

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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

V.

**SOUNDCLEAR TECHNOLOGIES LLC,**  
Patent Owner.

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Case No. IPR2025-01368  
U.S. Patent No. 9,223,487

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**PETITIONERS' OPPOSITION TO  
PATENT OWNER'S REQUEST FOR DISCRETIONARY DENIAL**

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The Director should reject Patent Owner’s (“PO”) request for discretionary denial. PO, a non-practicing entity, sued Petitioners in district court asserting patents that it acquired in 2023 from Japanese electronics maker JVC Kenwood (“JVC”). IPR petitions challenging the validity of the two co-asserted JVC patents have been instituted and the district court case is stayed.

Denying this petition would multiply the proceedings between the parties, eliminate clear efficiencies, and potentially waste the court’s and a jury’s time learning the ’487 patent and evaluating validity when a Board panel—which will already be reviewing other JVC patents asserted by the same PO against the same defendants—would be in the best position to resolve the §§102 and 103 validity issue.

PO’s procedural arguments lack merit and are meant to distract from the core issue: the claims of the ’487 patent are unpatentable. With the co-pending litigation stayed, IPR instituted for the other asserted patents, and the Petition making a strong showing that the ’487 patent never should have issued, the Director should reject PO’s request for discretionary denial and institute IPR.

**I. THIS IPR WOULD BE AN APPROPRIATE USE OF BOARD RESOURCES.**

PO sued Petitioners for infringement of the ’487 patent and two other patents in *SoundClear Techs. LLC v. Amazon.com, Inc.*, No. 1:24-cv-01283 (E.D. Va.) (“the Litigation”). The district court stayed the Litigation in favor of IPR and, in doing so, recognized that it was “relatively early in the litigation” and that the Board’s

expertise would be helpful in simplifying issues. (EX-1101 at 40:21-41:15.) The Board has already instituted IPRs against the other two asserted patents.

PO argues that this IPR should not be instituted because the district court has held that the claims of the '487 patent are invalid under §101. (Paper 8 (“PO Req.”) at 6-9.) PO relies on *Hulu, LLC v. Piranha Media Distribution, LLC*, IPR2024-01252, Paper 27 (P.T.A.B. Apr. 17, 2025), but that case is distinguishable.

In *Hulu*, the Director denied institution where *all asserted patents* were held invalid under §101, no IPRs of related patents had been instituted, the case had not been stayed pending IPR, *and* the appeal of the §101 decision was proceeding at the Federal Circuit. *Hulu*, IPR2024-01252, Paper 27 at 3; *see Hulu*, IPR2024-01252, Paper 16 (institution decision) at 9-11. None of those facts exist here. Here, the district court case is stayed, IPRs challenging both of the other patents asserted in the Litigation are proceeding, and no appeal of the §101 decision is pending.

Because IPRs have already been instituted for the other two asserted patents, it would be much more efficient for the Board to also review the patentability of the '487 patent under §103 at the same time. If this IPR is instituted, the Board can resolve invalidity of all three asserted patents and those findings can be challenged, if at all, in a single appeal, which could completely resolve the Litigation.

The alternative—denying institution here—would be significantly less efficient. Denying institution would result in the Board resolving validity of two of

the three patents, and those decisions would be appealed to the Federal Circuit. If the Board were to find the two patents invalid and the Federal Circuit were to affirm, then PO would then have to separately appeal the §101 decision. If reversed by the Federal Circuit, the parties would then litigate the validity of the '487 patent in district court and then through another appeal. It would be far more efficient to resolve the invalidity challenges for all three patents at the PTAB and address them in a single appeal. If the Federal Circuit were to find any of the patents not invalid and the stay were lifted, then estoppel would eliminate the need to litigate the same issues in the Litigation. Thus, here, unlike in *Hulu*, efficiency strongly favors institution. And, unlike in *Hulu*, no risk of inconsistent decisions exists here because the Federal Circuit is not currently reviewing the §101 decision.

