UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

AMAZON.COM, INC., AMAZON.COM SERVICES LLC,
AMAZON WEB SERVICES INC., and AUDIBLE, INC.,
Petitioner

v.

AUDIO POD IP, LLC,
Patent Owner

Case IPR2025-01003
U.S. Patent No. 9,729,907

PATENT OWNER'S BRIEF ON DISCRETIONARY DENIAL

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Patent Trial and Appeal Board
U.S. Patent and Trademark Office
P.O. Box 1450
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PATENT OWNER'S EXHIBIT LIST

Exhibit No.	Description
2001	Amended Complaint [13], *Audio Pod IP, LLC v. Amazon.com, Inc.*, Case No. 2:24-cv-00185 (E.D. Va. Mar. 28, 2024)
2002	Complaint [1], *Audio Pod IP, LLC v. Amazon.com, Inc.*, Case No. 3:24-cv-00407 (E.D. Va. May 30, 2024)
2003	Buckstein, J., "Entrepreneurs tap into growing audio book market," The Ottawa Citizen (Jan. 12, 2008)
2004	Federal Court Management Statistics (Mar. 31, 2025)
2005	List of Docket Entries, *Audio Pod IP, LLC v. Amazon.com, Inc.*, Case No. 3:24-cv-00406 (E.D. Va.) (accessed Aug, 13, 2025, at DocketNavigator.com)
2006	List of Docket Entries, *Audio Pod IP, LLC v. Amazon.com, Inc.*, Case No. 3:24-cv-00407 (E.D. Va.) (accessed Aug. 11, 2025, at DocketNavigator.com)
2007	Joint Claim Construction Chart [89], *Audio Pod IP, LLC v. Amazon.com, Inc.*, Case No. 3:24-cv-00406 (E.D. Va. Apr. 30, 2025)
2008	FAQs for Interim Processes for PTAB Workload Management, USPTO (Mar. 26, 2025) https://www.uspto.gov/patents/ptab/faqs/interim-processes-workload-management (accessed Aug. 11, 2025)
2009	Redline comparison of IPR Petition to Declaration of Professor Ketan Mayer-Patel, Ph.D.
2010	Scheduling Order [56], *Audio Pod IP, LLC v. Amazon.com, Inc.*, Case No. 3:24-cv-00406 (E.D. Va. Jan. 30, 2025)
2011	Memorandum in Support of Motion to Compel [80], *Audio Pod IP, LLC v. Amazon.com, Inc.*, Case No. 3:24-cv-00406 (E.D. Va. Mar. 17, 2025)

Exhibit No.	Description
2012	Amended Scheduling Order [92], *Audio Pod IP, LLC v. Amazon.com, Inc.*, Case No. 3:24-cv-00406 (E.D. Va. May 22, 2025)
2013	Letter from Greg Shostakovsky (President and CEO, Audio Pod, Inc.) to Kelly Jo MacArther (VP of IP Acquisition and Investments, Amazon.com Inc.) (Dec. 27, 2012)
2014	Amended Answer [83], *Audio Pod IP, LLC v. Amazon.com, Inc.*, Case No. 3:24-cv-00406 (E.D. Va. Mar. 28, 2025)
2015	Declaration of John McCue
2016	"Amazon.com Completes Acquisition of Audible," Amazon.com, Inc. (Mar. 18, 2008) https://press.aboutamazon.com/2008/3/amazon-com-completes-acquisition-of-audible (accessed June 14, 2025)
2017	Letter from Steve Messere (President, Revenue Spark, Inc.) to Eric Ayers (Business Development, Amazon.com) (Sept. 20, 2011)
2018	Declaration Of Kevin Sprenger
2019	Joint Proposed Scheduling Order [54], *Audio Pod IP, LLC v. Amazon.com, Inc.*, Case No. 3:24-cv-00406 (E.D. Va. Jan. 28, 2025)
2020	U.S. Patent No. 9,632,647 to Lopes *et al.*
2021	Complaint [1], *Audio Pod IP, LLC v. Amazon.com, Inc.*, Case No. 3:24-cv-00406 (E.D. Va. May 30, 2024)
2022	U.S. Patent Application Publication No. 2012/0084455 to McCue *et al.*
2023	Defendants' Motion to Transfer or, in the Alternative, To Stay [114], *Audio Pod IP, LLC v. Amazon.com, Inc.*, Case No. 3:24-cv-00406 (E.D. Va. Aug. 4, 2025)
2024	List of References Cited by Examiner (PTO-892) in U.S. Patent Application No. 13/648,236 (Filed May 19, 2016)

Exhibit No.	Description
2025	Non-Final Office Action in U.S. Patent Application No. 13/648,236 (Filed Oct. 9, 2012)

I. INTRODUCTION

Patent Owner Audio Pod IP, LLC ("Patent Owner" or "Audio Pod") respectfully requests that the Director exercise discretion and deny institution of Amazon's Petition[1] for *inter partes* review (IPR) of U.S. Patent No. 9,729,907 ("the '907 patent"). Three entrepreneurial brothers and a friend with software backgrounds invented server-based, segmented streaming for use with audio book technology, so the brothers' aging mother could continue to enjoy her passion for reading as her eyesight failed. Realizing their inventions represented fundamental technology breakthroughs, they sought patent protection for their inventions and formed Audio Pod to bring their technology to market. Unfortunately, Amazon has used its enormous market power to thwart their efforts repeatedly and completely, while establishing and expanding its dominant e-reader Kindle market position. This and the related IPRs are further Amazon efforts to take advantage of Amazon's nearly unlimited resources to game the system and stifle Audio Pod's ability to benefit from their innovation. Audio Pod respectfully urges the Director to prevent this from happening.

[1] The Petitioner entities are referred to collectively as "Amazon" herein for expediency.

Numerous factors individually support denial. Collectively these factors overwhelmingly support denial. First, the Petition merits are weak. Amazon did not even attempt to make the required minimum showing *in the Petition* that four non-patent literature references included in nine of the fifteen asserted grounds were prior art printed publications. Moreover, there are significant shortcomings in the proposed invalidity grounds, which are premised on claim construction positions that conflict with constructions that Amazon took in the parallel district court proceeding in the Eastern District of Virginia (EDVA). The merits-based shortcomings will be addressed in Patent Owner's Preliminary Response (POPR).

Second, the totality of the *Fintiv* factors strongly favors denial. Specifically, trial in the district court will likely occur at least nine months prior to a Final Written Decision (FWD) in the present matter. The parties have also made significant investment in this district court proceeding—including Audio Pod successfully defeating motions by Amazon to: (1) dismiss the case for ineligible subject matter; (2) stay discovery; and (3) modify the protective order. Additionally, Audio Pod has been forced to file a motion to compel discovery. Last month alone, Amazon filed two additional motions seeking to dismiss infringement allegations and transfer the case from the EDVA, each of which required extensive briefing by both parties. These activities not only demonstrate a portion of the significant investment in the district court matter, but also highlight Amazon's

dilatory litigation tactics, which impose significant delay and costs upon Audio Pod. But the investment does not stop there. It also includes significant discovery, with Audio Pod already completing three fact depositions and providing extensive infringement contentions, and both parties completing depositions and written declarations for claim construction experts. The parties have already attended a court-ordered settlement conference with a magistrate judge. Just last month, Audio Pod filed an Amended Complaint with additional allegations; Amazon filed an Answer shortly thereafter. Further, claim construction briefing will be completed in the EDVA case and the *Markman* hearing is scheduled prior to the institution decision deadline of this proceeding. And, in addition to being asserted in the EDVA against the Amazon Petitioners, the ’907 patent is also being asserted in the District of New Jersey (DNJ) against the Audible Petitioner. Further favoring denial under *Fintiv*, Amazon was not diligent in filing this Petition, taking over 11 months to file from service of the district court complaint. This is particularly egregious given they have been (or at least should have been) well-aware of the ’907 patent since its issuance in 2017.

Several discretionary denial factors enumerated in the Director’s Workload Management Memo further support denial. First, the “settled expectations” factor strongly favors denial. The ’907 patent has been in force for over eight years and Amazon was well aware of the ’907 patent family. Indeed, Audio Pod attempted to

partner with Amazon in the audio book streaming space. The parties participated in an extensive in-person meeting and Audio Pod provided a letter to Amazon's Vice President of IP Acquisitions in December 2012, notifying Amazon of an earlier patent and applications to which the '907 patent claims priority. Rather than engaging in meaningful discussions, after learning about Audio Pod's inventions Amazon proceeded by ignoring Audio Pod's outreach and bringing its strikingly similar audio book products to market. Indeed, the USPTO even cited the disclosure of the '907 patent as pertinent prior art against an Audible patent application in 2016. Amazon's awareness of Audio Pod's patent applications and failure to seek early review of the '907 patent upon issuance favors denial.

