IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
NORFOLK DIVISION

SOUNDCLEAR TECHNOLOGIES LLC, Plaintiff, v. AMAZON.COM, INC.; AMAZON.COM LLC; and AMAZON WEB SERVICES, INC., Defendants.	Case No. 2:24-cv-00320-AWA-LRL **JURY TRIAL DEMANDED**

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

TABLE OF CONTENTS

INTRODUCTION ---------- 1

BACKGROUND ---------- 2

A. Procedural History of *SoundClear v. Amazon* ---------- 2

B. Procedural History of *SoundClear v. Google* ---------- 3

C. IPR Proceedings ---------- 3

LEGAL STANDARD ---------- 4

ARGUMENT ---------- 6

I. The Case Is in Its Early Stages ---------- 6

II. A Stay Will Simplify the Case ---------- 8

A. The Google IPRs May Moot This Case Entirely ---------- 8

B. A Stay Will Necessarily Narrow the Issues ---------- 9

C. A Stay Is Warranted Before Institution ---------- 10

D. Third-Party IPRs Will Simplify this Case ---------- 11

III. Plaintiff Will Suffer No Cognizable Prejudice ---------- 13

CONCLUSION ---------- 15

SoundClear Exhibit 2014
Google v. SoundClear - IPR2025-01177

TABLE OF AUTHORITIES

Cases: *Page(s):*

Audio MPEG, Inc. v. Hewlett-Packard Comp.,
No. 2:15-cv-73, 2015 WL 5567085 (E.D. Va. Sep. 21, 2015)---------- *passim*

CANVS Corp. v. Nivisys, LLC,
No. 2:14-CV-99-FTM-38DNF, 2014 WL 6883123
(M.D. Fla. Dec. 5, 2014) ---------- 5, 6, 11, 12

Centripetal Networks, Inc. v. Palo Alto Networks, Inc.,
No. 2:21-cv-00137 (RCY), 2022 WL 610176 (E.D. Va. Mar. 1, 2022) ---------- 9

Centripetal Networks, LLC v. Cisco Sys., Inc.,
No. 2:18-cv-94, 2019 WL 8888193 (E.D. Va. Feb. 25, 2019)---------- 8

Centripetal Networks, LLC v. Keysight Techs., Inc.,
No. 2:22-cv-00002, 2023 WL 5127163 (E.D. Va. Mar. 20, 2023) ----------8,13

e-Watch, Inc. v. ACTi Corp.,
No. SA–12–CA–695–FB, 2013 WL 6334372 (W.D. Tex. Aug. 9, 2013) ---------- 6, 11, 12

Ethicon, Inc. v. Quigg,
849 F.2d 1422 (Fed. Cir. 1988) ---------- 5

Finjan, Inc. v. Symantec Corp.,
139 F. Supp. 3d 1032 (N.D. Cal 2015)---------- 5

Health Diagnostic Lab'y, Inc. v. Boston Heart Diagnostics Corp.,
No. 3:14-cv-796, 2015 WL 13879824 (E.D. Va. Feb. 4, 2015) ---------- 5, 7, 8

Intellectual Ventures II LLC v. Huntington Bancshares Inc.,
No. 2:13-cv-00785, 2014 WL 2589420 (S.D. Ohio June 10, 2014) ---------- *passim*

Intellectual Ventures II LLC v. SunTrust Banks, Inc.,
No. 1:13-cv-02454-WSD, 2014 WL 5019911 (N.D. Ga. Oct. 7, 2014)---------- 6, 11, 12

Locata LBS, LLC v. Yellowpages.com, LLC,
No. LA CV13–07664 JAK (SHx), 2014 WL 8103949
(C.D. Cal. July 11, 2014)---------- 7

Murata Mach. USA v. Daifuku Co.,
830 F.3d 1357 (Fed. Cir. 2016) ---------- 5

Packet Intelligence LLC v. NetScout Sys., Inc.,
100 F.4th 1378 (Fed. Cir. 2024)---------- 4

SoundClear Exhibit 2014
Google v. SoundClear - IPR2025-01177

Pi-Net Intern., Inc. v. Hertz Corp.,
No. CV 12–10012 PSG, 2013 WL 7158011 (C.D. Cal. June 5, 2013) ---------- 6, 11

Pleasurecraft Marine Engine Co. v. Indmar Prods. Co., Inc.,
No. 8:14-cv-04507, 2015 WL 5437181 (D.S.C. Sep. 15, 2015) ---------- 10, 15