The complexity of co-pending district court litigation also weighs against discretionary denial. *Tesla, Inc. v. Intellectual Ventures II LLC*, IPR2025-00217, Paper 9 (P.T.A.B. June 13, 2025). It would be an efficient and appropriate use of the Board's resources for APJs, technically trained and with deep knowledge of the law, to resolve the parties' disputes regarding the obviousness of the three asserted JVC patents. *See id.* at 3.

## **II. THE *FINTIV* FACTORS WEIGH AGAINST DENIAL.**

The Director should decline to exercise discretion under §314(a) because efficiency, fairness, and the merits support institution. *Apple Inc. v. Fintiv, Inc.*,

IPR2020-00019, Paper 11 (P.T.A.B. Mar. 20, 2020) (precedential) (“*Fintiv*”). Five *Fintiv* factors weigh against discretionary denial and the remaining factor is neutral.

Factor 1 considers whether a stay exists and Factor 2 considers the proximity of the district court’s trial date to the Board’s projected statutory deadline. *Fintiv*, IPR2020-00019, Paper 11 at 6-9. Here, the district court case is stayed and there is no trial date set. (EX-1101 at 41:24-42:1.)

Factor 3 considers the investment in the parallel proceeding by the court and the parties. *Fintiv*, IPR2020-00019, Paper 11 at 9-12. While the district court has decided a motion to dismiss under §101, the district court has not construed the claims or conducted any analysis of the prior art. As the district court itself recognized when it issued the stay, it is “relatively early in the litigation.” (EX-1101 at 40:21-41:6.) Under such circumstances, Factor 3 weighs against denial because the remaining investment required to bring the litigation to trial “far outweighs” the investments that have already been made in the litigation. *Snap, Inc. v. SRK Tech. LLC*, IPR2020-00819, Paper 15 at 11 (P.T.A.B. Oct. 21, 2020). Furthermore, invalidating the claims here may obviate the need for an appeal of the district court’s §101 ruling, saving the parties and the Federal Circuit from further investment.

Factor 4 considers the overlap between issues raised in the petition and in the parallel proceeding. *Fintiv*, IPR2020-00019, Paper 11 at 12-13. Here, there are no “concerns of inefficiency and the possibility of conflicting decisions,” *id.*, because

the district court will not consider the '487 patent again, if ever, until after this proceeding concludes. At that point, even if any challenged claims were to survive this IPR and PO successfully appealed the §101 ruling, Amazon would be statutorily estopped from raising in the litigation any grounds that were raised or reasonably could have been raised in the Petition.<sup>1</sup> 35 U.S.C. §315(e)(2).

Factor 5 considers whether the parties are the same, and is thus neutral. *Fintiv*, IPR2020-00019, Paper 11 at 13-14; *Snap*, IPR2020-00820, Paper 15 at 16. Regardless, this factor does not outweigh the other *Fintiv* factors. *Id.*

Factor 6 considers “other circumstances” that impact discretionary denial, such as the merits of the petition. *Fintiv*, IPR2020-00019, Paper 11 at 14-16. This factor weighs against denial because the merits of the Petition are strong. PO has identified no weaknesses in the Petition, and in fact the Petition shows that the prior art discloses each limitation of the challenged claims and renders them obvious.

Accordingly, the *Fintiv* factors as a whole weigh against denial.

### **III. SECTION 325(D) DOES NOT FAVOR DENIAL.**

Under §325(d), “the Director may take into account whether, and reject the petition or request because, the same or substantially the same prior art or arguments previously were presented to the Office.” 35 U.S.C. §325(d). In applying §325(d),

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<sup>1</sup> Because the district court will not analyze the §§102 or 103 invalidity of the claims while this IPR is pending, there is no need for a *Sotera* stipulation here.

the Board uses the two-part framework set out in *Advanced Bionics, LLC v. MED-EL Elektromedizinische Geräte GmbH*, IPR2019-01469, Paper 6 at 8 (P.T.A.B. Feb. 13, 2020) (precedential). That framework in turn relies on the *Becton* factors. *Id.* at 7-11 (citing *Becton, Dickinson & Co. v. B. Braun Melsungen AG*, IPR2017-01586, Paper 8 (P.T.A.B. Dec. 15, 2017) (precedential as to §III.C.5, first paragraph) (“*Becton*”)). Both prongs of the *Advanced Bionics* framework favor institution here.