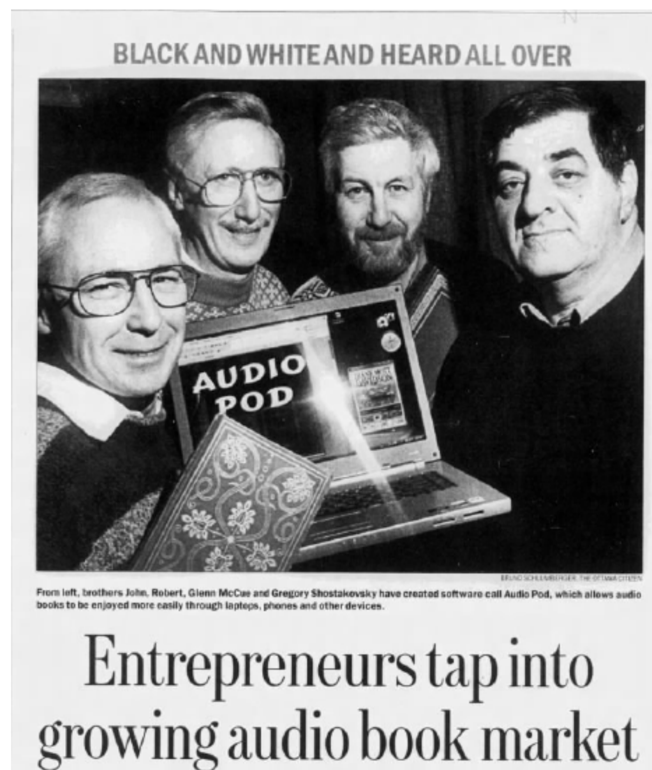
Finally, numerous public policy factors also support denial. Amazon has used its enormous market power to thwart the entrepreneurial efforts of a small company with breakthrough technology that forms the foundation for streaming audio books. Moreover, Amazon has used delaying tactics in the district court proceeding combined with this IPR (and others) to impede Audio Pod's opportunity to have its day in court to finally realize the fruits of its innovation and labors. By ignoring Audio Pod's partnership requests after learning about Audio Pod's technology, Amazon effectively shut Audio Pod out of the market. With market opportunities closed to it, Audio Pod was forced to strengthen its patent portfolio and secure funding. Given its limited financial resources and the daunting

task of being adverse to Amazon, this was a long process. As a result, time is particularly of the essence here, as one inventor has already passed away and others are in declining health. The PTAB should not encourage such behavior of large corporations to hinder monetization of innovation by small companies, thereby squelching innovation, by instituting this IPR. For all of these reasons, Audio Pod respectfully requests denial of this IPR.

II. BACKGROUND

A. Audio Pod's founders invented key early media streaming technologies, including the inventions claimed in the '907 patent.

Audio Pod's innovative concepts and early technology development was headlined in The Ottawa Citizen newspaper in January 2008.



BLACK AND WHITE AND HEARD ALL OVER

From left, brothers John, Robert, Glenn McCue and Gregory Shostakovsky have created software call Audio Pod, which allows audio books to be enjoyed more easily through laptops, phones and other devices.

Entrepreneurs tap into growing audio book market

EX2003, 1.

The news story recounts that, in the late 1990s, "John McCue began looking for a way to help his mother, Monica, continue her lifelong love affair with literature in spite of her failing eyesight." EX2003, 1; EX2015, ¶6. He teamed up with senior software architect, and co-founder, Gregory Shostakovsky, as well as his brothers, Robert McCue and Glenn McCue. EX2003, 1; EX2015, ¶6. All four had computer science backgrounds. EX2003, 1.

They created a brilliant solution—a server-based, virtual approach to streaming audio across multiple devices:

> Say, for example, you are in an airport departure lounge in a WiFi hotspot listening to a podcast or an audio book….
>
> … Then your flight is called and you may lose your wireless Internet service while airborne.
>
> But even without a wireless connection, Audio Pod's technology will allow you to pick up that story again on the plane exactly where you left off.
>
> This is possible because Audio Pod's memory manager retains the content and is able to deliver it to the user seamlessly, even on a different device.
>
> The technology is unique because it utilizes a digital virtual representation of the audio stream. This virtual approach eliminates the delays associated with mass downloads that could easily take eight to

> 10 hours for larger books, and it also eliminates the network dependence used by streaming technologies

EX2003, 2; *see also* EX2015, ¶6.

According to Mr. McCue's 2008 interview, "[t]he hardest part in developing th[e] technology was devising a way to break up a media stream into a large number of manageable audio chunks that can then be played in perfect sequence." EX2003, 2. Solving that problem unlocked a world of possibilities. "[T]he successful result provides users with a seamless audio experience for bookmarking and memory management in a way that allows the delivery of 'many, many media streams through very small devices using limited network resources'. . . ." EX2003, 2. That benefit extended to any type of media stream, including, for example, handheld messaging. EX2003, 2.

The patent claims constitute foundational technology that make multi-media, multi-device streaming possible.

B. Audio Pod disclosed their innovative technology to Amazon, but Amazon ignored their subsequent outreach attempting to partner or license, and Amazon instead implemented Audio Pod's technology on its own.

The inventors formed Audio Pod Inc. in 2005. EX2015, ¶7; EX2001, ¶64; EX2002, ¶56. They had a working product, and in July 2007, the inventors had a lengthy meeting with Amazon and Brilliance Audio (an audiobook publisher

acquired by Amazon in May 2007), who had expressed interest in Audio Pod's technology. EX2015, ¶¶9-10; EX2001, ¶¶68-69; EX2002, ¶¶60-61.

A small group from Amazon and Brilliance agreed to meet with Audio Pod. EX2015, ¶9. The meeting was originally scheduled for one hour; in fact, the Amazon team initially expressed disbelief that the technology would work. EX2015, ¶¶9-11. But, when Audio Pod presented a working product, the meeting extended to the entire day—with more and more Amazon/Brilliance representatives joining as the day went on. EX2015, ¶¶10-11. By the end, there was acknowledgement from the Amazon team that they had "never thought of using a central server." EX2015, ¶11.

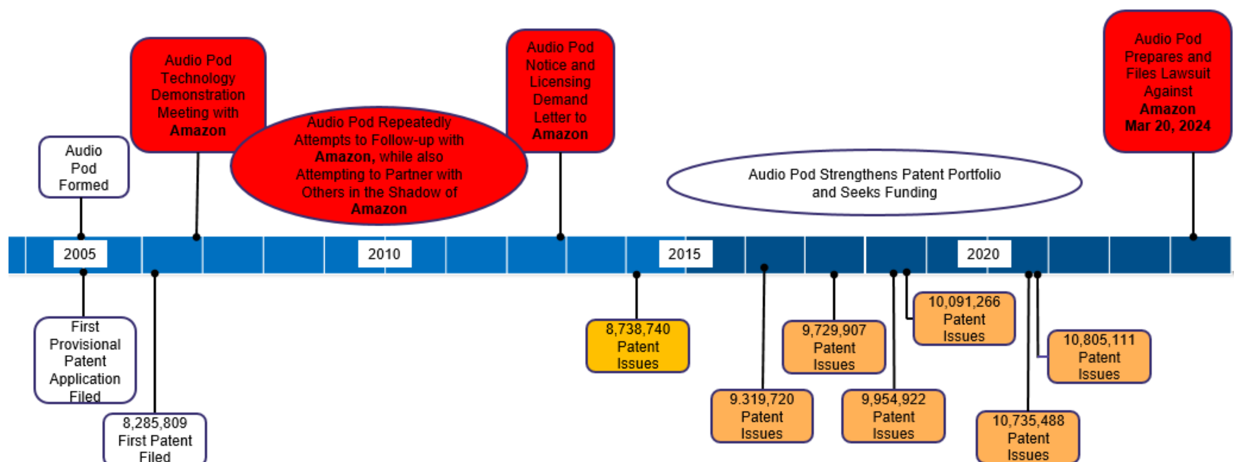
After the meeting, beyond a brief acknowledgement of a "thank you" email sent by the Audio Pod team, Amazon broke contact with Audio Pod, ignoring repeated attempts by Audio Pod to follow up after the meeting. EX2015, ¶12. Amazon acquired Audible in 2008, and subsequently released "Whisper Sync for Voice" Kindle technology. *See* EX2013; EX2016. Through 2013, Audio Pod continued its efforts to partner with Amazon.

