

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

GOOGLE LLC,
Petitioner,

v.

SOUNDCLEAR TECHNOLOGIES, LLC,
Patent Owner.

Case No. IPR2025-00345
U.S. Patent No. 9,031,259

**PETITIONER'S REQUEST FOR DIRECTOR REVIEW OF
DISCRETIONARY DENIAL DECISION**

TABLE OF CONTENTS

I. Introduction.....1

II. Legal Standard for Director Review.....1

III. Grounds for Review.....2

 A. The Decision Misapplied the Acting Director’s Guidance on
 “Settled Expectations”.....2

 B. The Decision Goes Beyond the PTO’s Authority by Creating a
 New Time Bar6

 C. The Decision Improperly Weighed Purported Settled
 Expectations over the District Court Stays and Other *Fintiv*
 Factors7

 D. The Decision Failed to Address Merits of the Petition.....11

 E. The Decision Contradicts USPTO Guidance and Precedent13

IV. Conclusion15

TABLE OF AUTHORITIES

	Page(s)
Cases	
<i>Apple Inc. v. Fintiv, Inc.</i> , IPR2020-00019, Paper 11 (PTAB Mar. 20, 2020) (Precedential)	5, 8, 12, 15
<i>Atchison, Topeka & Santa Fe Railway Co. v. Wichita Board of Trade</i> , 412 U.S. 800 (1973).....	13
<i>Celgene Corp. v. Peter</i> , 931 F.3d 1342 (Fed. Cir. 2019)	6, 9
<i>CommScope Technologies LLC v. Dali Wireless, Inc.</i> , IPR2022-01242, Paper 23 (Feb. 27, 2023) (Precedential)	12
<i>Cuozzo Speed Technologies, LLC v. Lee</i> , 579 U.S. 261 (2016).....	13
<i>Fred Beverages, Inc. v. Fred’s Capital Management Co.</i> , 605 F.3d 963 (Fed. Cir. 2010)	14
<i>Intel Corp. v. Proxense LLC</i> , IPR2025-00327, Paper 12 (Acting Dir. June 26, 2025)	4, 5
<i>ResMed Corp. v. Cleveland Medical Devices, Inc.</i> , IPR2025-00158, Paper 11 (PTAB June 13, 2025)	10, 14
<i>Shenzhen Tuozhu Technology Co. v. Stratasy, Inc.</i> , IPR2025-00531, Paper 10 (Acting Dir. July 17, 2025).....	2, 4, 5, 14
<i>Skechers U.S.A., Inc. v. Nike, Inc.</i> , IPR2025-00141, Paper 23 (Acting Dir. Aug. 21, 2025).....	12
<i>Snap, Inc. v. SRK Technology LLC</i> , IPR2020-00820, Paper 15 (PTAB Oct. 21, 2020) (Precedential as to Relevant Part).....	8
<i>Stingray Group Inc. v. Hernandez-Mondragon</i> , IPR2025-00349, Paper 19 (PTAB June 13, 2025)	8, 9

Thryv, Inc. v. Click-To-Call Technologies, LP,
590 U.S. 45 (2020).....13

Statutes

35 U.S.C. § 311(c)(1).....7
35 U.S.C. § 314(a) 11, 13
35 U.S.C. § 314(c)11
35 U.S.C. § 315(b)3
35 U.S.C. § 315(e)(2).....10
5 U.S.C. § 706(2)(A).....6, 7
5 U.S.C. § 706(2)(C).....7

Other Authorities

House of Representatives Report No. 112-98 (2011).....12
March 24, 2025, USPTO Memorandum..... 4, 10, 15
March 26, 2025, USPTO Memorandum..... 10, 15
U.S. Pat. & Trademark Office, *Director Review Process* (Aug. 12, 2025).....2