**A. Prong 1 of *Advanced Bionics* Favors Institution.**

The first prong of *Advanced Bionics* determines whether the same or substantially the same art was previously presented to the Office or whether the same or substantially the same arguments were previously presented. *Advanced Bionics*, IPR2019-01469, Paper 6 at 8-10; *Becton*, IPR2017-01586, Paper 8 at 17-18.

It is undisputed that Choi, Hillis, and Yach, the primary references relied on in the Petition, were never before the Office. This fact is sufficient to avoid denial under §325(d). *Shenzen Chic Elecs. Co., Ltd. v. Pilot, Inc.*, IPR2023-00810, Paper 12, at 21 n.11 (P.T.A.B. Nov. 8, 2023); *TP-Link Corp. Ltd. v. Netgear, Inc.*, IPR2023-01469, Paper 10 at 9-10 (P.T.A.B. Apr. 2, 2024). The Petition includes Grounds covering all challenged claims that do not rely on the reference PO cites (Westerman-632). (Paper 1 (“Pet.”) at 9 (Grounds 1a-1c).)

Because the Petition relies on Choi and Hillis to show the invalidity of all challenged claims, and the Examiner did not previously consider these references,

discretionary denial under §325(d) is not warranted.

**B. Prong 2 of *Advanced Bionics* Favors Institution.**

Because the first *Advanced Bionics* prong is not met, the second prong need not be evaluated. *JUUL Labs, Inc. v. NJOY, LLC*, IPR2024-00160, Paper 10 at 11-13 (P.T.A.B. May 24, 2024); *Quasar Sci. LLC v. Colt Int’l Clothing, Inc.*, IPR2023-00611, Paper 10 at 12 (P.T.A.B. Oct. 10, 2023). However, it also favors institution.

The second prong determines whether the petitioner has demonstrated error in a manner material to the patentability of challenged claims. *Advanced Bionics*, IPR2019-01469, Paper 6 at 8-10; *Becton*, IPR2017-01586, Paper 8 at 17-18.

Contrary to PO’s argument (PO Req. at 13-14), the Petition shows that the Examiner erred in allowing the claims. The Petition asserts grounds covering all challenged claims that rely on prior art that “was not a basis for rejection during examination, is not substantially the same as prior art the Examiner applied, and includes specific teachings that ‘impact patentability of the challenged claims.’” *Ecto World, LLC v. RAI Strategic Holdings, Inc.* IPR2024-01280, Paper 13 at 5 (P.T.A.B. May 19, 2025) (precedential). The Petition clearly shows that the prior art renders the challenged claims obvious; thus, issuing those claims represents material Examiner error. *E.g.*, *Microsoft Corp. v. ParTec Cluster Competence Center GmbH*, IPR2025-00318, Paper 9 at 2-3 (P.T.A.B. Jun. 12, 2025) (“it is an appropriate use of Office resources to review the potential error”); *Microsoft Corp.*

v. *X1 Discovery, Inc.*, IPR2025-00253, Paper 13 at 2 (P.T.A.B. Jun. 25, 2025); *Amazon.com, Inc. v. SoundClear Techs. LLC*, IPR2025-00565, Paper 11 at 2 (P.T.A.B. July 10, 2025). Moreover, the Examiner did not have the benefit of the Petition’s analysis, mapping, and Dr. Rosenberg’s expert opinion, all of which identify and explain the highly relevant disclosures in the prior art.

For the reasons set forth above, denial under §325(d) is inappropriate.

