UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

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

v.

SOUNDCLEAR TECHNOLOGIES LLC,
Patent Owner

Case IPR2025-01096
U.S. Patent No. 9,031,259

PATENT OWNER'S REPLY BRIEF ON DISCRETIONARY DENIAL

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"The Director is permitted, but never compelled, to institute an IPR. And no petitioner has a right to such institution." *Mylan Lab'ys Ltd. v. Janssen Pharm., N.V.*, 989 F.3d 1375, 1382 (Fed. Cir. 2021); *see also* 35 U.S.C. § 314; *Cuozzo Speed Techs. v. Lee*, 579 U.S. 261, 273 (2016). Contrary to Amazon's contentions otherwise, there are no Administrative Procedure Act (APA) or due process concerns implicated here by considering "settled expectations" in making a discretionary denial decision as set out in the Acting Director's Interim Processes for PTAB Workload Management ("Stewart Memo"). The Stewart Memo's instructions were directed to a holistic assessment and provided under the Director's statutory authority "for providing policy direction … for the Office." 35 U.S.C. § 3(a)(2)(A). Amazon had notice of the Stewart Memo and undeniably had an opportunity to brief its arguments. That included "settled expectations" as one part. Amazon's unitary focus on that one factor in connection with constitutional arguments is wrong and misplaced. Further, the Acting Director recently confirmed that taking different claim construction positions, as Amazon contends, can favor discretionary denial. As previously explained, a holistic assessment of *all* discretionary considerations supports denial here.

I. THERE IS NO APA VIOLATION

Amazon presents several arguments for its assertion that "apply[ing] the settled expectations analysis here … would violate the APA." Opp., 41. Amazon

"had notice of the [Director's holistic analysis] and the opportunity to be heard," so there is no APA violation. *TQ Delta, LLC v. DISH Network LLC*, 929 F.3d 1350, 1356 (Fed. Cir. 2019). Focusing solely on "settled expectations" is irrelevant. And its inclusion as part of a holistic analysis is not an APA violation.

First, Amazon incorrectly contends that the Decision conflicts with the Federal Circuit's determination in *Celgene Corp. v. Peter*, 931 F.3d 1342 (Fed. Cir. 2019*).* Opp., 41. Celgene did not create *any* rights. It denied the existence of one. And it addressed the effective date of a statute, not the age of patents. The Federal Circuit determined only that a patent owner of a patent having an effective date before the AIA went into effect did not have an expectation that its patent would be protected from IPR challenges. *Celgene*, 931 F.3d at 1361-63. *Celgene* did *not* create any right, interest or expectation that has any relevance here.

Second, there is no "presumptive[] bar[]" (Opp., 42) to challenging patents more than six years old. To the contrary, in *Dabico Airport Sols. Inc. v. AXA Power ApS*, the Acting Director explicitly stated that "there *is no bright-line rule* on when expectations become settled." IPR2025-00408, Paper 21 at 3 (P.T.A.B. June 18, 2025) (emphasis added). The Board has never identified any bar or binding norm; nor can Amazon cite to one. Thus, Amazon's statements about discretionary denial rulings in the aggregate, without addressing the many factors that went into each individual decision, is conclusory and speculative.

Third, considering "settled expectations" as one part of a discretionary denial determination was not arbitrary and capricious. According to Amazon, the "new settled-expectations standard relies on a six-year upper limit for the age of challenged patents." Opp., 43. As just explained, this is not accurate—there is no such "upper limit" on the age of challenged patents beyond which they are immunized from IPR. Rather, the age of a patent may be considered as part of a holistic assessment. Amazon also contends the agency has "'changed existing policy' without displaying 'awareness that it [was] changing position' or offering 'good reasons for the new policy,' including considering 'serious reliance interests' related to its prior policy." *Id.* (internal citations omitted). But the issuance of the Stewart Memo itself evinces the Acting Director's awareness that the implementation was a change in position and it provides reasons for the change. *See* Stewart Memo, 3. And, again, Amazon has no right to institution of an IPR. Thus there is no "serious reliance interest" here.

Fourth, Amazon's argument regarding notice-and-comment rulemaking also fails. The Stewart Memo explained the reasoning behind its policy change. Stewart Memo, 1. The memo expressly stated that "[s]ettled expectations of the parties" was to be a consideration in a holistic approach. *Id*. 2. The Supreme Court has stated that § 553(b)(A) of the APA "exempts 'general statements of policy,' which [the Court has] previously described as 'statements issued by an agency to advise

the public prospectively of the manner in which the agency proposes to exercise a discretionary power.'" *Lincoln v. Vigil*, 508 U.S. 182, 197 (1993). The Stewart Memo advised the public on how the Acting Director proposed to exercise a discretionary power (granted pursuant to statutory authority). *Contra* Opp., 44-45. Amazon simply disagrees with the weight the Director gave to one factor in one instance.

