

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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GOOGLE LLC,  
Petitioner,

v.

SONOS, INC.,  
Patent Owner.

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Case No. IPR2025-01213  
Patent 10,541,883

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**PETITIONER'S REQUEST FOR DIRECTOR REVIEW**

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**TABLE OF EXHIBITS**

<b>Exhibit</b>	<b>Description</b>
<b>1001</b>	U.S. Patent No. 10,541,883 B2 to Millington et al. (“the ’883 patent”)
<b>1002</b>	Prosecution History of U.S. Patent No. 10,541,883
<b>1003</b>	Declaration of Stuart J. Lipoff
<b>1004</b>	CV of Stuart J. Lipoff
<b>1005</b>	U.S. Patent No. 7,532,862 B2 to Cheshire (“Cheshire”)
<b>1006</b>	U.S. Patent No. 7,313,384 B1 to Meenan et al. (“Meenan”)
<b>1007</b>	U.S. Patent Application Publication No. US 2002/0174243 A1 to Spurgat et al. (“Spurgat”)
<b>1008</b>	U.S. Patent No. 10,439,896 B2 to Millington et al.
<b>1009</b>	<i>Certain Audio Players and Controllers, Components Thereof, and Products Containing Same</i> , Inv. No. 337-TA-1191, Order 20: Construing the Terms of the Asserted Claims of the Patents at Issue (ITC Sept. 25, 2020)
<b>1010</b>	U.S. Patent Application Publication No. 2003/0083024 A1 to Richenstein et al. (“Richenstein”)
<b>1011</b>	U.S. Patent No. 5,386,552 to Garney
<b>1012</b>	U.S. Patent No. 6,642,852 B2 to Dresti et al.
<b>1013</b>	U.S. Patent Application Publication No. US 2004/0168081 A1 to Ladas et al. (“Ladas”)
<b>1014</b>	Reserved
<b>1015</b>	International Publication No. WO 03/093950 A2 to Goldberg et al.

Exhibit	Description
1016	U.S. Patent Application Publication No. US 2003/0187985 A1 to Rohling et al.
1017	Rich Warren, “Remote Controls,” <i>Stereo Review</i> , (June 1991)
1018	U.S. Patent No. 6,489,986 B1 to Allen
1019	U.S. Patent No. 5,182,552 to Paynting
1020	U.S. Patent Application Publication No. US 2002/0072816 A1 to Shdema et al. (“Shdema”)
1021	U.S. Patent Application Publication No. US 2003/0212802 A1 to Rector et al. (“Rector”)
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1023	Ex Parte Reexamination Order for the ’896 Patent
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1025	Lex Machina, Motion Metrics Report, Judge John Arnold Kronstadt
1026	Lex Machina, Judge John Arnold Kronstadt Case Statistics
1027	Prosecution History of U.S. Patent No. 10,965,545
1028	Prosecution History of U.S. Patent No. 11,025,509
1029	Complaint, <i>Sonos, Inc. v. Google LLC</i> , 6:20-cv-00881, Dkt. 1 (W.D. Tex., Sep. 29, 2020),
1030	Order Regarding Reduction of Asserted Claims and Prior Art References, <i>Sound View Innovations, LLC v. Hulu, LLC</i> , 2:17-cv-04146-JAK, Dkt. 146 (C.D. Cal., Aug. 20, 2018)
1031	Order Regarding Joint Stipulation for Order Focusing Patent Claims and Prior Art, <i>LG Electronics Inc. v. Hisense Electronics</i>

<b>Exhibit</b>	<b>Description</b>
	<i>Manufacturing Company of Am. Co.</i> , 2:19-cv-09474-JAK, Dkt. 50 (C.D. Cal., Apr. 6, 2020)
<b>1032</b>	<i>Sonos, Inc. v. Google LLC</i> , 20-CV-00169, October 2025 Email Exchange Between Parties Concerning Claim Construction
<b>1033</b>	Order Transferring Case to the Northern District of California, <i>Sonos, Inc. v. Google LLC</i> , 6:20-cv-00881, Dkt. 117 (W.D. Tex., Sep. 27, 2021)

## **I. INTRODUCTION**

Petitioner requests Director Review under 37 C.F.R. § 42.75 of the notice denying institution dated December 1, 2025 (Paper 11, “Notice”). Petitioner’s request is timely filed within 30 days of the Notice.