#### **IV. ADDITIONAL FACTORS FAVOR INSTITUTION.**

##### **A. The Settled-Expectations Standard, If Applied, Favors Institution.**

PO argues that it has settled expectations regarding the ’487 patent’s validity because it issued in 2015. (PO Req. at 9.) The settled-expectations standard should not be applied here. (*Infra* §IV.C.) However, even if applied, PO’s argument fails.

First, other patents asserted by PO in the same district court case issued much more recently. For example, the ’337 patent (*see* IPR2025-00565) issued in 2021 and the ’675 patent (*see* IPR2025-00673) issued in 2022. Thus, it would be an efficient and appropriate use of Board resources to address the validity of the ’487 patent along with the ’337 and ’675 patent IPRs, which have been instituted. *See Embody, Inc. v. LifeNet Health*, IPR2025-00248, Paper 13 at 2-3 (P.T.A.B. June 26, 2025).

Second, PO is a non-practicing entity formed for the purpose of bringing

lawsuits to enforce the '487 patent and other patents.<sup>2</sup> To the extent PO had any “settled expectations” when acquiring the patents, those expectations were that any accused infringer would have the opportunity to challenge them in IPR. (*See infra* §IV.C.1.)

Furthermore, when the '487 patent issued, it was assigned to a large technology company, JVC Kenwood. (EX-1001, 1.) Such companies rarely assert patents, and are substantially more likely to negotiate and license patents rather than assert them. Petitioners had no reason to believe that JVC Kenwood would transfer the patent to a non-practicing entity like PO or that the patent would be asserted against Petitioners. *Cf. Globus Med., Inc. v. Spinelogik, Inc.*, IPR2025-00225, Paper 8 at 2 (P.T.A.B. Jun. 12, 2025) (“discretionary denial is not appropriate” where the petitioner “expected non-enforcement of the challenged patent”).

Thus, the parties’ settled expectations favor institution.

**B. PO’s Myriad Objections Are Unavailing.**

**1. PO’s Speculation Regarding Future Claim Construction Proceedings Lacks Merit.**

PO speculates that Amazon may seek to apply broad constructions in this IPR and narrow constructions in the Litigation. (PO Req. at 15-17.) Not so. Petitioners have not taken any claim construction position in the Litigation. Petitioners’

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<sup>2</sup> PO was formed and acquired the asserted patents, including the '487 patent, in 2023. Less than eight months later, PO sued Petitioners in the Litigation.

position in this proceeding is that no claim construction is necessary because the prior art discloses each claim limitation *under any reasonable construction*.<sup>3</sup> Such an approach is commonplace in IPR proceedings. *See Vivid Techs., Inc. v. Am. Sci. & Eng’g, Inc.*, 200 F.3d 795, 803 (Fed. Cir. 1999); *CrowdStrike, Inc. v. Open Text Inc.*, IPR2023-00124, Paper 11 at 12-13 (P.T.A.B. June 15, 2023).

## **2. The Board Is Well-Equipped to Handle the Issues Presented.**

PO provides no basis for its assertion that “a jury will have to weigh the testimony and balance credibility of the experts” when the Board is entitled to do just that. (PO Req. at 17); *Trs. of Columbia Univ. v. Illumina, Inc.*, 620 F. App’x 916, 922 (Fed. Cir. 2015) (Board is “entitled to weigh the credibility of the [experts] in light of their qualifications and evaluate their assertions accordingly”). PO’s argument that the Office is not an appropriate venue because additional testimony on “issues of validity and infringement” may be needed likewise misses the point. (PO Req. at 17-18.) PO does not specify how inventor testimony is relevant to the validity issues here. (*Id.*) Nor, of course, is infringement relevant to this proceeding.