II. THERE ARE NO DUE PROCESS CONCERNS

Amazon never had a right to institution of an IPR to begin with. It was always subject to discretion. Amazon thus never had a legitimate claim to entitlement of institution of an IPR. Moreover, Amazon can point to no policy of allowing patents to be challenged based solely on their age. Amazon's due process arguments thus fail—before reaching any recent actions—under the threshold inquiry of "whether the plaintiff has been deprived of a protected interest in 'property' or 'liberty.'" *American Mfrs. Mut. Ins. Co. v. Sullivan*, 526 U.S. 40, 59 (1999); *see also Town of Castle Rock v. Gonzales*, 545 U.S. 748, 756 (2005) ("[A] benefit is not a protected entitlement if government officials may grant or deny it in their discretion."). In terms of *application* of the discretionary denial standard, Amazon had an opportunity to address it (including "settled expectations") in its briefs. *See Alberico v. United States*, 783 F.2d 1024, 1027 (Fed. Cir. 1986) ("Once a property interest is shown, all due process requires is notice and an opportunity to

be heard.”).

III. AMAZON’S INCONSISTENT CLAIM CONSTRUCTION POSITIONS FAVOR DENIAL

Amazon improperly attempts to take the position that “no claim construction is necessary [in this IPR], while at the same time acknowledging that claim construction may be necessary in the district court to resolve infringement questions.” *See* Opp., 23-24. The Acting Director recently confirmed, in a decision issued after SoundClear’s discretionary denial brief, that “tak[ing] different claim construction positions in [the IPR] and the parallel district court proceeding,” can favor discretionary denial. *Sun Pharma. v. Nivagen Pharma.*, IPR2025-00893, Paper 18 at 2 (P.T.A.B. Sept. 19, 2025). There, as here, the petitioner did not explain *why*, *in this case*, Amazon may need to advance a narrow construction in district court and a broader construction in its Petition. *Id.* at 2-3.

IV. THE *GENERAL PLASTIC* FACTORS FAVOR DENIAL

Amazon’s assertion that it and Google have no significant relationship (Opp., 17-19) defies the facts. Amazon asserts that SoundClear’s argument that Google and Amazon have a significant relationship for has been rejected “many times” by the Board and Director. Opp., 18. Yet Amazon cites only two cases in support. *Id.* And neither of those two cases involved the type of proactive and voluntary litigation tactics Amazon and Google deployed; they confirm the existence of a significant relationship here. *See* DD Br., 14-16. Google also

recently moved to join Amazon as a co-petitioner in a IPR2025-00565 against a different SoundClear patent, further demonstrating a significant relationship for litigation purposes. *See Google LLC v. SoundClear Techs. LLC*, IPR2025-01597, Paper 3 (PTAB Sept. 29, 2025).

Amazon's arguments that the remaining *General Plastic* factors do not favor denial because there are no "'road-mapping' concerns" (Opp., 19-20) also fail. The cases Amazon cites are inapposite. In *Code200, UAB v. Bright Data Ltd.,* the Director reiterated that road-mapping concerns relevant to the *General Plastic* analysis include the risk of petitioners having "the opportunity to strategically stage their prior art and arguments in multiple petitions." IPR2022-00861, Paper 18 at 5 (P.T.A.B. Aug. 23, 2022) (quoting *General Plastic* at 17). That is the exact scenario at issue here. Amazon waited until the last possible moment to file its Petition—nearly four months after Google's petition—despite having known about some of the cited prior art several years beforehand. DD Br., 16-19.

V. CONCLUSION

Under the holistic assessment of all discretionary considerations, including SoundClear's settled expectations and the prior denial of Google's IPR petition against the '259 Patent, discretionary denial is appropriate here.

Dated: October 2, 2025

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CERTIFICATE OF COMPLIANCE

Pursuant to 37 C.F.R. § 42.24(d) and the Interim Director Discretionary Process § II.C.iii, the undersigned certifies that this Reply Brief on Discretionary Denial complies with the type-volume limitations of those sections because it contains 1,374 words and no more than 6 pages, as determined by the word-processing program used to prepare the brief, excluding the parts of the brief exempted by 37 C.F.R. § 42.24(a)(1).

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that the foregoing PATENT OWNER'S REPLY BRIEF ON DISCRETIONARY DENIAL OF INSTITUTION OF PETITION FOR *INTER PARTES* REVIEW OF UNITED STATES PATENT NO. 9,031,259 was served electronically via email on October 2, 2025, on the following counsel of record for Petitioner:

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