Security First Innovations, LLC v. Google LLC,
No. 2:23-cv-97, 2024 WL 234720 (E.D. Va. Jan. 22, 2024) ---------- *passim*

Sharpe Innovations, Inc. v. T-Mobile USA, Inc.,
No. 2:17-cv-351, 2018 WL 11198604 (E.D. Va. Jan. 10, 2018) ---------- *passim*

SoundClear Techs. LLC v. Google LLC,
No. 2:24-cv-00321, Dkt. 1 (E.D. Va. May 1, 2024) ---------- *passim*

Soverain Software LLC v. Victoria's Secret Direct Brand Mgmt., LLC,
778 F.3d 1311 (Fed. Cir. 2015) ---------- 4

In re TLI Commc'ns, LLC,
No. 1:14-md-2534, 2014 WL 12615711 (E.D. Va. Aug. 11, 2014) ---------- 5, 6, 10, 13

Uniloc USA, Inc. v. Exclusive Grp. LLC,
No. 117CV03962SEBMJD, 2018 WL 11229418
(S.D. Ind. Aug. 29, 2018) ---------- 5, 6, 11

Univ. of Va. Pat. Found. v. Hamilton Co.,
No. 3:13–cv–00033, 2014 WL 4792941 (W.D. Va. Sep. 25, 2014) ---------- 13

Va. Innovation Sciences, Inc. v. Samsung Elecs. Co., Ltd.,
No. 2:14-cv-217, 2014 WL 13059257 (E.D. Va. Nov. 18, 2014) ---------- *passim*

VirtualAgility Inc. v. Salesforce.com, Inc.,
759 F.3d at 1307 (Fed. Cir. 2014) ---------- 6, 8

XY, LLC v. Trans Ova Genetics, LC,
890 F.3d 1282 (Fed. Cir. 2018) ---------- 4

Statutes and Rules:

35 U.S.C. § 6 ---------- 4

35 U.S.C. § 102 ---------- 3

35 U.S.C. § 103 ---------- 3

35 U.S.C. § 311 ---------- 3

35 U.S.C. § 313 ---------- 3

SoundClear Exhibit 2014
Google v. SoundClear - IPR2025-01177

35 U.S.C. § 314 ---------- 3, 4

35 U.S.C. § 315 ---------- 6, 11, 14

35 U.S.C. § 316 ----------4, 10

35 U.S.C. § 311-319---------- 3

37 C.F.R. § 42.107---------- 3

37 C.F.R. § 42.108---------- 4

Miscellaneous:

H.R. Rep. No. 112-98 (2011) ---------- 4

SoundClear Exhibit 2014
Google v. SoundClear - IPR2025-01177

INTRODUCTION

Defendants (collectively, "Amazon") move to stay this case. Plaintiff filed complaints against Google and Amazon on the same day, asserting the same patents. Google recently filed petitions for *inter partes* review ("IPR") at the U.S. Patent & Trademark Office ("PTO") challenging the validity of each remaining patent claim asserted in this case. This Court recently granted Google's motion to stay the case against it pending Google's IPRs. The Court should stay this case for the same reasons this Court recently stayed Plaintiff's case against Google.

Congress created IPRs to provide a cost-effective, streamlined process for the PTO to reconsider and cancel invalid patent claims. The procedure serves as an alternative to expensive and labor-intensive district court litigation. The IPR process may moot all claims in this case if the PTO cancels the asserted claims.

Courts in this district consider three factors in deciding whether to stay a case pending IPR: (1) the stage of the litigation; (2) whether the stay would simplify the issues before the court; and (3) whether the stay would unduly prejudice the nonmoving party. All three factors warrant a stay here.

This case is in its early stages, as the pleadings have not yet closed, no discovery has occurred, no schedule has been entered, and no trial date has been set.

Staying this case pending IPR will necessarily simplify the issues. The PTO may invalidate all the claims, which would moot this case. The PTO may invalidate some claims, which would reduce the litigation's scope. Plaintiff may choose to amend the claims, which would change the scope of this litigation and may require re-litigating this case in view of the amended claims. And, even if some claims were to survive IPR without modification, this case would be simplified because Plaintiff's arguments in the IPRs and any claim-construction issues addressed by the PTO

would aid this Court in performing its own claim-construction analysis. Courts routinely find this is the case and grant stays even where the IPRs were filed by third parties.

Lastly, a stay would not prejudice Plaintiff because it is a non-practicing entity that seeks only monetary damages.

Given the benefits that a stay provides—and the waste that may result if the case is not stayed—courts in this district routinely stay cases pending IPR. And, they do so without waiting for the PTO's institution decision. Immediate stays eliminate the risk of wasted resources and take advantage of simplifying issues following the IPR proceedings.