## **3. Petitioners’ Expert Declaration Is Proper.**

PO argues that Amazon’s expert declaration is entitled to little or no weight

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<sup>3</sup> This is why PO’s reliance on *Sun Pharm. Indus., Inc. v. Nivagen Pharms., Inc.*, IPR2025-00893, Paper 18 at 2 (P.T.A.B. Sept. 19, 2025), is misplaced. In *Sun*, the petitioner explicitly advocated for a “broader plain and ordinary meaning” in its Petition. (*Sun*, IPR2025-00893, Paper 1 at 13 n.2.) Not so here.

because it merely restates the Petition. (PO Req. at 18-19.) It does not. Regardless, PO's arguments misunderstand the law: the Board does "*not* accord the [expert] testimony little or no weight simply because it is verbatim to what Petitioner states in the Petition. [PO's cited] *Xerox* case ... does not require or indicate otherwise." *Unified Patents, LLC v. Togail Techs., Ltd.*, IPR2023-00338, Paper 7 at 11 (P.T.A.B. Aug. 18, 2023) (emphasis added). "Rather, the critical inquiry is whether a declaration discloses underlying facts or data on which the opinion is based." *Bizlink Tech., Inc. v. Anderson Power Prods., Inc.*, IPR2024-00687, Paper 7 at 27-28 (P.T.A.B. Nov. 22, 2024). This is exactly what Petitioners' expert declaration does, and it is entitled to its full weight. *See Hum Indus. Tech., Inc. v. Amsted Rail Co., Inc.*, IPR2023-00540, Paper 10 at 37 (P.T.A.B. Aug. 11, 2023); *Nintendo Co., Ltd. v. Am. GNC Corp.*, IPR2024-00668, Paper 10 at 42-43 (P.T.A.B. Sept. 10, 2024). Thus, PO's arguments regarding Petitioners' expert declaration do not warrant denial.

#### **4. The Petition Fully Analyzed Obviousness.**

PO argues, without support, that the Petition does not show that the references could have been predictably combined. (PO Req. at 19-20.) Not so. Both the Petition and Petitioners' expert provide specific rationales as to why a POSITA would have been motivated to modify the primary reference or combine the references' teachings with a reasonable expectation of success. (*E.g.*, Pet. at 34-37.) If PO believes that the obviousness rationales lack merit, PO should submit testimony from

an expert who will be subject to cross-examination during the trial phase.

PO next argues the Petition did not address the *Graham* factors. (PO Req. at 20.) However, the vast majority of the Petition is dedicated to analyzing the “scope and content” of the prior art references upon which Petitioners rely. And, where any differences between the prior art and the claims exist—or potential differences that PO may argue exist—the Petition addresses those differences by showing why any modification would have been obvious. (*See, e.g.*, Pet. at 21-33.) The Petition also addressed the level of skill in the art. (*Id.* at 8 (citing EX-1002 at ¶¶37-41).)

Accordingly, PO’s arguments lack merit and should be rejected.

**C. The Settled-Expectations Standard  
Should Not Be Applied Here.**

The settled-expectations standard should not be employed here because doing so would violate the Administrative Procedure Act (“APA”) and the Constitution.

**1. Background of the Settled Expectations Standard**

**a. The Office Previously Instituted IPRs  
Without Regard for the Patent’s Age.**

The America Invents Act (AIA) created the IPR process. For the first twelve years of the AIA era, the Office consistently instituted IPRs without regard for the challenged patent’s age. For example, the very first IPR challenged a patent that was more than eight years old at the time the IPR petition was filed. *Garmin Int’l, Inc. v. Cuozzo Speed Techs. LLC*, IPR2012-00001, Paper 1 at 1 (P.T.A.B. Sept. 16,

2012) (challenging a patent issued on “August 17, 2004”). The Office instituted this IPR with no mention of “settled expectations” or any six-year threshold. *Garmin*, IPR2012-00001, Paper 15 (P.T.A.B. Jan. 9, 2013). The Office has instituted hundreds of other IPRs, if not thousands, against patents far more than six years old.

**b. The Office Previously Rejected Settled-Expectations Arguments.**

In 2018, the Board rejected a patent owner’s settled-expectations argument in a decision designated precedential. *NHK Spring Co. Ltd. v. Intri-Plex Techs., Inc.*, IPR2018-00752, Paper 8 at 19 (P.T.A.B. Sept. 12, 2018) (precedential). The patent there was more than seventeen years old and the petitioner had known about the patent “for more than ten years.” *Id.* However, the Board was “not persuaded that this lapse in time favors denying review.” *Id.*; *see also Microsoft Corp. v. Dareltech, LLC*, IPR2020-00483, Paper 11 at 13 (P.T.A.B. Sept. 16, 2020).