Audio Pod also marketed its technology to other companies in the industry, but Amazon, already a market giant, had cornered the market, limiting Audio Pod's ability to compete. As Mr. McCue testifies:

> It was common for us to present our technology and get the response "Amazon is already doing that" or concerns about having to compete with Amazon as a direct competitor.

EX2015, ¶17.

In sum, Amazon's disregard for Audio Pod's intellectual property led to Audio Pod's infringement suit—a suit Audio Pod tried to avoid. The following timeline portrays the long road taken by Audio Pod to attempt to realize the benefit of its inventions in the face of Amazon's stonewalling Audio Pod's attempt to work together, while bringing Amazon's strikingly similar and infringing audio book products to market. *See* EX2015, ¶¶6-17.



C. Amazon's gamesmanship includes engaging in dilatory litigation tactics in an attempt to wear down Audio Pod, as well as presenting inconsistent claim construction positions in the two forums.

Amazon's litigation strategy is predicated on delaying Audio Pod's ability to advance its case and have its day in court. By delaying progress in the district

court, Amazon has continued to push out the typically fast trial schedule in the Eastern District of Virginia. *See* EX2004, 25 (EDVA has 11.9 months median time-to-trial). Then, after waiting until nearly the end of its one-year statutory eligibility, Amazon filed this IPR. Making matters worse, Amazon presents inconsistent claim construction positions in the IPRs and the district court, without any explanation.

Audio Pod first filed suit against Amazon and Audible in March 2024, in *Audio Pod IP, LLC v. Amazon.com, Inc., et al.*, CA No. 2:24-cv-00185 (E.D. Va. March 20, 2024) ("the -185 EDVA proceeding"). EX2001. The '907 patent is not involved in the -185 EDVA proceeding. The '907 patent was asserted in *Audio Pod IP, LLC v. Amazon.com, Inc., et al.*, CA No. 3:24-cv-00406 (E.D. Va. May 30, 2024) (transferred from Alexandria Division Case No. 1:24-cv-00914) which has been consolidated with *Audio Pod IP, LLC v. Amazon.com, Inc., et al.*, CA No. 3:24-cv-00407 (E.D. Va. May 30, 2024) (collectively, "the -406/-407 EDVA consolidated proceeding"). EX2021; EX2002; *see also* EX2005, ECF No. 51; EX2006, ECF No. 49. Rather than acting diligently to file IPRs challenging the '907 patent and other asserted patents, Amazon instead filed several motions in an attempt to slow the district court proceedings.

After Audio Pod filed complaints in the 406/-407 EDVA consolidated proceeding, Amazon filed a Motion to Dismiss against each complaint for

ineligible subject matter under 35 U.S.C. § 101 and for improper venue. EX2005, ECF No. 17; EX2006, ECF No. 16. The court denied Amazon's motions to dismiss on § 101 grounds, granting dismissal only of the Audible parties on venue grounds. EX2005, ECF Nos. 73, 74. (The assertions against the Audible parties were added the District of New Jersey case, previously transferred from the -185 EDVA proceeding. *Audio Pod IP, LLC v. Audible, Inc.*, CA No. 2:25-cv-02198 (D.N.J.)[2]). While these motions were still pending, Amazon filed a Motion to Stay Discovery (which was denied) and a Motion to Supplement the protective order (which also was denied). EX2005, ECF Nos. 40, 47, 71, 91; EX2006, ECF Nos. 38, 45.

Only then—a mere 3 weeks before the statutory bar date—did Amazon file this IPR. *See* Paper 5 (according a May 13, 2025 filing date to the Petition).

Amazon has also failed to meaningfully participate in discovery in the district court. This necessitated Audio Pod filing a Motion to Compel, asking the court to order Amazon to respond to almost every discovery request in the case. EX2005, ECF Nos. 79, 80. Amazon has supplemented its document production only once since March 31, 2025 (approximately one week after most of the IPRs

[2] The separation of the district court proceedings into two forums (EDVA and DNJ) was a result of defendants' (Amazon and Audible) motion to dismiss on venue grounds being granted only as to Audible.

were filed). EX2018, ¶4. Until that production on June 20, 2025, it had not produced a single confidential document in the case, despite repeated requests. EX2018, ¶5. That production remains deficient—it was only a few hundred documents—and is not enough to moot the issues raised in the pending Motion to Compel. EX2018, ¶6. This further evidences Amazon's lack of good faith in advancing the district court proceeding.

To make matters worse, Amazon presents inconsistent claim construction proceedings between the forums. Amazon did not acknowledge that fact to the Board, nor has it attempted to explain this inconsistency. As explained in more detail below, Amazon is clearly engaging in gamesmanship with its claim construction positions—extending the district court schedule by contending claim construction requires extensive expert testimony, while advocating for the plain and ordinary meaning at the Board. Amazon's gamesmanship and delay should not be rewarded. Discretionary denial of this IPR is necessary to discourage such gamesmanship.

III. THE BOARD SHOULD NOT WASTE ITS LIMITED RESOURCES INSTITUTING TRIAL IN THIS PROCEEDING BECAUSE MULTIPLE DISCRETIONARY CONSIDERATIONS FAVOR DENIAL.

In addition to considerations under the Board's discretionary denial precedent (including *Fintiv*, discussed below in Section IV), Acting Director Stewart's March 26, 2025 Memorandum titled "Interim Processes for PTAB

Workload Management" ("the PTAB Workload Management Memo") includes additional considerations for the Director's exercise of discretion to institute trial. PTAB Workload Management Memo, 2-3. Many of these considerations are relevant here. The '907 patent has been in force for over eight years and Amazon was (or at least should have been) aware of the patent the entire time.

Further, Amazon—one of the world's largest corporations—is clearly engaging in gamesmanship and dilatory litigation tactics to wear down Audio Pod and to prevent the inventors—the remaining of whom are now in their retirement years—from defending their patent rights and benefitting from their contributions to innovation. Compounding these issues, the Petition does not even meet the statutory and regulatory requirements of presenting the asserted grounds "with particularity." Further, related IPR proceedings may involve extensive and complex evidentiary issues better suited for the district court. The '907 patent's inventors should not be forced to waste their resources defending against a deficient petition at the PTAB while simultaneously engaging in parallel litigation in the district court.

A. Audio Pod's settled expectations strongly favor denial.

1. The '907 patent issued over 8 years ago, creating strong settled expectations for Audio Pod.

Under the interim process, the Director can consider "[s]ettled expectations of the parties, such as the length of time the claims have been in force" when

deciding whether to exercise discretion to deny institution. PTAB Workload Management Memo, 2. Here, the '907 patent issued on August 8, 2017—over eight years ago. In all this time, Amazon did nothing, thereby creating an expectation between the parties regarding the patent's validity. *See iRhythm Techs., Inc. v. Welch Allyn, Inc.*, IPR2025-00363, Paper 10 at 3 (P.T.A.B. June 6, 2025) (granting patent owner's request for discretionary denial due to settled expectations of the parties, stemming from petitioner's awareness of the challenged patent(s) since at least 2013).

The Acting Director has repeatedly determined that settled expectations apply for patents issued in 2018 or earlier—like the '907 patent and the majority of related patents.[3] *E.g.*, *Cambridge Indus. USA, Inc. v. Applied Optoelecs., Inc.*, IPR2025-00433, Paper 12 (P.T.A.B. June 27, 2025) (patents issued in 2016, 2018); *Dabico Airport Sols. Inc. v. AXA Power ApS*, IPR2025-00408, Paper 21 (P.T.A.B. June 18, 2025) (patent issued in 2017); *Intel Corp. v. Proxense LLC*, IPR2025-

[3] Amazon challenges seven patents across eight related IPR proceedings. Five of those seven patents issued in 2018 or earlier. And the two newest patents still issued five years ago (or nearly so)—U.S. Patent No. 10,735,488 (challenged in IPR2025-01041) issued on August 4, 2020 and U.S. Patent No. 10,805,111 (challenged in IPR2025-00768) issued on October 13, 2020.