Regulations

37 C.F.R. § 42.752

I. Introduction

Petitioner Google requests Director Review of the Decision Denying Institution (Paper 15, “Decision”). Patent Owner asserted the challenged patent in separate suits against Google and Amazon in the Eastern District of Virginia. Paper 1 (“Pet.”) at 97. The district court stayed both cases pending resolution of the IPRs. Exs. 1015-1016. The Decision conceded that the lack of a trial date in the parallel litigation counseled “against discretionary denial,” but declined institution because (a) the patent had been in force for approximately ten years, and (b) “Petitioner [did] not provide “persuasive reasoning why an *inter partes* review is an appropriate use of Board resources.” Decision 2-3. The Decision improperly elevated the patent’s age above all other considerations, effectively creating a *de facto* rule that the Board will not consider petitions for IPR of patents older than a certain age. This represents a clear error of law and an abuse of discretion. Moreover, the Decision mistakenly found that “Petitioner had knowledge of the challenged patent[] as early as 2019,” when no evidence supports that knowledge. *Id.* Director Review is necessary to correct these errors and to provide guidance on the proper balance of factors in future cases.

II. Legal Standard for Director Review

A party may request *de novo* Director Review of an institution decision when the decision presents “(a) an abuse of discretion, (b) important issues of law

or policy, (c) erroneous findings of material fact, or (d) erroneous conclusions of law.” 37 C.F.R. § 42.75(c); U.S. Pat. & Trademark Office, *Director Review Process* §§ 2.B, 5.A.ii.c (Aug. 12, 2025), available at <https://www.uspto.gov/patents/ptab/decisions/director-review-process>.

III. Grounds for Review

A. The Decision Misapplied the Acting Director’s Guidance on “Settled Expectations”

Even though Petitioner filed its IPR petition just over nine months after Patent Owner’s first ever lawsuit asserting the challenged patent, the Decision denied institution primarily because the challenged patent issued approximately ten years earlier, purportedly “creating strong settled expectations for Patent Owner.” Pet. 97; Decision 2. But this Patent Owner could not have had “settled” expectations after only acquiring the patent less than eight months before filing suit. Ex. 1017. Instead, the Decision treated patent age as dispositive, even overriding the existing stays of multiple district court litigations. Decision 2-3. The Decision could only reach this conclusion through erroneous determinations of fact and law and by abusing its discretion. Mere passage of time, without more, is not dispositive, especially in the absence of any real reliance by the Patent Owner. *See, e.g., Shenzhen Tuozhu Tech. Co. v. Stratasys, Inc.*, IPR2025-00531, Paper 10 at 3 (Acting Dir. July 17, 2025) (declining to exercise discretion to deny institution of 10-year-old patent.).

Petitioner's diligence and lack of delay. It was clear error for the Decision to find that Petitioner “had knowledge of the challenged patent[] as early as 2019” despite the record providing no evidence of any such knowledge of the challenged patent. Decision 2-3. Indeed, Patent Owner never even argued that Petitioner knew of the '259 patent. Patent Owner does not dispute that Petitioner lacked knowledge of the patent (constructive or otherwise) until the filing of the complaint. *See* Paper 11 (“PO Reply”) at 1.

Petitioner filed this IPR petition well within the one-year limit of 35 U.S.C. § 315(b). Shortly after filing, Petitioner moved the district court for a stay to allow the PTAB to address validity. Ex. 1015, 2; Ex. 1016, 2-3. These prompt actions evidence good faith and diligence. Patent Owner cannot claim unfair surprise or detrimental reliance on Petitioner forgoing an IPR. There was no strategic acquiescence by Petitioner over the past decade that could have lulled Patent Owner into assuming the patents would never face a PTAB challenge. Director Review should be granted to correct this error and institute the IPR.

No substantial reliance or investment. Patent Owner has not alleged any commercialization, licensing, or other use of the patent in the roughly ten years since it issued. *See generally*, Paper 5 (“PO Req. for DD”); PO Reply. Patent Owner is a non-practicing entity that acquired the challenged patent in September 2023 and asserted it for the first time in May 2024. Ex. 1017. Thus, Patent Owner

has no significant investment-backed or business reliance on the patent’s continued enforceability. In such circumstances, the Patent Owner’s “expectations” are at most theoretical, not the type of settled, concrete interests that justify shielding a patent from scrutiny. For example, in *Shenzhen Tuozhu Technology*, the Acting Director declined to exercise discretion to deny institution despite the challenged patent being “in force for approximately 10 years” because “evidence that the challenged patents have never been ‘commercialized, asserted, marked, licensed, or otherwise applied’” “weigh[ed] against Patent Owner’s claim of strong settled expectations.” IPR2025-00531, Paper 10 at 3; *see also Intel Corp. v. Proxense LLC*, IPR2025-00327, Paper 12 at 2-3 (Acting Dir. June 26, 2025) (explaining that a patent “in force for years” but not “commercialized, asserted, marked, licensed, or otherwise applied in a petitioner’s particular technology space” “weigh[s] against a patent owner’s claim of settled expectations and bears on the Director’s discretion”). The lack of investment by Patent Owner here weighs in favor of granting Director Review and referring the petition to the merits panel.