**c. The Office Previously Convinced the Federal Circuit that Patent Owners Have No Settled Expectations that Preclude IPR.**

In *Celgene Corp. v. Peter*, 931 F.3d 1342, 1361-62 (Fed. Cir. 2019), a patent owner claimed an expectation that its pre-AIA patents could not be challenged via IPR proceedings, which did not exist at the time the patents issued. *Id.* at 1358. But the Office disagreed, arguing that the patent owner was not entitled to any such expectation—even though the patents were more than fifteen years old at the time. *Id.*; *see also id.* at 1346 (identifying U.S. Patent Nos. 6,045,501 and 6,315,720).

Accepting the Office’s arguments there, the Federal Circuit held: “the expectation that patent owners have had for nearly four decades” is “that patents are open to PTO reconsideration and possible cancelation.” *Id.* at 1361-62.

**d. The Office’s Longstanding Policy Permitted IPRs Against Expired Patents.**

From the very beginning, the Office’s rules governing IPRs made clear that IPRs were available even for very old patents. Specifically, the original Office rule governing claim construction in IPRs expressly provided for challenges to patents that would be expired before the deadline for any final written decision in an IPR. *See* 37 C.F.R. §42.100(b) (2012). Although the Office later amended this claim-construction rule, it continued allowing IPRs against expired patents. *E.g., Apple, Inc. v. Gesture Tech. Partners, LLC*, IPR2021-00922, Paper 10 at 17-19 (P.T.A.B. Nov. 29, 2021). And the Federal Circuit affirmed that longstanding policy. *Apple Inc. v. Gesture Tech. Partners, LLC*, 127 F.4th 364, 369 (Fed. Cir. 2025).

**e. “Settled Expectations” Abruptly Reversed the Office’s Longstanding Policy.**

Earlier this year, Deputy Director Stewart (then the Acting Director) issued a memorandum describing a new procedure for evaluating discretionary denial factors. (Interim Processes for PTAB Workload Management (March 26, 2025).) There, the Office articulated for the first time that in a discretionary denial analysis, it would consider “[s]ettled expectations of the parties, such as the length of time the

claims have been in force[.]” (*Id.* at 2.) But the Deputy Director did not specify how long the claims would need to have been in force, nor did she explain that settled expectations alone would typically be sufficient to outweigh every other factor.

The Deputy Director’s rollout of the new settled-expectations standard began in June with *iRhythm Techs., Inc. v. Welch Allyn, Inc.*, IPR2025-00363, Paper 10 (P.T.A.B. June 6, 2025), in which she found that “settled expectations favor denial” because “one of the patents has been in force since as early as 2012.” *Id.* at 3. Later in June, the Deputy Director issued another “settled expectations” denial in *Dabico Airport Sols. Inc. v. AXA Power APS*, IPR2025-00408, Paper 21 (P.T.A.B. June 18, 2025). In that case, the challenged patent had “been in force almost eight years.” *Id.* at 2. To explain the denial, the decision cited the six-year period that limits infringement damages under 35 U.S.C. §286. *Id.* at 3. *Dabico* applied the “settled expectations” standard based solely on the passage of time, explaining that “actual notice ... is *not* necessary to create settled expectations.” *Id.* (emphasis added).