00327, Paper 12 (P.T.A.B. June 26, 2025) (patents issued in 2012, 2013, 2016); *SIG Sauer Inc. v. Lone Star Future Weapons, Inc.*, IPR2025-00410, Paper 13 (P.T.A.B. June 26, 2025) (patent issued in 2014); *Coretronic Corp. v. Maxell, Ltd.*, IPR2025-00474, Paper 11 (P.T.A.B. July 10, 2025) (patents issued in 2010, 2013, 2017); *SmartSky Networks LLC v. Gogo Business Aviation LLC*, IPR2025-00672, Paper 10 (P.T.A.B. July 31, 2025) (patent issued in 2018); *TankLogix, LLC v. SitePro, Inc.*, IPR2025-00647, Paper 10 (P.T.A.B. July 31, 2025) (patents issued in 2014, 2016, 2018).[4]

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[4] Even if the Director were inclined to refer more recently issued patents to the merits panel, institution in proceedings challenging older patents, such as the ’907 patent, should be denied based on Audio Pod’s particularly strong settled expectations as to those patents. *See TankLogix*, IPR2025-00647, Paper 10 (denying institution as to patents issued in 2014, 2016, 2018; referring to the merits panel for patents issued in 2019, 2021, 2022, 2023); *compare Cambridge*, IPR2025-00433, Paper 12 (denying institution as to patents issued in 2016, 2018), *with Cambridge Indus. USA, Inc. v. Applied Optoelecs., Inc.*, IPR2025-00434, Paper 11 (P.T.A.B. June 26, 2025) (referring to the merits panel for patents issued in 2019, 2020). Unlike *Embody, Inc. v. LifeNet Health*, IPR2025-00248, Paper 13 (P.T.A.B. June 26, 2025)—where the Acting Director determined it would be “an efficient use of Board

Thus, Audio Pod's settled expectations strongly weigh in favor of discretionary denial for the '907 patent, which issued in 2017. Further, efficiency dictates denial here—only two of the seven challenged patents issued after 2018 and, even then, are five years old (or nearly so).

2. Knowledge of the patent is not required for settled expectations, but Amazon has been aware of Audio Pod's patented technology since 2007.

As Acting Director Stewart indicated in *Dabico*, "*actual notice* of a patent or of possible infringement *is not necessary* to create settled expectations." IPR2025-00408, Paper 21 at 3 (emphasis added). But, in any event, Amazon has been aware of Audio Pod's innovative technology since 2007 and of the '907 patent family since at least 2012. Despite this knowledge, Amazon waited until now to challenge Audio Pod's property rights. And it was Amazon's disregard for Audio Pod's intellectual property that led to Audio Pod's infringement suit.

As explained above, Audio Pod met with Brilliance Audio (an audiobook publisher acquired by Amazon in May 2007) to demonstrate Audio Pod's

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resources" to review the parent patent (issued in 2018) along with the child (issued in 2022)—here, the *majority* of the challenged patents (five of the seven patents) issued in 2018 or earlier. It would simply not be an efficient use of Board resources to institute six additional proceedings solely for this reason.

innovative technology in July 2007[5]—*nearly twenty years ago*. EX2001, ¶¶68-69; EX2002, ¶¶60-61. Rather than responding to Audio Pod's repeated attempts to follow up after this meeting, Amazon incorporated the technology into its Kindle and Audible platforms. EX2001, ¶¶70, 73; EX2002, ¶¶62, 65. After this meeting, Amazon—a sophisticated technology company—should have been well aware of Audio Pod's developing patent portfolio in this technology space.

In any event, Amazon was certainly aware of Audio Pod's specific intellectual property, including the application leading to the '907 patent, at least as early as December 2012, when Audio Pod's CEO contacted Amazon's Vice President of IP Acquisitions informing them of Audio Pod's patents. EX2013; EX2015, ¶14; EX2001, ¶72; EX2002, ¶64. In this correspondence, Audio Pod's CEO noted specific Amazon technologies having a "marked similarity" to Audio Pod's intellectual property. EX2013, 1. The attachment to the correspondence specifically identifies U.S. Patent No. 8,285,809 (the earliest patent in the '907 patent's priority chain), as well as U.S. Patent Application No. 13/313,393 (which

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[5] The earliest patent in the '907 patent's priority chain, U.S. Patent No. 8,285,809 ("the '809 patent"), was filed on December 12, 2006, EX1001, (63), prior to this meeting. The '907 patent was filed on March 7, 2016, and stems from an earlier continuation-in-part of the '809 patent. EX1001, (22), (63).

issued as U.S. Patent No. 9,319,720[6]) and U.S. Patent Application No. 13/588,084 (which issued as U.S. Patent No. 8,738,740[7]). EX2013, 2. Thus, Amazon was on notice as early as December 2012 that Audio Pod considered Amazon's products to be covered by Audio Pod's intellectual property, including applications to which the '907 patent claims priority. *See* EX2014, ¶64 (Amazon admitting receipt of the correspondence from Audio Pod Inc.). Such discussions and failure to seek early review have favored denial of institution. For example, in *Murata Mfg. Co., Ltd.*, Acting Director Stewart denied institution based on the patent owner's settled expectations where the parties "had discussions in 2007 regarding the technology space involving the challenged patent." IPR2025-00383, Paper 14 at 2 (P.T.A.B. July 29, 2025). In *Murata*, the specific challenged patent had not yet issued but "Petitioner was aware that Patent Owner was involved in the same technology space for a significant amount of time before filing its Petition challenging Patent Owner's patent." *Id.*, 2-3. Here, *all* of the challenged patents stem from a *single*

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[6] The '720 patent is a continuation-in-part of the '809 patent, EX1001, (63), and is challenged in IPR2025-00777. The '907 patent claims priority to the '720 patent. EX1001, (63).

[7] The '740 patent also claims priority to the '809 patent and is challenged in IPR2025-00765 and IPR2025-00774.

application (U.S. Appl. No. 12/096,933, issued as U.S. Patent No. 8,285,809) of which Amazon was explicitly made aware from the parties' discussions (*see* EX2013).[8] Amazon could easily have found every relevant patent from a single continuity search on this earliest application.

Further, Petitioners had specific and actual knowledge of the disclosure of

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[8] Unlike *Tesla, Inc. v. Intellectual Ventures II LLC*, IPR2025-00217, Paper 9 at 2-3 (P.T.A.B. June 13, 2025)—where "the district court proceeding involve[d] eleven patents spanning nine different families" and the Acting Director determined that "the Board is better suited to review a large number of patents involving diverse subject matter"—here, the challenged patents are all in the *same patent family*. Even if Petitioner contends the challenged patents are directed to distinct aspects of Audio Pod's disclosure, nothing changes the fact that the patents are all related. This situation is a far cry from that in *Tesla* where the technologies were unrelated to each other—including patents titled, e.g., "Docking assistant," "Simultaneous multiple field of view digital cameras," "Power control in a wireless network," and "Communication in a wireless network using restricted bandwidths." *Tesla*, Paper 8 at 6 (P.T.A.B. May 27, 2025). Likewise, in *Shenzen Tuozhu Tech. Co. v. Stratasys, Inc.*, IPR2025-00438, Paper 10 at 3 (P.T.A.B. July 17, 2025), which follows the reasoning of *Tesla*, the challenged patents were from six different patent families.

the ’907 patent because it was cited during the prosecution of a patent owned by Audible. A petitioner has actual knowledge of the disclosure of a challenged patent when it is cited during prosecution. *Google LLC v. SoundClear Techs. LLC*, IPR2025-00344, Paper 15 at 2-3 (P.T.A.B. Aug. 4, 2025) (citing IPR2025-00344, Paper 11 at 1-2 (P.T.A.B. July 16, 2025) (Patent Owner’s discretionary reply brief)); *iRhythm*, IPR2025-00363, Paper 10 at 3. Here, U.S. Publication No. 2012/0084455—the pre-issuance publication of Audio Pod’s ’720 patent—is cited on the face of an Audible patent (U.S. Patent No. 9,632,647). EX2020, (56); EX2022. Specifically, the ’455 publication was cited by the Examiner on May 19, 2016 during Audible’s prosecution of the ’647 patent. EX2025, 38 (describing the ’455 publication as “pertinent” to the disclosure of the ’647 patent); EX2024, 1 (form PTO-892 listing the ’455 publication). As mentioned above, the ’907 patent claims priority to the ’720 patent—it is a continuation of the ’720 patent and includes the same disclosure. Thus, the USPTO made Audible aware of the disclosure of the ’907 patent on May 19, 2016.