Patent age alone is insufficient. The Decision’s heavy emphasis on patent age is inconsistent with Director guidance and Board precedent, which indicate that “time in force” is just one factor, not automatically outcome-determinative. March 24, 2025, USPTO Memorandum at 3, (“[A]s stated in *Fintiv*, the factors considered in the exercise of discretion are part of a balanced assessment of all the

relevant circumstances in the case.”); *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 at 6 (PTAB Mar. 20, 2020) (Precedential) (“*Fintiv*”) (explaining that “the Board takes a holistic view of whether efficiency and integrity of the system are best served by denying or instituting review”). For example, in *Intel Corp. v. Proxense LLC*, the Acting Director acknowledged a patent’s age (over 9 years) but clarified that settled expectations depend on context—such as whether the patent was actively asserted or commercialized over that period. IPR2025-00327, Paper 12 at 2-3 (Acting Dir. June 26, 2025). If a patent has simply existed quietly, with no reliance by its owner, the mere fact that it is “old” does not create a compelling equitable barrier to review. *Shenzhen Tuozhu Tech.*, IPR2025-00531, Paper 10 at 3 (declining to discretionarily deny petition challenging 10-year-old patent that was never applied in petitioner’s technology space).

Here, the patent was dormant—and owned by someone else—until recently. There is no indication that the patent received any scrutiny from the Patent Office or any third party in the approximately nine years between the day it issued and the day Patent Owner filed its infringement complaint. Even during prosecution, the patent received little scrutiny, issuing without any rejections. *See* Ex. 1002. Patent Owner had no reason to expect that the patent was immune to an invalidity challenge.

The Decision effectively creates a time-based shield for patents that the AIA

does not recognize. In short, the Decision erred in giving dispositive weight to patent age absent evidence of genuine reliance or prejudice. Director Review is needed to correct this misapplication of the law.

B. The Decision Goes Beyond the PTO’s Authority by Creating a New Time Bar

The applied time-based bar is “not in accordance with law” and cannot provide an APA-compliant basis for denying institution. 5 U.S.C. § 706(2)(A). In *Celgene Corp. v. Peter*, 931 F.3d 1342 (Fed. Cir. 2019), the Federal Circuit—at the PTO’s behest—explicitly rejected a patentee’s contention that it had an expectation that its pre-AIA patents would not be subject to IPR, a proceeding that did not exist when its patents issued. As the Federal Circuit explained, “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. The *Celgene* patent owner knew its patents were subject to potential reconsideration by the PTO during the patents’ term, so it had no reasonable expectations to the contrary.

Just as the *Celgene* patent owner—as a matter of law—lacked an expectation that its patent would not be subject to IPR, so too did SoundClear. The Decision’s contrary finding conflicts with *Celgene*, and such an unlawful finding cannot be the basis for denying institution. 5 U.S.C. § 706(2)(A). Notably, principles of judicial estoppel preclude the PTO from arguing otherwise, as it was the PTO that successfully convinced the Federal Circuit to find that the *Celgene* patentee lacked

an expectation of immunity from IPR.

The Decision’s reliance on SoundClear’s alleged “settled expectations” also exceeds the authority under the AIA, which explicitly sets forth only one issue-date-based limit on when a patent can be challenged in an IPR: that an IPR cannot be filed within the first nine months after the patent was granted. 35 U.S.C. § 311(c)(1). Congress knew how to limit what patents are subject to IPR based on their issuance date, and Congress’s decision to bar IPRs only during the first nine months of a patent’s term means that Congress did not intend to impose any other term-based restrictions on IPRs. The Decision’s reliance on a Patent Owner’s (non-existent) “settled expectations” as a basis for denying institution effectively immunizes an entire generation of patents that Congress intended to be subject to IPR. The decision thus improperly exceeds the PTO’s statutory authority, and is arbitrary and capricious. 5 U.S.C. § 706(2)(A), (C).