Over the months of June and July, it became clear that the Deputy Director had adopted a six-year rule; that is, if a patent issued more than six years before the filing of the IPR petition, she consistently held that settled expectations favored denial. Compare, e.g., *Amgen Inc. v. Bristol-Myers Squibb Co.*, IPR2025-00601, Paper 9 at 2-3 (P.T.A.B. July 24, 2025) (settled expectations favor denial for patents issued six and seven years earlier) with *WebGroup Czech Republic, A.S. v. Dish*

*Techs. LLC*, IPR2025-00467, Paper 14 at 2 (P.T.A.B. July 16, 2025) (no settled expectations for patents issued 2-6 years earlier). Although the Deputy Director has identified exceptions to the six-year standard, they are narrow and rarely available. *See, e.g., Globus*, IPR2025-00225, Paper 8 at 2 (rejecting settled expectations argument where “the challenged patent expired almost four years ago due to non-payment of maintenance fees”). Apart from such narrow exceptions, the Deputy Director has established a consistent policy of immunizing patents more than six years old from IPR.

**2. Applying the Settled-Expectations Standard Here Would Violate the APA.**

The Director should not apply the settled-expectations standard here because doing so would violate the APA in at least five ways.

**a. The Standard Contravenes Precedent.**

The APA requires that agency action which is “not in accordance with law” must be set aside. 5 U.S.C. §706(2)(A). The “settled expectations” standard is not in accordance with law because it contradicts *Celgene*, which held that patent owners have no expectation that their patents will be immune from challenges at the Office. *Celgene*, 931 F.3d at 1361-62. To the contrary, “the expectation that patent owners have had for nearly four decades” is “that patents are open to PTO reconsideration and possible cancelation.” *Id.* Immunizing patents from IPR, for a reason that the Federal Circuit expressly held does *not* confer immunity, is contrary to law.

**b. The Standard Is Inconsistent with the AIA.**

Agency action that is “in excess of statutory jurisdiction, authority, or limitations” must also be set aside. 5 U.S.C. §706(2)(C). Because the settled expectations standard presumptively bars challenges to patents more than six years old, it is contrary to the AIA. The AIA sets the “filing deadline” for IPRs as the later of “the date that is 9 months after the grant of a patent” or the date of termination of any PGR. 35 U.S.C. §311. Thus, Congress knew how to create time-based deadlines for filing IPRs, but chose to impose only a *lower* limit of nine months on the patent’s age.

The Federal Circuit has consistently found IPR available at any time after the nine-month period of 35 U.S.C. §311, including after expiration. *Samsung Elecs. Am., Inc. v. Prisia Eng’g Corp.*, 948 F.3d 1342, 1346 (Fed. Cir. 2020); *Apple Inc. v. Gesture Tech. Partners, LLC*, 127 F.4th 364, 368-70 (Fed. Cir. 2025). Because the settled-expectations standard effectively sets a filing deadline different from the one Congress enacted, it exceeds the Office’s authority.<sup>4</sup>

**c. The Standard Counters Congressional Intent.**

The APA also requires setting aside agency action that is “arbitrary” or “capricious.” 5 U.S.C. §706(2)(A). Agency action is arbitrary and capricious when

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<sup>4</sup> For the same reasons, the settled-expectations standard contravenes the Constitution’s separation of powers. *See, e.g., Util. Air Regul. Grp. v. EPA*, 573 U.S. 302, 322-27 (2014) (rule “would deal a severe blow to the Constitution’s separation of powers” where it was “inconsistent with” statutory structure and goes “beyond the bounds of its statutory authority” (internal quotation marks and citation omitted)).

“the agency has relied on factors which Congress has not intended it to consider.”

*Motor Vehicle Mfrs. Ass’n of U.S., Inc. v. State Farm Mut. Auto. Ins. Co.*, 463 U.S. 29, 43 (1983). Here, the settled-expectations standard relies on a six-year-from-issuance upper limit, even though Congress intended only a nine-month lower limit.

**d. The Standard Violates the Change-in-Position Doctrine.**

The change-in-position doctrine holds that agency action is arbitrary and capricious when the agency “changed existing policy” without displaying “awareness” of the change or offering “good reasons,” including taking into account “serious reliance interests.” *FDA v. Wages & White Lion Invs., L.L.C.*, 145 S. Ct. 898, 918 (2025); *Encino Motorcars, LLC v. Navarro*, 579 U.S. 211, 221-22 (2016). Here, the settled-expectations standard changes longstanding policy by presumptively barring IPRs against patents more than six years old, even though the Office previously allowed IPR challenges throughout, and after, a patent’s lifetime. (*Supra* §IV.C.1.) The Office made this change without offering good reasons or accounting for serious reliance interests of parties like Petitioners, who developed and coordinated district court and IPR strategies based on the Office’s prior policies. Accordingly, application of the settled expectations standard here would be arbitrary and capricious.