Had Amazon objected to the issuance of the ’907 patent in August 2017, they could (and should) have raised challenges at the time—over eight years ago. 35 U.S.C. §§ 302 (permitting any person at any time to file a request for reexamination), 311 (permitting *inter partes* review challenges). Instead of acting promptly, Amazon waited many years to challenge the ’907 patent, only raising a

challenge after Audio Pod relied on the issued claims in its complaint for patent infringement—and even then mere weeks before the one-year statutory bar period expired. As in *iRhythm*, this extended delay in challenging the claims favors denying institution.

B. Amazon's dilatory tactics and gamesmanship should not be rewarded.

Amazon has continued to engage in delay throughout the co-pending litigation—filing iterative fact-intensive motions that delay progress—all the while waiting until nearly the statutory deadline to file this IPR. *See* Section II.C. Amazon's delay in challenging the '907 patent is further exacerbated by its gamesmanship, particularly the inconsistent claim construction positions presented to the PTAB and district court.

In this IPR, filed on May 13, 2025, Amazon asserted that "[n]o claim terms require construction." Pet., 4. However, prior to filing the IPR, in the district court, the parties jointly submitted their claim construction positions—and unlike in the Petition which argues no construction is necessary,[9] in the district court, Amazon

[9] Across all of the IPRs filed against Audio Pod's patents, Amazon has not proposed construction for a single claim term. *See* IPR2025-00757 Pet., 12; IPR2025-00765 Pet., 7-8; IPR2025-00768 Pet., 6; IPR2025-00769 Pet., 6; IPR2025-00774 Pet., 5; IPR2025-00777 Pet., 5; IPR2025-01041 Pet., 6. In the district court

proposed constructions for several claim terms. EX2007. In fact, the EDVA court set a longer time-to-trial schedule based on Amazon's representation that it would conduct extensive claim construction proceedings, including introducing expert testimony.[10] EX2019; EX2010.

Claims must be interpreted the same for invalidity and infringement: "It is axiomatic that claims are construed the same way for both invalidity and infringement." *Amgen Inc. v. Hoechst Marion Roussel, Inc.*, 314 F.3d 1313, 1330 (Fed. Cir. 2003) (citing *W.L. Gore & Assoc., Inc. v. Garlock, Inc.*, 842 F.2d 1275, 1279 (Fed. Cir. 1988)). "A patent may not, like a 'nose of wax,' be twisted one way to avoid anticipation and another to find infringement." *Amazon.com, Inc. v. Barnesandnoble.com*, *Inc.*, 239 F.3d 1343, 1351 (Fed. Cir. 2001) (citing, among others, *White v. Dunbar*, 119 U.S. 47, 51 (1886)). Yet, Amazon attempts to do just

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proceedings on the other hand, Amazon contends many terms require construction. *See, e.g.*, EX2007. Notably, these petitions were filed both before and *after* Amazon's claim construction positions were submitted in the district court.

[10] The parties initially negotiated a schedule around an August 2025 *Markman* hearing and early 2026 trial. That schedule was pushed out when the Court could not schedule a *Markman* hearing until October 2025, and then a medical issue with Audio Pod's expert necessitated an additional extension to November 2025.

that—applying a broader plain and ordinary meaning construction in this and related IPRs, while simultaneously proposing narrower constructions for several terms in the district court. This is improper. *Cf. Cambridge Mobile Telematics, Inc. v. Sfara, Inc.*, IPR2024-00952, Paper 12 (P.T.A.B. Dec. 13, 2024) (informative) (denying institution where petitioner argued for a means-plus-function construction in district court and a plain and ordinary meaning construction in the petition, but failed to explain the difference in claim construction positions).

Amazon's approach is fundamentally unfair, and results in a certainty of inconsistent results between the Board and the district court. These strategies should not be rewarded. Rather, Office policy should encourage petitioners to maintain consistent positions across forums. Because Amazon has not done so here, the Petition should be denied and the disputes resolved in the co-pending district court proceedings.

C. The Petition is not presented "with particularity," as required by the statute, and therefore the Board should not waste its limited resources on this proceeding.

"It is of the utmost importance that petitioners in the IPR proceedings adhere to the requirement that the initial petition identify 'with particularity' the 'evidence that supports the grounds for the challenge to each claim.'" *Intelligent Bio-Systems, Inc. v. Illumina Cambridge Ltd.*, 821 F.3d 1359, 1369 (Fed. Cir. 2016); 35 U.S.C.

§ 312(a)(3). Amazon has not done so here, and the Board, thus, should not waste its limited resources instituting trial.

Most egregiously, Amazon has not even attempted to make the required minimum showing *in the Petition* that certain asserted references—DTB (EX1003), Yoshimura (EX1006), Bulterman (EX1007), and Yang (EX1045)—are prior art printed publications. This is particularly remarkable in that DTB is the primary reference relied upon in 7 of the asserted grounds. One or more of these references is included in 9 of Amazon's 15 asserted grounds. *See* Pet., 4-5. Board precedent requires that a petitioner establish a reasonable likelihood *in the petition* that a reference is a printed publication. *Hulu, LLC v. Sound View Innovations, LLC*, IPR2018-01039, Paper 29 at 13 (P.T.A.B. Dec. 20, 2019) (precedential). Amazon has not met that burden here. Amazon provides *no* discussion supporting the alleged publication dates of these references, Pet., 5-6, nor does Amazon "discuss in the Petition *any* evidence supporting the implicit position that the[se] [references] w[ere] *publicly accessible* prior to the critical date of the claimed invention." *BabyBjörn AB v. The ERGO Baby Carrier, Inc.*, IPR2025-00110, Paper 20 at 14 (P.T.A.B. Apr. 22, 2025) (underlining added, other emphasis original). In *BabyBjörn*, as here, the petitioner submitted a declaration allegedly supporting the publication date and public accessibility of the reference at issue. *Id.* at 14. The Board declined to "search through the record to develop [p]etitioner's

arguments on th[e] issue." *Id.* (citing *SmithKline Beecham Corp. v. Apotex Corp.*, 439 F.3d 1312, 1320 (Fed. Cir. 2006) ("Judges are not like pigs, hunting for truffles buried in briefs." (quoting *United States v. Dunkel*, 927 F.2d 955, 956 (7th Cir. 1991))).

The *only* evidence cited (without any discussion) by Amazon in support of the publication dates is a bare citation of "*See* EX-1097." Pet., 5-6. Exhibit 1097, however, is a 44-page declaration from Sylvia D. Hall-Ellis, Ph.D. Not only does citing to the *entire declaration* with no accompanying explanation fall short of the requirement that "the petition identifies [the supporting evidence], in writing and *with particularity*," 35 U.S.C. § 312(a)(3) (emphasis added), it also runs afoul of Rule 42.6(a)(3), which provides that "[a]rguments must not be incorporated by reference from one document into another document." *See also Intelligent Bio-Sys., Inc.*, 821 F.3d at 1369 ("It is of the utmost importance that petitioners in the IPR proceedings adhere to the requirement that the initial petition identify 'with particularity' the 'evidence that supports the grounds for the challenge to each claim.'" (quoting 35 U.S.C. § 312(a)(3))).

The Board should not consider Dr. Hall-Ellis's testimony because the Petition includes no explanation of such testimony. *See* 37 C.F.R. § 42.104(b)(5) ("The Board may exclude or give no weight to the evidence where a party has failed to state its relevance or to identify specific portions of the evidence that

support the challenge."); *see also* Patent Trial and Appeal Board Consolidated Trial Practice Guide, 35–36 (Nov. 2019) ("CTPG") (citing *Cisco Systems, Inc. v. C-Cation Techs., LLC*, IPR2014-00454, Paper 12 (P.T.A.B. Aug. 29, 2014) (informative)) ("[P]arties that incorporate expert testimony by reference in their petitions . . . without providing explanation of such testimony risk having the testimony not considered by the Board."). Amazon simply has not met its burden under *Hulu* to show *in the Petition* a reasonable likelihood that these references are prior art printed publications. *See VMware, Inc. v. WSOU Investments, LLC*, IPR2021-00572, Paper 8 at 49-50 (P.T.A.B. Sept. 7, 2021) (determining that petitioner's general cites to a declaration without identifying any specific portions thereof was insufficient to meet petitioner's burden under *Hulu* that a prior art reference qualified as a printed publication, and that it amounted to an improper attempt to incorporate the testimony by reference).