C. The Decision Improperly Weighed Purported Settled Expectations over the District Court Stays and Other *Fintiv* Factors

Whatever weight the patent’s age deserves (none in Petitioner’s view), the Decision still should have declined to discretionarily deny in light of stays in district court and the diligence with which Petitioner filed this petition. Exs. 1015-1016. The Decision erred by apparently weighing the age of the patent over several key *Fintiv* factors that favor referral to the merits panel. *Fintiv*, IPR2020-00019,

Paper 11 at 6-13.

Factor 1 – Stay of litigation. The two parallel district court cases asserting the challenged patent were both stayed pending resolution of the IPRs filed on the asserted patents. Exs. 1015-1016. A stay “strongly weighs against exercising the authority to deny institution” because it mitigates concerns about duplicate efforts and inconsistent rulings. *Stingray Grp. Inc. v. Hernandez-Mondragon*, IPR2025-00349, Paper 19 at 6 (PTAB June 13, 2025) (“A district court stay of the litigation pending resolution of the PTAB trial allays concerns about inefficiency and duplication of efforts.” (quoting *Fintiv*, IPR2020-00019, Paper 11 at 6)); *Snap, Inc. v. SRK Tech. LLC*, IPR2020-00820, Paper 15 at 9 (PTAB Oct. 21, 2020) (Precedential as to Relevant Part) (stay weighs “strongly against” denial). Here, the stay meant that no court proceedings would go forward until the PTAB decided whether to institute, and if instituted, until a Final Written Decision issued. Thus, the usual efficiency rationale for denial (avoiding parallel litigation) was entirely satisfied: there were no parallel proceedings to avoid, because the district court litigations are stayed. While the Decision acknowledged the stay (in a single line), its statement that “Petitioner does not provide persuasive reasoning why an *inter partes* review is an appropriate use of Board resources” erroneously disregards that IPR, if instituted, would eliminate or significantly streamline issues in the litigation without any risk of duplicative efforts. Decision 2. This is precisely the scenario in

which Congress intended the Board to use its resources. *See Celgene Corp. v. Peter*, 931 F.3d 1342, 1362 n.20 (Fed. Cir. 2019) (stating that “one of the objectives of the AIA . . . was to provide an alternative to district court litigation”).

Factor 2 – Trial timing. Because the district court litigations are stayed, there is no risk of a trial occurring before a PTAB decision. If the IPR were instituted, any eventual trial would necessarily be after the PTAB’s Final Written Decision. Factor 2 therefore favors institution. *Stingray Grp. Inc.*, IPR2025-00349, Paper 19 at 7 (“the proximity of the court’s trial date to the Board’s projected statutory deadline for a final written decision weighs against exercising our authority to deny institution because there is no trial date scheduled.”).

Factor 3 – Investment in parallel proceeding. The district court cases were stayed very early, with minimal investment taking place beforehand. Petitioner has not filed an answer, no discovery has occurred, and no substantive hearings (e.g., *Markman*) have taken place. Essentially no judicial resources have been expended on the merits of the case. Under *Fintiv*, this strongly favors referral to the merits panel—there was no wasted effort to avoid because the substantive work of the litigation had yet to begin and the case was stayed. *Stingray Grp. Inc.*, IPR2025-00349 Paper 19 at 7. The Decision did not discuss this factor, effectively failing to consider how insubstantial the parallel proceeding was.

Factor 4 – Overlap of issues. Because the district court litigations are

stayed, there is no risk of overlapping issues between the litigations and the IPR. Petitioner did not serve any invalidity contentions before the stay went into effect. If the IPR is instituted and results in a Final Written Decision, Petitioner would be subject to estoppel under 35 U.S.C. § 315(e)(2). The district court stays ensure that the PTAB would decide validity first. Thus, factor 4 weighs in favor of referral to the merits panel. *See ResMed Corp. v. Cleveland Medical Devices, Inc.*, IPR2025-00158, Paper 11 at 11-12 (PTAB June 13, 2025) (finding that, “because the [parallel] case is stayed, ‘there is no danger of overlap,’ and ‘if any challenged claims were to survive, Petitioner would be estopped under 35 U.S.C. § 315 from bringing any invalidity challenge that was raised or reasonably could have been raised during the IPR.’”). The Decision failed to consider how fully the stay/estoppel combination addressed overlap concerns.