The Notice should be rescinded and replaced with a reasoned three-judge decision because the Notice violated: 1). the Administrative Procedure Act’s requirement of a brief statement of the grounds for denial under 5 U.S.C. § 555(e), and 2). 37 C.F.R. § 42.4(a) that provides that “the Board institutes the trial on behalf of the Director.” Moreover, because the Notice also violates the fee-setting provision of 35 U.S.C. § 311(a), Petitioner should—to the extent the Notice is not rescinded and replaced with a reasoned three-judge decision—be entitled to a refund of any portion of its fees that exceeds the costs borne by the USPTO in issuing the Notice.

## **II. STATEMENT OF FACTS**

The challenged patent, U.S. Patent No. 10,541,883 (the ’883 patent), issued after a cursory examination in which the Examiner issued one rejection before conceding patentability after one amendment. EX1002, 67-84, 303, 312-313, 338-344. The Examiner allowed the claims because the prior art purportedly did not teach an “initial communication path with the computing device [that] does not traverse the access point.” EX1002, 343; EX1024, 667-668. Despite Patent

Owner's post-allowance IDSs containing pertinent art, the Examiner failed to review and apply the art in a rejection. EX1024, 728-729.

Within 1 year of being sued for infringing the '883 patent, Petitioner filed an IPR petition challenging all claims of the '883 patent, alleging that claims 1-20 are obvious over Cheshire alone or over combinations of Cheshire, Meenan, and/or Spurgat. Pet. 1. At least Cheshire discloses and renders obvious an "initial communication path with the computing device [that] does not traverse the access point"—the limitation that the Examiner thought was not disclosed in the prior art. Pet. 16-22; *see, e.g.*, EX1005, 3:30-35, 4:20-30.

Pursuant to the USPTO's bifurcated briefing process for discretionary and merits issues in IPRs, Patent Owner filed a discretionary denial brief, requesting denial based on *Fintiv*, *Advanced Bionics*, and "settled expectations" among other new discretionary factors articulated in the bifurcated process memorandum. Paper 8 ("Request").<sup>1</sup> Throughout its arguments, Patent Owner wrongly characterized the '883 patent as being previously litigated because *a related patent*

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<sup>1</sup> Patent Owner originally filed a request for discretionary denial that did not comply with the 20-page limit requirement. Paper 7. To the extent that the Director considered this noncompliant brief, the Director's decision is also an abuse of discretion.

(the '896 patent), not the '883 patent, was involved in an ITC Investigation.

Request, 1-2, 5-6, 9, 11-14, 16-17, 19.

Petitioner filed an Opposition in response to Patent Owner's Request for Discretionary Denial. Paper 9 ("Opp."). Petitioner addressed the inaccuracy of Patent Owner's arguments regarding *Fintiv* (*id.*, 14-19), *Advanced Bionics* (*id.*, 4-9), "settled expectations" (*id.*, 9-11), and the additional discretionary denial arguments (*id.*, 11-13, 19-20). Petitioner explained how Patent Owner's behavior in both the prosecution and assertion of the '883 patent—burying relevant prior art in voluminous IDSs and holding back the most relevant art until after a Notice of Allowance, while delaying litigation until the eve of expiration to manufacture a "settled expectation"—is gamesmanship designed to acquire a weak, non-novel patent insulated from corrective review by the Office. Petitioner further emphasized that the relationship between the '883 and '896 patents favored institution because the Office determined that the same art relied on in the Petition presented a substantial new question of patentability for the '896 patent. *Id.*, 5-7.

The Director assumed control over all institution decisions in the "Director Institution of AIA Trial Proceedings" memorandum, providing the public with three days' notice that the over-a-decade long institution procedure would cease to exist and be replaced with "summary notices" instead of reasoned decisions.

The Director subsequently denied the Petition along with eight other petitions in a single line, stating only that “[p]ursuant to 35 U.S.C. § 314(a), after review of discretionary considerations, institution of *inter partes* review ... is denied in the following proceedings.” Notice, 1. The Notice does not say that the petitions were, in fact, denied based on discretionary considerations. Nor does it identify which discretionary considerations might have been relevant. *Id.*

### **III. ARGUMENT**

For the reasons set forth below, the Director should rescind the Notice and provide Petitioner with a reasoned decision on institution, authored by a panel of APJs, as required by 5 U.S.C. § 555(e) and 37 C.F.R. § 42.4(a). At a minimum, if the Notice is not rescinded, Petitioner should be refunded all fees Petitioner paid to file its IPR petition in excess of the costs borne by the USPTO in issuing the Notice under 35 U.S.C. § 311(a).