Further still, as will be explained in the POPR, Amazon fails to properly address the *Graham* factors in its analysis.[11] *See Graham v. John Deere Co. of Kansas City*, 383 U.S. 1, 17–18 (1966)). Compounding this issue, Amazon's

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[11] Patent Owner asks the Director to consider the full merits briefing presented in the POPR, which evinces the significant deficiencies of the Petition in this regard. *See* EX2008, FAQs 8, 13, 26.

declarant Dr. Mayer-Patel provides only minimal testimony beyond a copy-paste verbatim regurgitation of the attorney arguments presented in the Petition. *See* EX2009 (redline comparison of Petition and declaration). Where a declaration "merely repeats, *verbatim*, the conclusory assertion[s] for which it is offered to support" and "does not cite to any additional supporting evidence or provide any technical reasoning to support [the] statement," the testimony is entitled to little or no weight. *Xerox Corp. v. Bytemark, Inc.*, IPR2022-00624, Paper 9 at 15 (P.T.A.B. Aug. 24, 2022) (precedential); *see also* 37 C.F.R. § 42.65(a) ("Expert testimony that does not disclose the underlying facts or data on which the opinion is based is entitled to little or no weight."); *Tableau Software, LLC v. iCHARTS LLC*, IPR2024-01388, Paper 8 at 44-45 (P.T.A.B. May 14, 2025) (denying institution; giving "little weight" to an expert's "conclusory statements" that "do[] not state the basis for [the] testimony"); *Solus Advanced Materials Co., Ltd. v. SK nexilis Co., Ltd.*, IPR2024-01461, Paper 14 at 17-18, 19-20 (P.T.A.B. Apr. 23, 2025) (same). Dr. Mayer-Patel does not provide additional technical reasoning to support many of the substantive statements. Additionally, as set forth in the USPTO guidance about the PTAB Workload Management Memo, "[t]he failure to provide focused expert testimony may weigh against institution." EX2008, FAQ 22.

Given the lack of particularity in Amazon's asserted grounds—on fundamental factual issues underlying the asserted grounds and in the legal

analysis of obviousness—in addition to the copy-and-paste declaration, the Board should not waste resources instituting trial here.

D. There are extensive and complex evidentiary issues in the related IPRs that are better suited for District Court, and efficiency dictates all patents should be adjudicated in the same forum.

Across the eight Petitions challenging Audio Pod's patents, at least three of the Petitions—IPR2025-00765, IPR2025-00769, IPR2025-00774—include one or more asserted grounds in which Amazon relies on one or more references that were published less than one year before the earliest priority date of the respective challenged patents, i.e., December 13, 2005, and would only be available as prior art under pre-AIA §§ 102(a) or (e). Thus, under the pre-AIA provisions applicable to those patents, Audio Pod is entitled to submit evidence to show an earlier invention date and antedate these references. *See* 37 C.F.R. § 1.131.

Antedating a reference requires substantial consideration of factual evidence and determination of credibility issues that are not the best use of PTAB resources here. The PTAB is generally not the best forum to resolve credibility issues given that live testimony is discouraged and its use has been almost non-existent since the inception of AIA trials. *See* CTPG, 32 ("Live testimony will be necessary only in limited circumstances and requests for live testimony will be approached by the Board on a case-by-case basis."). The district court would be better positioned to adjudicate these issues. Further, it would introduce unnecessary inefficiencies to

split adjudication of the parties' dispute across multiple forums. Given that the district court is better suited to resolve these antedating issues, efficiency dictates the district court should resolve the parties' dispute in its entirety, including all disputes related to the '907 patent.

E. Patent Owner's size and the age of the inventors counsel for allowing this dispute to proceed in the district court.

Audio Pod is a small company, founded by the inventors of the '907 patent. EX2015, ¶¶3-4, 7. One of the inventors is now deceased. EX2015, ¶18. The remaining inventors and owners of the '907 patent (and the related patents involved in the co-pending litigations) are also in their retirement years. EX2015, ¶18. They face health issues that may impact their ability to meaningfully participate in defending their patent rights in the future. EX2015, ¶18. These individual inventors deserve to have their day in court. Each further delay by Amazon denies them this opportunity.

* * *

The totality of the above circumstances strongly weigh in favor of discretionary denial here. This is only further supported by the status of the co-pending litigation and the *Fintiv* factors, discussed below.

IV. THE TOTALITY OF THE *FINTIV* FACTORS HERE STRONGLY FAVORS DISCRETIONARY DENIAL.

When the patent owner raises an argument for discretionary denial due to an earlier trial date in a co-pending litigation, the Board weighs the following factors:

> 1. whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted;
>
> 2. proximity of the court's trial date to the Board's projected statutory deadline for a final written decision;
>
> 3. investment in the parallel proceeding by the court and the parties;
>
> 4. overlap between issues raised in the petition and in the parallel proceeding;
>
> 5. whether the petitioner and the defendant in the parallel proceeding are the same party; and
>
> 6. other circumstances that impact the Board's exercise of discretion, including the merits.

Apple Inc. v. Fintiv, Inc., IPR2020-00019, Paper 11 at 5-6 (P.T.A.B. Mar. 20, 2020) (precedential) ("*Fintiv*").

The most relevant parallel proceeding here is the -406/-407 consolidated proceeding in the Eastern District of Virginia. That proceeding includes the '907 patent and is at the most advanced stage of the parallel proceedings. The *Fintiv* factors, when considered as a whole, strongly support *denying* institution here in

view of the -406/-407 EDVA consolidated proceeding. *See HP Inc. v. Universal Connectivity Techs., Inc.*, IPR2024-01428, Paper 12 at 5-6 (P.T.A.B. Apr. 8, 2025) (denying institution; considering only the earliest trial date of multiple parallel proceedings). Factor 1 is neutral; factors 2, 3, 5, and 6 all weigh in favor of denial—factors 2 and 3 strongly so; and Amazon's stipulation under factor 4 does not outweigh the other factors.

A. Factor 1 is neutral because the Board should not speculate on how the court might rule on Amazon's motion to stay.

Under the first factor, if the district court stays the case or provides guidance that it will stay the case and await the Board's final resolution of the patentability issues, this fact usually weighs against exercising authority to deny institution. *Fintiv*, Paper 11 at 7. Here, in the -406/-407 EDVA consolidated proceeding Amazon filed on August 4, 2025 a motion to transfer, or in the alternative to stay, the proceeding. EX2023. Due to the recent filing of this motion, it is unlikely to be decided prior to the institution deadline. And, the Board should not speculate with respect to how the court would rule on a stay. *See Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 15 at 12 (P.T.A.B. May 13, 2020) (informative) (holding the Board should "decline to infer … how the District Court would rule should a stay be requested by the parties."); *see also Fusion Orthopedics, LLC v. Extremity Medical, LLC*, IPR2023-00894, Paper 15 at 28-29 (P.T.A.B. Nov. 17, 2023)

("[W]e decline to speculate whether the pending motion to stay might be successful."). Thus, factor 1 is neutral.

Further, even where the district court case has been stayed, Acting Director Stewart has determined that a patent owner's strong settled expectations can outweigh this consideration. *See, e.g.*, *Sandisk Techs., Inc. v. Polaris PowerLED Techs., LLC*, IPR2025-00515, Paper 15 (P.T.A.B. July 16, 2025).

B. Factor 2 strongly favors denial because the Eastern District of Virginia is highly likely to assess patentability of the '907 patent before the FWD deadline.

"If the court's trial date is earlier than the projected statutory deadline, the Board generally has weighed this fact in favor of exercising authority to deny institution." *Fintiv*, Paper 11 at 9. The Board's projected statutory deadline for issuing a FWD in this IPR is December 13, 2026.

Trial has yet to be scheduled in the -406/-407 EDVA consolidated proceeding. However, the delay in setting a schedule is due, at least in large part, to Amazon's dilatory tactics in the district court, discussed above in Sections II.C, III.B. In any event, median time-to-trial statistics are also relevant in assessing the proximity of the district court's trial date to the FWD deadline. *See* Guidance on USPTO's rescission of "Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation" (March 24, 2025) ("*Fintiv* Guidance"), 3. Here, the most recent median time-to-trial statistics show

that the Eastern District of Virginia is *highly likely* to assess the patentability of the ’907 patent before the December 13, 2026 projected FWD deadline.