Because a stay pending IPR would significantly narrow the issues in this case (or moot it completely) and thus conserve judicial and party resources, the Court should stay this case during the pendency of the IPR proceedings.

BACKGROUND

A. Procedural History of *SoundClear v. Amazon*

Plaintiff's complaint accused Amazon of infringing U.S. Patent Nos. 9,031,259 ("the '259 patent"), 9,070,374 ("the '374 patent"), and 9,804,819 ("the '819 patent"). Amazon moved to dismiss the complaint on multiple grounds. (Dkt. 31.) On March 31, 2025, the Court granted-in-part Amazon's motion to dismiss. (Dkt. 48.) Specifically, the Court dismissed Plaintiff's infringement claims for the '819 patent, with leave to amend. (Dkt. 48 at 14, 17.) As of this motion's filing, Plaintiff has not amended its complaint. Thus, the only patents currently asserted are the '374 and '259 patents.

There is currently no scheduling order, claim-construction hearing date, or trial date. Discovery has not begun in this case. No preliminary disclosures, contentions, or discovery requests

SoundClear Exhibit 2014
Google v. SoundClear - IPR2025-01177

have been served. No depositions have been noticed. Moreover, the pleadings remain open as Plaintiff has leave to amend its complaint and Amazon has not answered.

B. Procedural History of *SoundClear v. Google*

On the same date that Plaintiff filed its complaint against Amazon, Plaintiff filed a complaint against Google asserting the same patents. *SoundClear Techs. LLC v. Google LLC*, No. 2:24-cv-00321, Dkt. 1 (E.D. Va. May 1, 2024) ("*SoundClear v. Google*"). As explained further below, Google filed IPR petitions challenging two of the three asserted patents (*infra* § Background C), and moved to stay the co-pending district court litigation. (*SoundClear v. Google*, Dkt. 73.) On March 31, 2025, the Court granted Google's motion to stay. (*SoundClear v. Google*, Dkt. 84.)

C. IPR Proceedings

IPR is a proceeding for challenging the validity of an issued patent at the PTO. *See* 35 U.S.C. §§ 311-319. To initiate IPR, a party files a petition with the PTO's Patent Trial and Appeal Board ("PTAB"). An IPR petition requests that the PTO cancel one or more claims of a patent as unpatentable under 35 U.S.C. § 102 (lack of novelty) or 35 U.S.C. § 103 (obviousness). 35 U.S.C. § 311(b).

On February 10, 2025, Google filed IPR petitions challenging the validity of the '259 and '374 patents. (Ex. 1; Ex. 2.) Plaintiff may file a preliminary response to each petition within three months of the notice of filing date. *See* 35 U.S.C. § 313; *see also* 37 C.F.R. § 42.107(b) ("A patent owner may expedite the proceeding by filing an election to waive the patent owner preliminary response."). The PTAB then has three months after the preliminary response is filed to decide whether to institute each IPR. *See* 35 U.S.C. § 314(b). The PTAB will institute the IPR and review the patent claims if "there is a reasonable likelihood that the petitioner would prevail with respect

to at least 1 of the claims challenged in the petition." 35 U.S.C. § 314(a). If an IPR is instituted, all claims challenged in the petition will be reviewed. *See* 37 C.F.R. § 42.108(a). Thus, the PTAB will decide whether to institute each IPR petition about six months after the notice of filing date—likely in October 2025.

If the PTAB institutes review, the IPRs will proceed to a "trial" phase, which includes a hearing. 35 U.S.C. § 316(a)(10). Historically, the PTAB institutes over two-thirds of IPR petitions. (Ex. 4 at 6.)

The PTAB issues a final written decision determining whether the claims are invalid within one year of institution, absent extenuating circumstances. *See* 35 U.S.C. § 316(a)(11). Of the claims that the PTAB addresses in a final written decision, more than 75% are cancelled as invalid. (Ex. 4 at 13; Ex. 5 at 13.) The PTAB's decision is rendered by a panel of three Administrative Patent Judges. 35 U.S.C. § 6(c).