#### **A. The Notice Violates 5 U.S.C. § 555(e)**

The Administrative Procedure Act (“APA”) requires that when an agency denies “a written application, petition, or other request of an interested person made in connection with any agency proceeding,” the agency must provide prompt notice “accompanied by a brief statement of the grounds for denial,” unless the denial is self-explanatory or affirms a prior denial. 5 U.S.C. § 555(e).

“Although nothing more than a ‘brief statement’ is necessary, the core requirement is that the agency explain ‘why it chose to do what it did.’” *Tourus Records, Inc. v. Drug Enforcement Admin.*, 259 F.3d 731, 737 (D.C. Cir. 2001) (quoting Henry J. Friendly, *Chenery Revisited: Reflections on Reversal and Remand of Administrative Orders*, 1969 Duke L.J. 199, 222)). “This requirement not only ensures the agency’s careful consideration of such requests, but also gives parties the opportunity to apprise the agency of any errors it may have made and, if the agency persists in its decision, facilitates judicial review.” *Tourus Records*, 259 F.3d at 737.

The Notice violates § 555(e) because it denied Petitioner’s IPR petition without providing the required brief statement of the grounds for denial. The Notice is not self-explanatory, nor does it affirm a prior denial. While it recites the phrase “after review of discretionary considerations” (Notice, 1), it does not say which discretionary considerations those might have been or provide any explanation about how those discretionary considerations impacted the decision.

In this case, the parties each spent 20 pages of briefing arguing about multiple, independent reasons why the IPR petition either should or should not be discretionarily denied. *See Request; Opp.* As the Notice now stands, the parties and the public are left without guidance on which, if any, of the discretionary considerations was determinative or carried any weight in this case.

The appeal bar of 35 U.S.C. § 314(d) does not exempt the USPTO from providing Petitioner with the “brief statement of the grounds for denial” that 5 U.S.C. § 555(e) requires. Indeed, the Supreme Court made clear that § 314(d) does not preclude judicial review of constitutional claims and other “shenanigans.” *Cuozzo Speed Techs. v. Lee*, 579 U.S. 261, 275 (2016) (explaining that such claims are “properly reviewable” under the APA, which enables reviewing courts to “set aside agency action” that is “contrary to constitutional right,” “in excess of statutory jurisdiction,” or “arbitrary [and] capricious”) (quoting 5 U.S.C. §§ 706(2)(A)-(D)). The USPTO’s current practice of issuing a “black box” denial with no explanation, reasoning, or record citation—as occurred in this case—threatens to turn *Cuozzo*’s exception for constitutional claims into a dead letter: the agency could try to hide all sorts of constitutional violations inside the “black box.” Issuing a black box denial in violation of § 555(e) is itself a “shenanigan” because it flouts a statutory limit and requirement Congress imposed on the agency. Indeed, *Cuozzo* specifically admonished that the appeal bar does not “enable the agency to act outside its statutory limits” and referred to such acts as “shenanigans.” 579 U.S. at 275.

Beyond shielding improper decision-making from review or fueling speculation that decisions were improper, the Notice’s lack of reasoned explanation also deprives Petitioner “the opportunity to apprise the agency of any

errors it may have made.” *Tourus Records*, 259 F.3d at 737. The agency’s own guidance regarding the Director Review process informs parties that reviewable issues are those that implicate potential (a) abuse of discretion, (b) important issues of law or policy, (c) erroneous findings of material fact, or (d) erroneous conclusions of law. But the Director’s current practice of issuing “black box” denials makes it impossible to point out such issues to the Director, thereby sapping the Director Review process of its error-correction purpose.

Accordingly, Petitioner is entitled to, and the Director should provide, a statement of the grounds for denial, including an identification of which, if any, “discretionary considerations” might have caused Petitioner’s IPR petition to be denied.