In particular, in the EDVA, the median time-to-trial from filing is 11.9 months. EX2004, 25. Absent Amazon’s delay, trial in the -406/-407 EDVA consolidated proceeding would have been expected to *already occur*—in late March or early April 2025. Amazon’s answer to the complaint was recently filed in this proceeding, on March 7, 2025. EX2005, ECF Nos. 75, 76. Even calculating a projected trial date from the date of the answer, the projected trial date is early March 2026. This is *over nine months before* the projected FWD deadline.

Thus, factor two weighs strongly in favor of denying institution. *See Arm Ltd. v. Daedalus Prime LLC*, IPR2025-00207, Paper 10 (P.T.A.B. May 16, 2025) (denying institution where trial was expected 5 months before FWD); *HP Inc.*, IPR2024-01428, Paper 12 at 5-6 (denying institution; considering only the earliest trial date of multiple parallel proceedings).

Even where the FWD deadline is projected to be before the district court trial date or where a trial date is not yet scheduled, Acting Director Stewart has determined that Patent Owner’s settled expectations can outweigh this consideration. *See, e.g.*, *SmartSky Networks*, IPR2025-00672, Paper 10 (patent owner’s settled expectations for a patent issued in 2018 outweighed FWD date 5 months before trial date); *Intel*, IPR2025-00327, Paper 12 (patent owner’s settled

expectation for patents issued in 2012, 2013, 2016 outweighed no trial date considerations).

C. Factor 3 strongly favors denial because Amazon filed the Petition at the end of the statutory period, causing the parties to have expended significant effort in the district court.

Under the third *Fintiv* factor, "[t]he Board also has considered the amount and type of work already completed in the parallel litigation by the court and the parties *at the time of the institution decision*." *Fintiv*, Paper 11 at 9 (emphasis added). The deadline for issuing a Decision on Institution (DI) in this IPR is not until December 13, 2025. Under *Fintiv* factor 3, the Board also considers whether the petitioner could have filed the petition more expeditiously to avoid unnecessary investment by the parties and the court. *Fintiv*, Paper 11 at 11. "[I]f the petitioner cannot explain the delay in filing its petition, these facts have favored denial." *Fintiv*, Paper 11 at 11-12; *Next Caller Inc. v. TRUSTID, Inc.*, IPR2019-00961, Paper 10 at 16 (P.T.A.B. Oct. 16, 2019) (weighing the petitioner's unexplained delay in filing the petition in favor of denial and noting that had the petitioner filed the petition earlier, the PTAB proceeding may have resolved the issues before the district court). Here, both considerations under the third factor counsel for denial.

To start, Amazon waited until a mere three weeks before the end of the statutory period to file its Petition. Amazon was first served with a complaint in the -406 EDVA proceeding on June 5, 2024. The Petition was filed on May 13, 2025,

a mere three weeks before the statutory bar date. *See* Paper 5, 1. This lack of diligence is exacerbated by the fact that Amazon has been aware of Patent Owner's technology for *years*, at least since December 2012 when Patent Owner contacted Amazon about licensing Patent Owner's intellectual property. EX2001, ¶72; EX2002, ¶64; *supra* Sections II.A-B, III.A. Amazon's delay makes factor 3 weigh even more in favor of denying institution. *Next Caller*, IPR2019-00961, Paper 10 at 16.

And, due to Amazon's lack of diligence in filing the Petition, there has already been continued and extensive substantive investment in the fast-moving district court action—the court has considered and rejected a § 101 challenge, claim construction and discovery are well underway, and multiple fact and expert depositions have already taken place—which will continue to the institution deadline.

Work Performed to Date in -406/-407 EDVA consolidated proceeding:

- May 30, 2024: Audio Pod filed complaint in both cases, against Amazon and Audible defendants. EX2005, ECF No. 1; EX2006, ECF No. 1.
- August 26, 2024: Amazon filed Motion to Dismiss for ineligible subject matter under 35 U.S.C. § 101 and for improper venue. EX2005, ECF No. 17; EX2006, ECF No. 16.
- August 27, 2024: Court entered initial scheduling order. EX2005, ECF No. 20; EX2006, ECF No. 18.

- September 9, 2024: Audio Pod filed Opposition to Motion to Dismiss. EX2005, ECF No. 21; EX2006, ECF No. 19.
- September 16, 2024: Amazon filed Reply supporting Motion to Dismiss. EX2005, ECF No. 23; EX2006, ECF No. 21.
- November 22, 2024: Amazon filed Motion to Stay Discovery. EX2005, ECF No. 40; EX2006, ECF No. 38.
- November 26, 2024: Court entered amended initial scheduling order. EX2005, ECF No. 41; EX2006, ECF No. 39.
- November 29, 2024: Audio Pod served three deposition notices, first set of requests for the production of documents (RFPs), and first set of interrogatories. EX2018. ¶7.
- December 12, 2024: Court denied Amazon's Motion to Stay Discovery. EX2005, ECF No. 47; EX2006, ECF No. 45.
- December 13, 2024: Defendants served first sets of interrogatories and RFPs. EX2018, ¶8.
- December 20, 2024: Audio Pod served three additional deposition notices. EX2018, ¶9.
- December 30, 2024: Amazon provides extensive list of prior art in response to interrogatories.[12] EX2018, ¶10.
- January 13, 2025: Audio Pod served *full, detailed preliminary infringement contentions* (in response to interrogatories). EX2018, ¶11.

[12] Amazon has declined to provide invalidity contentions despite being requested in interrogatories served on November 29, 2024. EX2018, 12.

- January 15, 2025: Court held initial scheduling conference, and consolidated -406 and -407 cases with -406 as the lead case. EX2005, ECF No. 51; EX2006, ECF No. 49.
- January 30, 2025: Court entered initial scheduling order, setting dates for expert discovery and briefing related to claim construction; *Markman* hearing originally set for October 8, 2025. EX2010, 2.
- February 4, 2025: Audio Pod deposed Bruce Li, Director for Amazon Prime Video. EX2018, ¶13.
- February 14, 2025: Audio Pod served another deposition notice. EX2018, ¶14.
- February 21, 2025: Amazon filed a motion to supplement the protective order with a broad prosecution and acquisition bar and extra export control provisions. EX2005, ECF No. 71.
- February 22, 2025: Audio Pod deposed Matthew Baldwin, Principal Engineer for Amazon CloudFront. EX2018, ¶15.
- March 3, 2025: Court denied Amazon's motion to dismiss on *Alice* grounds but granted dismissal of Audible parties on venue grounds[13]. EX2005, ECF Nos. 73, 74.
- March 7, 2025: Answers filed. EX2005, ECF Nos. 75, 76.
- March 7, 2025: Audio Pod filed Opposition to motion to supplement the protective order. EX2005, ECF No. 77.
- March 13, 2025: Amazon filed Reply to motion to supplement the protective order. EX2005, ECF No. 78.

[13] Audible parties were transferred to the District of New Jersey. *Audio Pod IP, LLC v. Audible, Inc.*, CA No. 2:25-cv-02198 (D.N.J. April 1, 2025).

- March 17, 2025: Audio Pod filed motion to compel asserting that Amazon "refused to answer about 86% [] of Audio Pod's interrogatories" and had "not produced a single non-confidential document." EX2005, ECF No. 79; EX2011, 1-2.

- March 24, 2025: Audio Pod takes the deposition of Jeffrey Mroczkowski, Senior Manager Software Development at Amazon. EX2018, ¶16.

- March 31, 2025: Amazon filed opposition to motion to compel. EX2005, ECF No. 84.

- April 7, 2025: Audio Pod filed response supporting motion to compel. EX2005, ECF No. 86.

- April 30, 2025: Joint submission of claim construction chart, and Amazon served expert claim construction declaration. EX2005, ECF No. 89; EX2007; EX2018, ¶17.

- May 9, 2025: Amazon served first set of RFAs (all addressing pure legal questions related to claim construction) and second set of RFAs, second set of interrogatories. EX2018, ¶18.

- May 16, 2025: Audio Pod served first set of requests for admission (RFAs), second set of interrogatories, and second set of RFPs. EX2018, ¶19.