In summary, Factors 1–4 uniformly favor referral to the merits panel and outweigh any purported settled expectations based on the age of the patent. The Decision’s approach essentially disregarded the stay and early-stage status, and failed to appreciate that instituting review would create substantial efficiencies in the litigation without any risk of duplication or overlap. The Decision’s approach is contrary to the Director’s own guidance reaffirming the *Fintiv* analysis and emphasizing a holistic consideration of all factors. March 26, 2025, USPTO Memorandum, 2; *see also* March 24, 2025, USPTO Memorandum, 1. Here, the

Decision did not perform a balanced holistic analysis; instead, it allowed the “patent age” consideration to override the *Fintiv* factors that, on these facts, strongly favored referral. This improper weighing of factors is an abuse of discretion. Director Review should correct the analysis so that a stayed, early-stage parallel case with no set trial date or reliance on the part of the Patent Owner is properly recognized as favoring referral to the merits panel.

D. The Decision Failed to Address Merits of the Petition

Compounding the above issues, the Decision failed to address the merits of Petitioner’s unpatentability grounds (*Fintiv* factor 6). *See generally* Decision. The Decision contains no discussion of whether Petitioner met the statutory threshold of showing a “reasonable likelihood” of prevailing on at least one claim. 35 U.S.C. § 314(a). By not mentioning the merits, the Decision implied that the discretionary factors (primarily, the single factor of patent age) alone justified denial without regard to the Petition’s strength. This is a significant departure from what is required by law. *See* 35 U.S.C. § 314(a), (c) (requiring the Director to provide notice, “in writing, of the Director’s determination” as to whether “there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition”).

Merits must be part of the equation. Even under the current Director guidance (which eliminated the categorical “compelling merits” override), the

Board is still expected to consider the Petition’s strength as part of the totality of circumstances. *See Skechers U.S.A., Inc. v. Nike, Inc.*, IPR2025-00141, Paper 23 at 3 (Acting Dir. Aug. 21, 2025) (vacating decision denying institution where “Petitioner sufficiently argued . . . how the examiner erred in overlooking the prior art”). *Fintiv* itself noted that strong merits favor institution, especially if other factors are neutral or close. *Fintiv* at 14-16. By ignoring factor 6 entirely, the Decision failed to comply with binding precedent. To the extent the Decision considered the merits without discussing them in the Decision, it failed to provide the required “reasoning sufficient to allow the parties to challenge” a finding that the discretionary denial factors favor denial and “sufficient to allow for review of the Board’s decision.” *CommScope Techs. LLC v. Dali Wireless, Inc.*, IPR2022-01242, Paper 23 at 5 (Feb. 27, 2023) (Precedential). Where, as here, the threshold for institution is met, an outright denial of review despite strong merits should be approached with caution and fully explained.

Had the Decision considered the merits, it would have found they weigh in favor of referral to the merits panel. This IPR serves the core purpose of the AIA: to provide an expert forum to reevaluate patents as a cost-effective alternative to district court litigation. H.R. Rep. No. 112-98, pt. 1, at 45, 48 (2011) (the purpose of AIA post-grant review proceedings is “providing quick and cost effective alternatives to litigation”). The challenged patent raises significant questions of

validity affecting ongoing litigations against multiple defendants. The public interest in resolving these questions—and eliminating improperly granted claims—is high. *Thryv, Inc. v. Click-To-Call Techs., LP*, 590 U.S. 45, 46 (2020) (“Congress designed *inter partes* review to weed out bad patent claims efficiently.”); *Cuozzo Speed Techs., LLC v. Lee*, 579 U.S. 261, 279–80 (2016) (“[*I*]nter partes review helps protect the public’s ‘paramount interest in seeing that patent monopolies . . . are kept within their legitimate scope.’”). Conversely, there is little downside in letting the PTAB examine the merits given the stay in the court case.

