 institution, but only slightly. The Office’s June 21, 2022 *Fintiv* Memo has been rescinded, and a *Sotera* stipulation is no longer itself dispositive but must be considered as part of the holistic analysis under *Fintiv*. See *Fintiv* Guidance at 2-3. Where, as here, the other *Fintiv* factors favor denial, Petitioner’s *Sotera* stipulation does not outweigh these

other factors. *See, e.g., Cisco Sys., Inc. v. Estech Sys., Inc.*, IPR2021-00333, Paper 12 at 12-13 (P.T.A.B. July 7, 2021) (denying institution even with *Sotera* stipulation; distinguishing *Sotera*, noting that in *Sotera* the trial date factor was neutral and the investment factor weighed against denial).

In fact, here “Petitioner’s stipulation does not ensure that th[is] IPR proceeding[] would be a ‘true alternative’ to the district court proceeding.” *Motorola Solutions, Inc. v. Stellar, LLC*, IPR2024-01205, Paper 19 at 3-4 (P.T.A.B. Mar. 28, 2025) (on Director review; vacating panel’s institution decision and denying under *Fintiv*). Petitioner has not yet provided invalidity contentions, and nothing about Petitioner’s stipulation prevents them from raising combinations of the asserted art with other system art, “which Petitioner’s stipulation is not likely to moot.” *Id.*

E. Factor 5 favors denial because the parties in the IPR and the parallel litigations are the same.

Fintiv factor five weighs in favor of denying institution because the parties in the parallel litigation are the same. *Fintiv*, Paper 15 at 15 (“Because the petitioner and the defendant in the parallel proceeding are the same party, this factor weighs in favor of discretionary denial.”); *see Fintiv*, Paper 11 at 13-14; *see also Ericsson Inc. v. Active Wireless Techs. LLC*, IPR2024-00886, Paper 8 at 13-14 (P.T.A.B. Nov. 12, 2024) (factor five weighs in favor of denial where the district court is likely to precede the FWD); *HP Inc*, IPR2024-01428, Paper 12 at 9-10

(denying institution; factor 5 weighs in favor of denial where all petitioner parties are involved in the parallel district court litigations); *Lenovo (United States) Inc. v. Univ. Connectivity Techs., Inc.*, IPR2024-01481, Paper 19 at 14 (P.T.A.B. Apr. 17, 2025) (denying institution; treating affiliate and its parent as the same entities for purposes of discretionary denial analysis).

F. Factor 6 favors denial because the Petition fails to demonstrate that one or more of the claims are unpatentable.

Factor six weighs in favor of denying institution because the merits of the Petition are weak. In addition to the printed publication issue discussed herein in Section III.C, and as will be explained in the POPR¹³, the Petition fails to establish that the challenged claims would have been obvious over the various combinations of references in Grounds 1A-1B or 2A-2B. Therefore, factor six favors denying institution. *Fintiv*, Paper 11 at 15.

V. CONCLUSION

For the foregoing reasons, the Director should exercise discretion and decline to institute *inter partes* review of the '740 patent.

¹³ Patent Owner asks the Director to consider the full merits briefing presented in the POPR when considering *Fintiv* factor 6. *See* EX2008, FAQs 12, 25.

Respectfully submitted,

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CERTIFICATE OF WORD COUNT (37 C.F.R. § 42.24(d))

1. This Patent Owner's Brief on Discretionary Denial complies with the type-volume limitation of 14,000 words, comprising 8,152 words, excluding the parts exempted by 37 C.F.R. § 42.24(a)(1).

2. This Patent Owner's Brief on Discretionary Denial complies with the general format requirements of 37 C.F.R. § 42.6(a) and has been prepared using Microsoft® Word 2016 in 14-point Times New Roman font.

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CERTIFICATE OF SERVICE (37 C.F.R. § 42.6(e))

I certify that the above-captioned **PATENT OWNER'S BRIEF ON
DISCRETIONARY DENIAL** and associated Exhibits 2001-2022 were served in
their entireties on June 16, 2025, upon the following parties via electronic mail:

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