- May 19, 2025: Parties filed a joint motion to modify claim construction schedule based upon a health issue with one of Audio Pod's experts. EX2005, ECF No. 90.

- May 21, 2025: Court denied Amazon's motion to modify the protective order. EX2005, ECF No. 91.

- May 22, 2025: Court granted the motion to modify schedule and moved *Markman* hearing to November 12, 2025. EX2005, ECF No. 92.

- June 13, 2025: Audio Pod served a Notice of Subpoena on Defendants for third party discovery in the consolidated case on June 13, 2025. The subpoena will be served shortly. EX2018, ¶20.

- June 18, 2025: Audio Pod served rebuttal expert claim construction declaration. EX2018, ¶21.

- July 3, 2025: Amazon served reply expert claim construction declaration. EX2018, ¶22.

- July 3, 2025: Audio Pod filed amended complaints. EX2005, ECF No. 94.

- July 16, 2025: Amazon filed Motion to Dismiss claims against Amazon.com, Inc. under Rule 12(b)(6). EX2005, ECF No. 98.

- July 17, 2025: Amazon filed Answers to amended complaints. EX2005, ECF Nos. 100, 101.

- July 18, 2025: The parties and their representatives held a settlement conference with the court. *See* EX2005, ECF No. 88; EX2018, ¶23.

- July 22, 2025: Expert claim construction depositions completed. EX2018, ¶24.

- July 30, 2025: Audio Pod filed Opposition to Motion to Dismiss. EX2005, ECF No. 109.

- July 31, 2025: The parties filed their opening claim construction briefs. EX2005, ECF Nos. 110, 111.

- August 4, 2025: Amazon filed Motion to Transfer Case or, In the Alternative, to Stay. EX2005, ECF No. 114.

- August 5, 2025: Amazon filed Reply supporting Motion to Dismiss. EX2005, ECF No. 124.

Additional Work To Be Completed Before The Institution Decision:

- August 18, 2025: Audio Pod's Opposition to Motion to Transfer Case or, In the Alternative, to Stay is due. EX2018, ¶25.

- August 25, 2025: Amazon's Reply supporting Motion to Transfer Case or, In the Alternative, to Stay is due. EX2018, ¶26.
- August 28, 2025: Responsive claim construction briefs are due. EX2012, 1.
- November 12, 2025: *Markman* hearing scheduled. EX1012, 2.

Further, all parties have collected, produced, and reviewed source code—a process that is ongoing. Audio Pod has reviewed Amazon's source code for several weeks. Amazon has reviewed Audio Pod's source code for several days. EX2018, ¶27.

As shown, extensive work has already been done, and continues to be done, by the parties and the court.

Further, the Board often considers whether the district court has issued a *Markman* order in determining whether this factor favors denial. Here, the *Markman* hearing is scheduled for November 12, 2025,[14] before the December 13, 2025 institution deadline. EX2012, 2. The significant investment here favors denial. *Lam Research Corp. v. Inpria Corp.*, IPR2025-00256, Paper 12 at 2

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[14] It was Amazon's strategic delay tactics, as well as an unavoidable health issue of Audio Pod's expert, that caused the *Markman* hearing to be pushed back. In these circumstances, the fact that the *Markman* order may not have yet issued before the institution deadline should not be held against Patent Owner.

(P.T.A.B. July 2, 2025) (recognizing that completion of the *Markman* hearing evinces meaningful investment); *HP Inc.*, IPR2024-01428, Paper 12 at 6-7 (denying institution; factor 3 neutral where in one parallel proceeding *Markman* hearing was soon and in other proceedings "no significant activity of note").

Because the parties and the court will have expended significant resources by the December 13, 2025 institution deadline and because Amazon was not diligent in filing the Petition, factor three weighs strongly in favor of denying institution.

D. Amazon's *Sotera* stipulation under Factor 4 is not dispositive, and does not outweigh the other factors that strongly favor denial.

Fintiv factor four looks at the overlap between the issues raised in the IPR petition and in the parallel proceeding in order to evaluate concerns of inefficiency and the possibility of conflicting decisions. *Fintiv*, Paper 11 at 12. "[I]f the petition includes the same or substantially the same claims, grounds, arguments, and evidence as presented in the parallel proceeding, this fact has favored denial." *Fintiv*, Paper 11 at 12. "Conversely, if the petition includes materially different grounds, arguments, and/or evidence than those presented in the district court, this fact has tended to weigh against exercising discretion to deny institution . . . ." *Id.*, 12-13.

In view of Amazon's *Sotera* stipulation, factor 4 favors institution, but only slightly. The Office's June 21, 2022 *Fintiv* Memo has been rescinded, and a *Sotera*

stipulation is no longer itself dispositive but must be considered as part of the holistic analysis under *Fintiv*. *See Fintiv* Guidance at 2-3. Where, as here, the other *Fintiv* factors favor denial, Amazon's *Sotera* stipulation does not outweigh these other factors. *See, e.g.*, *Cisco Sys., Inc. v. Estech Sys., Inc.*, IPR2021-00333, Paper 12 at 12-13 (P.T.A.B. July 7, 2021) (denying institution even with *Sotera* stipulation; distinguishing *Sotera*, noting that in *Sotera* the trial date factor was neutral and the investment factor weighed against denial).

In fact, here Amazon's "stipulation does not ensure that th[is] IPR proceeding[] would be a 'true alternative' to the district court proceeding." *Motorola Solutions, Inc. v. Stellar, LLC*, IPR2024-01205, Paper 19 at 3-4 (P.T.A.B. Mar. 28, 2025) (on Director review; vacating panel's institution decision and denying under *Fintiv*). Amazon has not yet provided invalidity contentions, and nothing about Amazon's stipulation prevents them from raising combinations of the asserted art with other system art, "which [Amazon]'s stipulation is not likely to moot." *Id.*

E. Factor 5 favors denial because the parties in the IPR and the parallel litigations are the same.

Fintiv factor five weighs in favor of denying institution because the parties in the parallel litigation are the same. *Fintiv*, Paper 15 at 15 ("Because the petitioner and the defendant in the parallel proceeding are the same party, this factor weighs in favor of discretionary denial."); *see Fintiv*, Paper 11 at 13-14; *see*

also Ericsson Inc. v. Active Wireless Techs. LLC, IPR2024-00886, Paper 8 at 13-14 (P.T.A.B. Nov. 12, 2024) (factor five weighs in favor of denial where the district court is likely to precede the FWD); *HP Inc*, IPR2024-01428, Paper 12 at 9-10 (denying institution; factor 5 weighs in favor of denial where all petitioner parties are involved in the parallel district court litigations); *Lenovo (United States) Inc. v. Univ. Connectivity Techs., Inc.*, IPR2024-01481, Paper 19 at 14 (P.T.A.B. Apr. 17, 2025) (denying institution; treating affiliate and its parent as the same entities for purposes of discretionary denial analysis).

F. Factor 6 favors denial because the Petition fails to demonstrate that one or more of the claims are unpatentable.

Factor six weighs in favor of denying institution because the merits of the Petition are weak. In addition to the printed publication issue discussed herein in Section III.C, and as will be explained in the POPR[15], the Petition fails to establish that the challenged claims would have been obvious over the various combinations of references in Grounds 1A-1G or 2A-2H. Therefore, factor six favors denying institution. *Fintiv*, Paper 11 at 15.

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[15] Patent Owner asks the Director to consider the full merits briefing presented in the POPR when considering *Fintiv* factor 6. *See* EX2008, FAQs 13, 26.

V. CONCLUSION

For the foregoing reasons, the Director should exercise discretion and decline to institute *inter partes* review of the ’907 patent.

Respectfully submitted,

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CERTIFICATE OF WORD COUNT (37 C.F.R. § 42.24(d))

1. This Patent Owner's Brief on Discretionary Denial complies with the type-volume limitation of 14,000 words, comprising 9,442 words, excluding the parts exempted by 37 C.F.R. § 42.24(a)(1).

2. This Patent Owner's Brief on Discretionary Denial complies with the general format requirements of 37 C.F.R. § 42.6(a) and has been prepared using Microsoft® Word 2016 in 14-point Times New Roman font.

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CERTIFICATE OF SERVICE (37 C.F.R. § 42.6(e))

I certify that the above-captioned **PATENT OWNER'S BRIEF ON DISCRETIONARY DENIAL** and associated Exhibits 2001-2025 were served in their entireties on August 13, 2025, upon the following parties via electronic mail:

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