**B. The Notice Violates 37 C.F.R. § 42.4(a)**

In 2012, the USPTO promulgated regulations, through notice-and-comment rulemaking, which provide in relevant part: “[t]he Board institutes the trial on behalf of the Director.” 37 C.F.R. § 42.4(a). The plain text of this regulation treats “[t]he Board” as an entity distinct from “the Director.” Moreover, as the USPTO explained at the time of promulgation, “Section 42.4(a) specifically delegates the determination to institute a trial to the Board.” 77 Fed. Reg. 48,612, 48,616 (Aug. 14, 2012).

Having delegated his authority by regulation, the Director is bound by that delegation and “denies himself the right to sidestep [the delegation] or dictate its decision.” *United States ex rel. Accardi v. Shaughnessy*, 347 U.S. 260, 267 (1954). An agency may not alter legislative rules (adopted by notice-and-comment rulemaking) using less formal means, such as by memorandum or guidance. *See Mid Continent Nail Corp. v. United States*, 846 F.3d 1364, 1373 (Fed. Cir. 2017) (“For the purposes of notice and comment, withdrawal or repeal of an existing regulation is treated the same as promulgation of a new regulation.”); *see also Consumer Energy Council of America v. FERC*, 673 F.2d 425, 446 (D.C. Cir. 1982), affirmed 463 U.S. 1216 (1983), rehearing denied 463 U.S. 1250 (1983) (“The value of notice and comment prior to repeal of a final rule is that it ensures that an agency will not undo all that it accomplished through its rulemaking without giving all parties an opportunity to comment on the wisdom of repeal.”).

The Director’s decision to assume control over all institution determinations is an improper attempt to amend or rescind § 42.2(a) without notice-and-comment rulemaking. The Office has not even issued a notice of proposed rulemaking to begin the formal process of amending or rescinding § 42.2(a), much less issued a final rule. Therefore, § 42.2(a) as written remains effective: “[t]he Board”—not the Director on his own—continues to have the delegated responsibility of “institut[ing] the trial on behalf of the Director.”

Accordingly, Petitioner is entitled to a three-judge institution decision.

**C. The Notice Violates AIA Fee-Setting Requirements**

Congress required that the fees paid by petitioners for requesting IPR be established by regulation “in such amounts as the Director determines to be reasonable, considering the aggregate costs of the review.” 35 U.S.C. § 311(a) (emphasis added). The USPTO set the fees for IPR petitions based on an expectation that a panel of three APJs would spend 35 hours of judge time per petition. 77 Fed. Reg. 55,028, 55,049-51 (Sept. 6, 2012). The most recent fee adjustment was done in November 2024, which increased IPR fees by 25%—based on the USPTO’s stated reason of “better align[ing] the fee rates charged to petitioners with the actual costs borne by the USPTO in providing these proceedings.” 89 Fed. Reg. 91898, 91936 (Nov. 20, 2024) (emphasis added).

Petitioner filed its IPR petition on July 8, 2025, and paid the required fees. In exchange for those fees, Petitioner expected to receive the services the USPTO had been performing at the time the agency set those fees—based expressly on “the actual costs borne by the USPTO in providing these proceedings.” 89 Fed. Reg., 91936. That all changed, however, when the Director announced on October 17, 2025 that, effective October 20, he would personally make all institution determinations in AIA trials and that they would generally issue as “summary notices”—all while keeping fees the same. By replacing reasoned, three-judge

decisions with summary notices issued personally by the Director, the USPTO now collects institution-phase fees that bear no rational relationship to the service provided or the work performed. This misalignment between fees charged and work performed violates 35 U.S.C. § 311(a).

Accordingly, to the extent the Notice is not rescinded and replaced with a reasoned three-judge decision, Petitioner is entitled to a refund of any portion of its fees which exceeds the costs borne by the USPTO in issuing the Notice.

#### **IV. CONCLUSION**

For the foregoing reasons, the Notice should be rescinded and replaced with a reasoned, three-judge decision. Otherwise, Petitioner should be refunded all fees Petitioner paid to file its IPR petition in excess of the costs borne by the USPTO in issuing the Notice.

Date: December 31, 2025

Respectfully submitted,

/Erika H. Arner/  
Erika H. Arner (Reg. No. 57,540)  
Lead Counsel

**CERTIFICATE OF SERVICE**

The undersigned certifies that the foregoing **Petitioner's Request for Director Review** was served on December 31, 2025, via email directed to counsel of record for the Patent Owner at the following:

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