**e. Enacting the Standard Without Notice-and-Comment Rulemaking Violates the APA.**

Under the APA, agencies must promulgate substantive rules (e.g., those that

“effect a change in existing law or policy or ... affect individual rights and obligations”) through notice-and-comment rulemaking; agency action that fails to comport with this requirement must be set aside. *Coal. for Common Sense in Gov’t Procurement v. Sec’y of Veterans Affs.*, 464 F.3d 1306, 1317 (Fed. Cir. 2006). The settled-expectations standard is such a substantive rule because it imposes a presumptive obligation on petitioners to challenge patents within six years of their issuance. Moreover, the standard alters the “substantive standards by which the USPTO evaluates” IPR petitions and thus is subject to notice-and-comment rulemaking. *See In re Chestek PLLC*, 92 F.4th 1105, 1110 (Fed. Cir. 2024). However, the Office failed to enact the settled expectations policy through notice-and-comment rulemaking.

### **3. Applying the Standard Would Be Unconstitutional.**

Applying the settled-expectations standard to deny institution of the Petition here would violate the Due Process Clause of the Fifth Amendment, under which the government cannot deprive parties of protected property rights without “constitutionally adequate procedures.” *Cleveland Bd. of Educ. v. Loudermill*, 470 U.S. 532, 541 (1985). The “property” interests subject to procedural due process protection include “a broad range of interests that are secured by ‘existing rules or understandings.’” *Perry v. Sindermann*, 408 U.S. 593, 601 (1972) (citation omitted).

Even where an agency is conferred broad discretion, the agency may constrain its own discretion and in doing so create a cognizable property interest. *See Brown*

v. *Eppler*, 725 F.3d 1221, 1226 (10th Cir. 2013). Agencies may adopt such constraints on their own discretion by way of “the consistent practice of a decisional body—even in the absence of express regulatory language,” *Tarpeh-Doe v. U.S.*, 904 F.2d 719, 724 (D.C. Cir. 1990), or a “constant, consistent pattern of ALJ decisions,” *Furlong v. Shalala*, 156 F.3d 384, 395 (2d Cir. 1998). Here, Petitioners were entitled to rely on the Office’s longstanding policy of allowing patents to be challenged in IPRs many years after they issued. (*Supra* §IV.C.1.) Due Process protects this reliance interest. *Brown*, 725 F.3d at 1226; *Furlong*, 156 F.3d at 395.

“To satisfy the Due Process Clause, [an agency] must at a minimum ‘provide regulated parties fair warning of the conduct a regulation prohibits or requires.’” *Mexichem Fluor, Inc. v. EPA*, 866 F.3d 451, 462 (D.C. Cir. 2017). When an agency changes a policy from one which “engendered serious reliance interests, due process considerations of fair notice and fundamental fairness demand a reasonable explanation” as well as requiring the agency to “take into account reliance interests when changing course.” *Cemex Inc. v. Dep’t of the Interior*, 560 F. Supp. 3d 268, 281-82 (D.D.C. 2021). By preventing Petitioners from accessing the IPR process that was available to them under the prior policy, and ignoring their serious reliance interests, discretionary denial would violate Petitioners’ due process rights.

For these reasons, the settled-expectations standard should not be applied.

Petitioners respectfully request that the Director institute IPR.

Respectfully submitted,  
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November 12, 2025

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## **CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing **PETITIONERS’  
OPPOSITION TO PATENT OWNER’S REQUEST FOR DISCRETIONARY  
DENIAL** is being served on November 12, 2025, via e-mail on counsel of record  
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