

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,  
AMAZON WEB SERVICES, INC., and  
AUDIBLE, INC.,**  
Petitioners,

v.

**AUDIO POD IP, LLC,**  
Patent Owner.

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Case No. IPR2025-00774  
U.S. Patent No. 8,738,740

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**PETITIONERS' SUR-REPLY OPPOSING DISCRETIONARY DENIAL**

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## **I. PATENT OWNER IGNORES THIS IPR’S EFFICIENCY BENEFITS.**

Patent Owner (“PO”) argues that Petitioners have not explained why an IPR against the ’740 patent would be an appropriate use of the Board’s resources. (Paper 13 at 4.) But PO is wrong. Petitioners explained the substantial efficiency benefits that their IPRs will provide under the unique circumstances here and the significant waste that will result if the petitions are discretionarily denied. (Paper 11 at 18-19.)

The ’740 patent is one of seven patents in the same family that Petitioners have challenged in IPRs. (*Id.*) PO has asserted these patents in four different cases, before three judges, in two districts—EDVA and DNJ.<sup>1</sup> Each patent is asserted in at least two cases. (*E.g.*, Paper 9 at 1.) “Because [these cases] would proceed to several district court trials in different jurisdictions, resolving the dispute between the parties at the Office would be more efficient.” *Berkshire Hathaway Energy Co. v. Birchtech Corp.*, IPR2025-00274, Paper 23 at 2 (P.T.A.B. July 2, 2025).<sup>2</sup>

## **II. THE EFFICIENCY BENEFITS HERE OVERCOME PATENT OWNER’S ALLEGEDLY SETTLED EXPECTATIONS.**

### **A. Patent Owner Has No Settled Expectations for Recent Patents.**

PO argues that its settled expectations favor discretionary denial because the

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<sup>1</sup> EDVA Case Nos. 2:24-cv-185 (Judge Allen), 3:24-cv-406 & 3:24-cv-407 (Judge Young); DNJ Case No. 2:25-cv-2198 (Judge Farbiarz).

<sup>2</sup> The efficiency benefits are especially strong here because stays are highly likely. (Paper 11 at 3-5.) DNJ grants stays even when IPRs are instituted on only a subset of patents in a case. (*Id.* at 4.) EDVA does the same. *Centripetal Networks, LLC v. Palo Alto Networks, Inc.*, 2022 WL 610176 (E.D. Va. Mar. 1, 2022).

'740 patent issued in 2014. (Paper 13 at 3.) But the '740 patent is just one of seven related patents challenged by Petitioners. Two of these patents issued much more recently in 2020. (Paper 11 at 15.) PO has no settled expectations for these recent patents. (*Id.*) Addressing the '740 patent alongside the more recent patents would be “an efficient use of Board resources,” as the Acting Director held in *Embodiment, Inc. v. LifeNet Health*, IPR2025-00248, Paper 13 at 2-3 (P.T.A.B. June 26, 2025).

PO attempts to distinguish *Embodiment* because that decision involved IPRs against two related patents, while Petitioners challenge seven related patents here. (Paper 13 at 1-2.) But the larger number of patents here does not warrant discretionary denial. To the contrary, with a large number of patents covering many different technologies, allowing the Board to review all of the patents together will promote efficiency, as the Acting Director held in *Tesla v. Intellectual Ventures*, IPR2025-00217, Paper 9 (P.T.A.B. June 13, 2025).

Although *Tesla* involved patents from multiple families, the same rationale applies even where the diverse patents share a common priority application. And the efficiency benefits will be even greater here than they were in *Tesla* because PO's district court litigation spans four different cases with three different judges.

**B. The Alleged Interactions in 2007 and 2012 Are Irrelevant.**

PO also argues for settled expectations based on alleged interactions in 2007 and 2012 involving Petitioner Amazon.com, Inc. (“Amazon”) and PO's Canadian

parent, Audio Pod, Inc. (“API”). (Paper 13 at 3.) These arguments are meritless.

**1. No Challenged Patents Existed in 2007.**

PO alleges that Amazon was aware of API’s “technology” in 2007. (Paper 13 at 3.) This is irrelevant because the applications for the challenged patents were all filed at least four years after 2007. (EX-1001 at 1; IPR2025-00768, EX-1001 at 1-2 (priority chain).) And the patents all issued at least seven years after 2007. (Paper 13 at 2.) Thus, Amazon had nothing to challenge in 2007.

**2. No Challenged Patents Existed in 2012.**

API sent a letter to Amazon in 2012 that identified *one* issued patent: U.S. Pat. 8,285,809. (EX-2013 at 2.) But that ’809 patent is not asserted in any of the district court cases and is not challenged in any IPR. (Paper 13 at 2.) Thus, any settled expectations that allegedly accrued for the ’809 patent are irrelevant.

API’s letter also identified two pending patent applications. (EX-2013 at 2.) These applications later issued as the challenged ’720 and ’740 patents. But API amended the claims of these applications after sending the 2012 letter and those amendments materially changed the scope of the claims. (EX-1095 at 32-36, 93-97, 213-17; IPR2025-00777, EX-1095 at 43-52, 104-10, 166-73.) API never told Amazon the patents issued and never accused Amazon of infringing the issued claims. Thus, Amazon had no reason to challenge these patents earlier.

PO argues that Amazon “could easily have found every relevant patent from

a single continuity search” on API’s earliest patent application. (Paper 13 at 4.) But if Amazon had conducted such a continuity search in 2012, the search would have returned *none* of the challenged patents because they did not exist. PO’s argument assumes that Amazon was obligated to continually perform continuity searches on the earliest application of a foreign company, monitor amendments made during prosecution, analyze every issued claim in every patent that claimed priority to the earliest application, and file IPRs on patents that the company never accused Amazon of infringing. This obligation is unrealistic and unduly burdensome. The Acting Director should reject PO’s invitation to impose such an obligation.

**C. Audio Pod’s Prolonged Silence Favors Review.**

After sending its letter in 2012, API never contacted Amazon again. API did not inform Amazon when the challenged patents issued between 2014 and 2020. Nor did API accuse Amazon of infringing any claims of these patents. Instead, API remained silent for more than a decade after sending the letter. Even if Amazon had somehow learned of the challenged patents during this time, API’s prolonged silence would have created a settled expectation that the patents would *not* be asserted.

\* \* \*

Because API never told Petitioners about the challenged patents or accused Petitioners of infringing them, Petitioners had no reason to challenge these patents earlier. But now that PO has asserted them in multiple cases, before multiple judges, the need for IPRs is clear and the efficiency to be gained from them is undeniable.

Amazon.com, Inc. v. Audio Pod IP, LLC  
IPR2025-00774 – U.S. Pat. No. 8,738,740

Dated: July 31, 2025

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**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing **PETITIONERS’  
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