Director Review is thus needed to ensure that meritorious petitions do not get sidelined without consideration. On review, the Director can confirm that the Petition does indeed satisfy the § 314(a) threshold and that this factor, combined with the others, tilts the balance even further away from discretionary denial.

E. The Decision Contradicts USPTO Guidance and Precedent

The Decision is also problematic because it contradicts other recent USPTO decisions on similar facts, leading to uncertainty. To promote predictability and fairness, similarly situated cases should yield similar outcomes, and discretionary denial should be applied consistently. *See Atchison, Topeka & Santa Fe Ry. Co. v. Wichita Bd. Trade*, 412 U.S. 800, 807 (1973) (“[A]djudicated cases . . . generally provide a guide to action that the agency may be expected to take in future cases. Subject to the qualified role of stare decisis in the administrative process, they may

serve as precedents.”); *Fred Beverages, Inc. v. Fred’s Cap. Mgmt. Co.*, 605 F.3d 963, 967 (Fed. Cir. 2010) (holding that the TTAB acted arbitrarily by denying leave when “[t]here [wa]s no basis on which to distinguish the circumstances of the present case from those in which” leave was granted).

Several IPR decisions in 2025 with parallel circumstances have resulted in institution, not denial. For instance, where district court cases were stayed pending IPR (or in very early stages), the Office has generally opted to institute. In *ResMed Corp. v. Cleveland Medical Devices, Inc.*, the Board instituted review because the co-pending litigation was stayed, thus removing concerns about inefficiency.

IPR2025-00158, Paper 11 at 8-12, 14. In *Shenzhen Tuozhu Technology*, the Acting Director declined to exercise discretion to deny institution despite the challenged patent being “in force for approximately 10 years” because “evidence that the challenged patents have never been ‘commercialized, asserted, marked, licensed, or otherwise applied’” “weigh[ed] against Patent Owner’s claim of strong settled expectations.” IPR2025-00531, Paper 10 at 3.

Additionally, the Decision’s broad application of the settled expectations factor diverges from the Director’s own stated policy. The interim guidance (March 2025) on discretionary denials lists “length of time the claims have been in force” as a possible consideration, but it does not elevate it above other factors, nor suggest that age alone should dominate the analysis. March 26, 2025, USPTO

Memorandum at 2-3. Most Director decisions invoking settled expectations have done so in conjunction with other factors (e.g., where a trial was also imminent, or the petitioner's delay was unexplained). Here, settled expectations was effectively used in isolation to outweigh everything else. This one-factor focus appears inconsistent with the holistic approach emphasized for discretionary denial. March 24, 2025, USPTO Memorandum at 3; *Fintiv* at 5-6.

The lack of consistency has practical ramifications: Petitioners and patent owners cannot predict how the Office will treat cases with stays or older patents. Such unpredictability undermines confidence in the IPR process. The Director's review of this case can help restore consistency such that when a litigation is stayed and/or when a petition presents strong merits, institution should be favored notwithstanding patent age. This will align this Decision with the broader trend of treating stays as a major factor against denial.

IV. Conclusion

Petitioner respectfully requests that the Director grant this request for Director Review, vacate the Decision denying institution, and refer the Petition to the merits panel for consideration of the merits.

Date: September 3, 2025

/Erika H. Arner/

Erika H. Arner, Lead Counsel

Reg. No. 57,540

CERTIFICATE OF SERVICE

The undersigned certifies that a copy of the foregoing **Petitioner's Request for Director Review of Discretionary Denial Decision** was served electronically via email on September 3, 2025, in its entirety on the following:

Steven J. Reynolds
sreynolds@daignaultiyer.com

Kevin H. Sprenger
ksprenger@daignaultiyer.com

Chandran B. Iyer
cbiyer@daignaultiyer.com

Erin Hadi
ehadi@daignaultiyer.com

Louay Meroueh
lmeroueh@daignaultiyer.com

DI-SoundClear@daignaultiyer.com

Date: September 3, 2025

/Lisa C. Hines/

Lisa C. Hines
Case Manager
FINNEGAN, HENDERSON, FARABOW,
GARRETT & DUNNER, LLP