LEGAL STANDARD

Congress established IPRs 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).) The Federal Circuit's affirmance of a PTAB decision canceling a patent's claims "has an immediate issue-preclusive effect on any pending or co-pending actions involving the patent." *XY, LLC v. Trans Ova Genetics, LC*, 890 F.3d 1282, 1294 (Fed. Cir. 2018). This is true even when a district court case reaches final judgment before the Federal Circuit affirms the PTAB. *See Packet Intelligence LLC v. NetScout Sys., Inc.*, 100 F.4th 1378, 1381 (Fed. Cir. 2024) (collecting cases). The Federal Circuit will apply an affirmance of invalidity from an IPR to vacate a district court's judgment in the patentee's favor. *Soverain Software LLC v. Victoria's Secret Direct Brand Mgmt., LLC*, 778 F.3d 1311, 1313, 1320 (Fed. Cir. 2015).

District courts have an inherent power to stay a patent case in view of a co-pending IPR. *Murata Mach. USA v. Daifuku Co.*, 830 F.3d 1357, 1361 (Fed. Cir. 2016); *Ethicon, Inc. v. Quigg*, 849 F.2d 1422, 1426–27 (Fed. Cir. 1988). Many courts have recognized that there is "a liberal policy in favor of granting motions to stay" in view of pending PTO proceedings. *Finjan, Inc. v. Symantec Corp.*, 139 F. Supp. 3d 1032, 1035 (N.D. Cal 2015) (internal quotation marks and citation omitted).

Three factors guide the stay inquiry: "(1) the stage of the litigation; (2) whether the stay would simplify the issues before the court; and (3) whether the stay would unduly prejudice the nonmoving party." *Security First Innovations, LLC v. Google LLC*, No. 2:23-cv-97, 2024 WL 234720, at *2 (E.D. Va. Jan. 22, 2024). Courts in this district often find that these factors favor a stay pending parallel IPR proceedings, even before the PTAB has decided whether to institute review. *See, e.g.*, *Security First*, 2024 WL 234720, at *5 (staying case prior to IPR institution); *Sharpe Innovations, Inc. v. T-Mobile USA, Inc.*, No. 2:17-cv-351, 2018 WL 11198604, at *5 (E.D. Va. Jan. 10, 2018) (same); *Audio MPEG, Inc. v. Hewlett-Packard Comp.*, No. 2:15-cv-73, 2015 WL 5567085, at *6 (E.D. Va. Sep. 21, 2015) (same); *Health Diagnostic Lab'y, Inc. v. Boston Heart Diagnostics Corp.*, No. 3:14-cv-796, 2015 WL 13879824, at *2 (E.D. Va. Feb. 4, 2015) (same); *Va. Innovation Sciences, Inc. v. Samsung Elecs. Co., Ltd.*, No. 2:14-cv-217, 2014 WL 13059257, at *2-3 (E.D. Va. Nov. 18, 2014) (same); *In re TLI Commc'ns, LLC*, No. 1:14-md-2534, 2014 WL 12615711, at *2 (E.D. Va. Aug. 11, 2014) (same).

Courts stay cases pending IPRs even when those IPRs are filed by third parties. *See Intellectual Ventures II LLC v. Huntington Bancshares Inc.*, No. 2:13-cv-00785, 2014 WL 2589420, at *4 (S.D. Ohio June 10, 2014); *Uniloc USA, Inc. v. Exclusive Grp. LLC*, No. 117CV03962SEBMJD, 2018 WL 11229418, at *3 (S.D. Ind. Aug. 29, 2018); *CANVS Corp. v.*

Nivisys, LLC, No. 2:14-CV-99-FTM-38DNF, 2014 WL 6883123, at *3 (M.D. Fla. Dec. 5, 2014); *Intellectual Ventures II LLC v. SunTrust Banks, Inc.*, No. 1:13-cv-02454-WSD, 2014 WL 5019911, at *3 (N.D. Ga. Oct. 7, 2014); *e-Watch, Inc. v. ACTi Corp.*, No. SA–12–CA–695–FB, 2013 WL 6334372, at *7 (W.D. Tex. Aug. 9, 2013); *Pi-Net Intern., Inc. v. Hertz Corp.*, No. CV 12–10012 PSG (JEMx), 2013 WL 7158011, at *3-4 (C.D. Cal. June 5, 2013). These courts recognize that a stay would simplify the issues in the district court litigation, even when the movant is not bound by the estoppel provisions of 35 U.S.C. § 315(e). *See Huntington Bancshares*, 2014 WL 2589420, at *4; *Uniloc*, 2018 WL 11229418, at *3; *CANVS*, 2014 WL 6883123, at *3; *SunTrust Banks*, 2014 WL 5019911, at *3; *e-Watch*, 2013 WL 6334372, at *7; *Pi-Net*, 2013 WL 7158011, at *3-4.

ARGUMENT

All three factors favor granting a stay in this case.

