

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.,
Petitioners

v.

SOUNDCLEAR TECHNOLOGIES LLC,
Patent Owner

U.S. Patent No. 9,223,487
Issue Date: December 29, 2015

Title: ELECTRONIC APPARATUS, METHOD OF CONTROLLING THE
SAME, AND RELATED COMPUTER PROGRAM

Inter Partes Review No. IPR2025-01368

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., LLC 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 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 regarding “settled expectations,” and did so in its Opposition. Further, the Director recently applied *Hulu* in a similar context to this proceeding and should deny institution here. As previously explained, a holistic assessment of *all* discretionary considerations supports denial here. *See* DD Br. (Paper 8); POPR (Paper 11).

I. THIS IPR DOES NOT APPROPRIATELY USE BOARD RESOURCES

The challenged claims of the ’487 patent have already been found invalid under 35 U.S.C. § 101. DD Br., 6-9. The Board’s decision in *Hulu, LLC v. Piranha Media Distribution, LLC* is directly on point. IPR2024-01252, Paper 27, (Apr. 17, 2025) (informative) (“*Hulu*”). The relevant facts present here exactly mirror those

in *Hulu*, where the “[p]etitioner filed a motion to dismiss under Rule 12(b)(6), asserting that the challenged claims in *this* [IPR] proceeding are invalid as reciting ineligible subject matter under § 101.” *Hulu*, 2 (emphasis added). The district court granted that motion and invalidated the claims of the patent subject to the IPR. *Id.* Consequently, the Acting Director found that because the claims already stood invalid, it was unnecessary to institute another proceeding to review them for patentability on other grounds, noting that in such scenarios the efficiency and integrity of the patent system is best served by denying institution. *Id.*, 2-3.

Amazon argues that *Hulu* is not applicable here because IPRs challenging other patents asserted at the district court have been instituted. *Opp.*, 2. However, *Hulu* does *not* impose any requirement that every patent asserted in parallel district court litigation be invalid under § 101 for it to apply. *See Hulu*, 2-3 (discussing the claims challenged in *this* proceeding) (emphasis added). The Board should follow its precedent set by *Hulu* and reach the same result here.

Amazon presents several other arguments to support its assertion that it would be “much more efficient for the Board to also review patentability of the ’487 patent under §103” *Opp.*, 2. All of these arguments fail. First, Amazon’s argument with respect to Federal Circuit appeals (*Opp.*, 2-3) is the exact argument *Hulu* rejects. In *Hulu*, the Acting Director explained, “in the event the Federal Circuit reverses the district court’s decision, Petitioner may raise such invalidity

arguments in the district court on remand. Under these circumstances, that is the better and more efficient approach.” *Hulu*, 2-3. Amazon’s specious attempt to loop in this invalidated patent to its other IPR proceedings on efficiency grounds is inapposite. The Director should deny institution here because it is not an efficient use of Board resources to review the ’487 patent on other invalidity grounds when the claims challenged in this IPR already stand as invalid under § 101.

II. *FINTIV* FAVORS DENIAL

Amazon paints a backward picture with respect to the *Fintiv* analysis and efficiency. Opp., 3-5. As SoundClear argued in its opening brief (DD Br., 6-9), the *Fintiv* framework, which has historically guided the Board in deciding whether to institute IPR, does not fit neatly with the circumstances of cases such as *Hulu* and the instant case, where the district court has already ruled the challenged claims invalid under § 101. The *Fintiv* framework emphasizes efficiency concerns and encourages parties to explain the impact of the facts and circumstances of their proceeding on efficiency and integrity of the patent system. *Hulu*, 3 (citing *Fintiv*, 16). Here, as explained above, where a district court already ruled the challenged claims invalid, the efficiency and integrity of the patent system is best served by denying institution. See *Hulu*, 3; see also *Google LLC v. Bootler, LLC*, IPR2025-00967, Paper 10, 2-3 (Director Oct. 31, 2025). Thus, discretionary denial is appropriate under *Hulu*, *Fintiv*, and the Board’s discretionary denial framework.

III. *ADVANCED BIONICS* FAVORS DENIAL

Amazon argues that SoundClear’s *Advanced Bionics* argument applies to only half of the grounds in the Petition, and therefore it is essentially irrelevant. Opp., 5-8. Not so. An *Advanced Bionics* argument directed to any ground raised in a petition is still relevant under the Board’s holistic discretionary denial approach.

Beyond its sweeping and conclusory argument that the Board should ignore SoundClear’s analysis, Amazon articulates no meaningful rebuttal to SoundClear’s arguments. On prong 1, Amazon does not dispute, or even address SoundClear’s argument (DD Br., 10-13) that the Westerman-403 reference considered by the examiner during prosecution is substantially the same as Westerman-632 cited in the Petition. Amazon merely points to the other prior art references it relies on. Opp., 6. On prong 2, Amazon states broadly that “the Petition clearly shows ... Examiner error.” Opp., 7. Yet, Amazon fails to identify even *one* specific way in which the Examiner erred, much less one error in SoundClear’s arguments on prong 2 (DD Br., 13-14). Thus, Amazon’s failure to meet its burden to *show* that the Examiner erred favors discretionary denial. *Advanced Bionics*, 9.

IV. 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., 12. 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). Considering “settled expectations” is not an APA violation under Amazon’s theories. And its inclusion as part of a holistic analysis is not an APA violation. Further, the Director has considered these arguments several times before on Director Review and rejected them each of those times. *See, e.g.*, IPR2025-00765 (and other related proceedings) Paper 20 (Director Nov. 5, 2025). The Director should reach the same conclusion here.

V. THERE ARE NO DUE PROCESS CONCERNS

Amazon argues that “[a]pplying the new settled expectations standard to deny institution of the Petition her would violate the Due Process Clause of the Fifth Amendment.” Opp., 19-20. Because Amazon had no right to an IPR, its due process arguments thus fail 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.”). Regardless Amazon had an opportunity to address “settled expectations” in its Opposition and upcoming sur-reply. *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.”). Thus, there are no due process concerns.

VI. CONCLUSION

Under a holistic assessment of all discretionary considerations, discretionary denial is appropriate here.

Dated: November 20, 2025

Respectfully submitted,

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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 1,231 words and no more than 5 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).

Dated: November 20, 2025

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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.
9,223,487 was served electronically via email on November 20, 2025, on the
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