I. THE CASE IS IN ITS EARLY STAGES.

"The stage of litigation weighs *in favor* of a stay when the motion is filed early in its proceedings—before the trial date or *Markman* hearing is set—and discovery has not been substantially completed." *Security First*, 2024 WL 234720, at *2 (internal quotation marks and citation omitted). A stay "at the early stages of a lawsuit has the potential to save a significant amount of time and effort by all parties involved through a simplification of the issues presented." *Va. Innovation*, 2014 WL 13059257, at *2 (internal quotation marks omitted) (citing *In re TLI Commc'ns*, 2014 WL 12615711, at *2)). "As for the proper timing to measure the stage of litigation, district courts have adopted the date of the filing of the motion to stay." *Security First*, 2024 WL 234720, at *2 (citing *VirtualAgility Inc. v. Salesforce.com, Inc.*, 759 F.3d at 1307, 1316 (Fed. Cir. 2014)).

SoundClear Exhibit 2014
Google v. SoundClear - IPR2025-01177

As of the filing of this motion, there is no scheduling order. No discovery dates, claim-construction hearing, or trial date has been set. No discovery has taken place. Moreover, the pleadings have yet to close, with Plaintiff having leave to amend its complaint and Amazon yet to file an answer.

Thus, this case remains at the very earliest stages of litigation. *See Health Diagnostic*, 2015 WL 13879824, at *2 (finding case "in the earliest stages" where there was no scheduling order, discovery had not begun, and no trial date or *Markman* hearing had been set); *Audio MPEG*, 2015 WL 5567085, at *4 (finding case "in its infancy" where discovery had not begun and no trial date or *Markman* hearing had been set); *Va. Innovation*, 2014 WL 13059257 at *2 (finding case at "early stage" where discovery had "barely begun" and no trial date had been set). This Court recently stayed Plaintiff's case against Google under very similar circumstances, finding that the stage of litigation favored a stay where there was no scheduling order, discovery had not begun, no trial date had been set, and Google had not yet answered Plaintiff's complaint. *SoundClear v. Google*, Dkt. 84 at 4.

The fact that the Court has ruled on a motion to dismiss in this case does not change the analysis. Courts routinely find that motion practice, such as Amazon's motion to dismiss, 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). Indeed, in Plaintiff's case against Google, which this Court found to be in its early stages, Google had filed motions to transfer and dismiss and Plaintiff had filed a motion to conduct venue

discovery. *SoundClear v. Google*, Dkts. 13, 38, 69. Here, the Court's order on Amazon's motion to dismiss does not weigh against a stay.

Moreover, the stage-of-litigation factor does not depend on the length of time a case has been pending. *See Centripetal Networks, LLC v. Keysight Techs., Inc.*, No. 2:22-cv-00002, 2023 WL 5127163, at *4 (E.D. Va. Mar. 20, 2023) (finding case "still in its infancy" despite having been pending for over a year where there was no scheduling order and discovery had not begun); *Centripetal Networks, LLC v. Cisco Sys., Inc.*, No. 2:18-cv-94, 2019 WL 8888193, at *3 (E.D. Va. Feb. 25, 2019) (finding case "still in the early stages of litigation" despite having been pending for a year where there was no scheduling order and no trial date or *Markman* hearing had been set). In any event, courts in this district have found litigations remained at an early stage even where they were pending for longer than this case. *See Keysight*, 2023 WL 5127163, at *4; *Cisco*, 2019 WL 8888193, at *3. And recently, this Court found Plaintiff's case against Google, which was filed the same date as the present case, was in its early stages and granted a stay. *SoundClear v. Google*, Dkt. 84 at 4, 7.

Because there is no scheduling order in place, discovery has not begun, and there is no trial date or *Markman* hearing set in this case, the first factor "heavily favors" a stay. *See, e.g.*, *Va. Innovation*, 2014 WL 13059257, at *2 (quoting *VirtualAgility*, 759 F.3d at 1317); *see also Audio MPEG*, 2015 WL 5567085, at *4; *Health Diagnostic*, 2015 WL 13879824, at *2.

II. A STAY WILL SIMPLIFY THE CASE.

A. The Google IPRs May Moot This Case Entirely.

The simplification factor weighs heavily in favor of the stay when an IPR petition "challenges all patent claims brought by the plaintiff." *Audio MPEG*, 2015 WL 5567085, at *3. Here, Google's IPRs challenge every claim in the asserted patents remaining in this case. As a result,

the IPRs have the potential to moot this litigation entirely, or at least simplify the litigation. *Sharpe Innovations*, 2018 WL 11198604, at *3; *see also Security First*, 2024 WL 234720, at *3 (IPR "would undoubtedly simplify the issues in this case.").

Even if Plaintiff were to later amend its complaint to add a plausible claim for infringement of the '819 patent, Google's IPRs challenging the other two asserted patents could still moot the majority of claims in this case. Thus, Google's IPRs could still greatly simplify this case. *See Centripetal Networks, Inc. v. Palo Alto Networks, Inc.*, No. 2:21-cv-00137 (RCY), 2022 WL 610176, at *5 (E.D. Va. Mar. 1, 2022) (finding "there can still be simplification when some claims are not challenged or when the proceedings do not address every invalidity defense."); *Sharpe Innovations*, 2018 WL 11198604, at *3 (finding "a stay can still be warranted when an IPR proceeding does not address each and every claim or defense."); *Audio MPEG*, 2015 WL 5567085, at *3 (finding "there still can be a simplification of issues when only some, but not all, of the asserted claims are brought before the PTAB.").

In the Plaintiff's case against Google, this Court found "the IPR proceedings have the potential to dispose of all of the claims as to two of the patents, possibly eliminating two of the three counts in the Complaint." *SoundClear v. Google*, Dkt. 84 at 5. Thus, even if Plaintiff plausibly pleads infringement of the '819 patent, the simplification factor would still weigh in favor of granting a stay. *See id*; *Palo Alto*, 2022 WL 610176, at *5; *Sharpe Innovations*, 2018 WL 11198604, at *3; *Audio MPEG*, 2015 WL 5567085, at *3-*4.

B. A Stay Will Necessarily Narrow the Issues.

Even if Google's IPRs do not invalidate every claim at issue, this case will still be simplified and aided by the IPRs. For example, review by "the USPTO will simplify the matters at issue because the PTO's expertise provided will assist the Court in evaluating claims [asserted] in the

underlying litigation." *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). For example, the PTAB's institution decision may include claim construction, which will be additional evidence for the Court to consider during the claim construction process here. *SoundClear v. Google*, Dkt. 84 at 5 ("[E]ven where the administrative proceeding will not dispose of all claims, a stay may simplify matters if it allows the administrative proceedings time to build a record that assists the district court's claim construction analysis.") (internal quotation marks and citation omitted); *In re TLI Commc'ns*, 2014 WL 12615711, at *2 (IPR statements "add to the patent's prosecution history, which would assist this Court's claim construction analysis."); *Security First*, 2024 WL 234720, at *3 n.1 (same). This will be true even if the PTAB declines to institute the IPRs. *Security First*, 2024 WL 234720, at *3 n.1 (statements in IPR relevant to claim construction, even if PTAB declines to institute).

Additionally, Plaintiff may amend the patent claims during the IPRs, effectively replacing the existing claims. 35 U.S.C. § 316(d). Because such substitute claims cannot enlarge the scope of the claims, § 316(d)(3), a stay will narrow the scope of this case if Plaintiff amends the claims. If the Court declines to stay the case, the parties and the Court may waste resources on claims that will cease to exist, and the parties may be forced to re-litigate infringement and invalidity issues for the newly amended claims.

C. A Stay Is Warranted Before Institution.

In Plaintiff's case against Google, this Court stated that "the fact that IPR has not yet been instituted does not weigh against granting a stay." *SoundClear v. Google*, Dkt. 84 at 6 (quoting *Security First*, 2024 WL 234720, at *3). Indeed, this District "does not disfavor stays before IPR is instituted, and this Court has granted a stay in many such instances." *Sharpe Innovations*, 2018 WL 11198604, at *3 (collecting cases).

Thus, as this Court has recognized in *SoundClear v. Google*, if it waits for the institution decision, "the parties will necessarily engage in litigation efforts that would be duplicative of their efforts before the PTAB, which is precisely what a stay seeks to avoid." *SoundClear v. Google*, Dkt. 84 at 6 (quoting *Security First*, 2024 WL 234720, at *3). Without an immediate stay, the parties and the Court will likely complete substantial discovery and claim construction, only for that work to become moot if the PTAB invalidates the claims or the Plaintiff amends the claims. "The cost of such duplicative litigation outweighs the cost of delaying litigation by a few months should IPR be denied." *Sharpe Innovations*, 2018 WL 11198604, at *4.

D. Third-Party IPRs Will Simplify this Case.

A stay in this case pending IPRs would simplify this litigation even though Amazon is not a party to Google's IPRs and therefore not subject to the IPR estoppel provisions in 35 U.S.C. § 315(e)(2). Courts routinely find the simplification factor favors a stay and grant stays under these circumstances, citing many of the reasons discussed above. *See Huntington Bancshares*, 2014 WL 2589420, at *4; *Uniloc*, 2018 WL 11229418, at *3; *CANVS*, 2014 WL 6883123, at *3; *SunTrust Banks*, 2014 WL 5019911, at *3; *e-Watch*, 2013 WL 6334372, at *7; *Pi-Net*, 2013 WL 7158011, at *3-4. These courts have rejected arguments that stays pending third-party IPRs should be conditioned on the movant being subject to IPR estoppel for several reasons.

First, "should the PTAB conclude that the patents-in-suit are invalid based on the arguments and evidence advanced during the IPR proceedings, then estoppel becomes irrelevant." *Huntington Bancshares*, 2014 WL 2589420, at *4; *see e-Watch*, 2013 WL 6334372, at *7 (finding that even though "there may be no formal estoppel applying to certain of [defendant's] later-advanced invalidity arguments … if the USPTO invalidates any of the three patents-in-suit at issue or changes the scope and terms of any claim, the matters at issue in this Court will change.").

Thus, if Google's IPRs invalidate any of the asserted claims, the IPRs would moot the issues related to those claims entirely, regardless of whether Amazon is subject to IPR estoppel.

Second, even if some asserted claims in this case survive Google's IPRs, this case would nonetheless be simplified in the ways Amazon explained above, *see supra* § II.A-C, even though Amazon is not subject to IPR estoppel. *See e-Watch*, 2013 WL 6334372, at *7 ("It is not necessary for [defendant] to be a party to IPR proceedings for the USPTO's substantive decisions in reexamination proceedings to have an effect on the patent issues to be litigated in this case."); *CANVS*, 2014 WL 6883123, at *3 ("Although Defendant cannot be statutorily estopped from asserting the [patent] is invalid, staying this case pending the *inter partes* review is still likely to simplify the issues and streamline the trial."). For example, the PTAB's decisions in Google's IPRs "will become a part of the [patents'] file for review by this and other courts." *Huntington Bancshares*, 2014 WL 2589420, at *4. The fact that Amazon is "not statutorily estopped from raising the same arguments as the petitioners does not change the fact that the Court would have the benefit of the PTAB's expertise in rejecting those same arguments." *Id.*

Last, any arguments regarding unfairness or tactical disadvantage from staying this case without Amazon being subject to IPR estoppel are unavailing. *See Huntington Bancshares*, 2014 WL 2589420, at *4 (rejecting argument that stay would be unfair because movant was not bound by IPR estoppel provisions); *SunTrust Banks*, 2014 WL 2589420, at *4 (finding no undue prejudice or tactical disadvantage resulting from a stay where movant was not bound by IPR estoppel provisions). In fact, courts have found that it would be "more unfair" to condition staying the case on the movant "being bound by arguments raised in a proceeding over which [it] [has] no control." *Huntington Bancshares*, 2014 WL 2589420, at *4. Given that "the PTAB likely will apply its expertise to some or all of the arguments at issue in this case, it would defy common sense for this

litigation to proceed alongside the IPR proceedings simply because [the movant is] not statutorily prohibited from raising the same or similar arguments as the IPR petitioners." *Id.*

For these reasons, that the IPRs were filed by a third party does not change the fact that significant simplification would result from a stay. Google's IPR petitions will simplify this case regardless of their outcome. Thus, the second factor favors a stay.

III. PLAINTIFF WILL SUFFER NO COGNIZABLE PREJUDICE.

"The third factor is whether the nonmoving party would be unduly prejudiced or clearly disadvantaged." (Ex. 3 at 6 (citing *Centripetal Networks, LLC*, 2023 WL 5127163, at *3)). "Whether the patentee will be unduly prejudiced by a stay in the district court litigation … focuses on the patentee's need for an expeditious resolution of its claim." *Security First*, 2024 WL 234720, at *4 (internal quotation marks and citation omitted). "To show undue prejudice, a patentee must demonstrate that monetary damages will be insufficient to remedy their losses." *Id*. "As a general rule, a plaintiff that does not practice the patent 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*, 2014 WL 13059257, at *2 (internal quotation marks omitted) (citing *Univ. of Va. Pat. Found.*, 2014 WL 4792941, at *3). This is because, for non-practicing entities, "monetary damages provide sufficient relief and can be determined regardless of any delay attributable to a stay." *Id*. (internal quotation marks omitted) (citing *In re TLI Commc'ns*, 2014 WL 12615711, at *2).

Here, as this Court has already recognized, Plaintiff is a non-practicing entity. *SoundClear v. Google*, Dkt. 84 at 6 ("Here, it is undisputed that SoundClear is a non-practicing entity ('NPE') which holds the patents at issue but does not directly compete with Google.").) "Therefore, SoundClear 'has no reasonable basis for requesting or recovering anything other than monetary

damages . . . which of course, can be determined regardless of any delay attributable to a stay.'" *Id.* at 6-7 (citing *Security First*, 2024 WL 234720, at *4). Indeed, Plaintiff does not seek injunctive relief. (Dkt.1.) While not dispositive, this "suggests that monetary damages will be sufficient to remedy [Plaintiff's] losses." *Security First*, 2024 WL 234720, at *4 n.3.

Nor can Plaintiff allege any prejudicial delay on behalf of Amazon. Amazon filed its motion before the parties invested significant amounts of time or resources into this litigation. Moreover, Amazon filed this motion to stay a week after the Court stayed Plaintiff's case against Google. Thus, Amazon has not unreasonably delayed in filing this motion, and Plaintiff has not been prejudiced by the timing of Amazon's motion.

Plaintiff also cannot allege any prejudicial delay related to the timing of Google's IPRs. Congress granted parties the right to file an IPR petition challenging a patent within a year of being served with a complaint alleging infringement of that patent. 35 U.S.C. § 315(b). Plaintiff filed its complaints against Amazon and Google on the same day. Google filed its IPRs approximately nine months after Plaintiff filed its complaints, well within the one-year statutory period. (*See* Ex. 1; Ex. 2.) Moreover, though not addressing any alleged delay in filing the IPRs, this Court found no undue prejudice to Plaintiff in granting Google's motion to stay. *SoundClear v. Google*, Dkt. 84 at 6-7; *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, particularly where a stay would not diminish the amount of monetary damages recoverable by the plaintiff."). Thus, Plaintiff has not been unduly prejudiced by the timing of Google's IPR petitions.

As this Court recognized in granting Google's motion to stay, Plaintiff also cannot rely on the delay inherent in a stay of this case to allege prejudice. *SoundClear v. Google*, Dkt. 84 at 7. Courts have routinely held that "[t]he mere potential for delay in itself does not constitute undue

prejudice." *Pleasurecraft*, 2015 WL 5437181, at *2; *see also Audio MPEG*, 2015 WL 5567085, at *4 (observing that "[d]elays based on statutory frameworks, such as those pursuant to IPR proceedings under AIA § 18(b), do not normally cause undue prejudice."). Moreover, "[t]he Federal Circuit has made clear that by itself, the passage of time is not sufficient to conclude that the non-moving party will suffer evidentiary prejudice" such as fading witness memory and lost documents. *Security First*, 2024 WL 234720, at *4 (citing *VirtualAgility.*, 759 F.3d at 1316). Here, as in Plaintiff's case against Google, Plaintiff will not suffer any undue prejudice. *SoundClear v. Google*, Dkt. 84 at 7.

In sum, the parties do not compete, monetary remedies would compensate for any harm, and there has been no prejudicial delay. Thus, Plaintiff will not suffer any undue prejudice as a result of a stay. To the contrary, a stay will benefit Plaintiff by eliminating the risk that Plaintiff devotes its time and resources litigating a case that may become moot in view of parallel IPR proceedings.

Thus, the third factor weighs in favor of a stay.

CONCLUSION

This case is in its infancy and significant work lies ahead. The parallel IPR proceedings have the potential to eliminate every asserted patent claim and dispose of this case in its entirety. At a minimum, staying the case now will conserve the Court's and the parties' resources, simplify the case, and aid the Court after the IPRs are complete. A stay would not unduly prejudice Plaintiff. Thus, the Court should stay this case pending final decisions in Google's IPRs.

Respectfully submitted,

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) 304-6175

Of Counsel:

Colin B. Heidman (*Pro Hac Vice*)
colin.heideman@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
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

Andrea L. Cheek
andrea.cheek@knobbe.com
Virginia State Bar No. 80331
KNOBBE, MARTENS, OLSON

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

SoundClear Exhibit 2014
Google v. SoundClear - IPR2025-01177

& BEAR, LLP
1717 Pennsylvania Ave. N.W., Ste. 900
Washington D.C. 20006
Tel: (202) 640-6400
Fax: (202) 640-6401

April 7, 2025

SoundClear Exhibit 2014
Google v. SoundClear - IPR2025-01177

CERTIFICATE OF SERVICE

I certify that on April 7, 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) 304-6175