

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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VOLKSWAGEN GROUP OF AMERICA, INC.,  
Petitioner,

v.

STRATOSAUDIO, INC.,  
Patent Owner.

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IPR2021-00712 (Patent 8,903,307 B2)  
IPR2021-00716 (Patent 8,688,028 B2)  
IPR2021-00718 (Patent 9,584,843 B2)  
IPR2021-00719 (Patent 9,294,806 B2)  
IPR2021-00720 (Patent 9,355,405 B2)  
IPR2021-00721 (Patent 8,166,081 B2)<sup>1</sup>

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Before JUSTIN T. ARBES, HYUN J. JUNG, and KEVIN C. TROCK,  
*Administrative Patent Judges.*

ARBES, *Administrative Patent Judge.*

ORDER  
Conduct of the Proceedings  
37 C.F.R. § 42.5

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<sup>1</sup> This Order addresses an issue pertaining to all six cases. Therefore, we exercise our discretion to issue a single Order to be filed in each case. Other than as expressly authorized herein, the parties are not authorized to use this style heading for any subsequent papers.

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IPR2021-00719, IPR2021-00720, IPR2021-00721

A conference call in the above proceedings was held on September 8, 2021, among respective counsel for Petitioner and Patent Owner, and Judges Arbes, Jung, and Trock. The call was requested by Petitioner to seek authorization to file a five-page reply to Patent Owner’s Preliminary Responses in these proceedings. Patent Owner argues in each Preliminary Response that we should exercise our discretion to deny the Petition under 35 U.S.C. § 314(a) based on the state of five related district court cases involving the challenged patents, including *StratosAudio, Inc. v. Volkswagen Group of America, Inc.*, Case No. 20-cv-01131 (W.D. Tex.) (“the Volkswagen case”). *E.g.*, IPR2021-00712, Paper 6 at 4–22 (citing *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 (PTAB Mar. 20, 2020) (precedential) (“*Fintiv*”)).<sup>2</sup>

Petitioner argued during the call that it did not address the issue of discretionary denial in the Petitions because it filed the Petitions only four months after service of the complaint in the Volkswagen case, prior to the district court setting a schedule and trial date, and when Petitioner’s motion to dismiss or transfer for improper venue in the Volkswagen case was pending. According to Petitioner, it could not anticipate the arguments made by Patent Owner regarding later events, including the district court issuing a Scheduling Order in July 2021. *See Ex. 2006*. Patent Owner opposed Petitioner’s request, asserting that its arguments in the Preliminary Responses were foreseeable based on the district court’s past scheduling practices. Patent Owner also argued that any stipulation offered by

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<sup>2</sup> Patent Owner did not argue that we should exercise our discretion to deny the Petition under 35 U.S.C. § 314(a) based on the *Fintiv* factors in related Case IPR2021-00717. *See IPR2021-00717*, Paper 9.

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Petitioner with respect to the asserted grounds of unpatentability and the Volkswagen case is immaterial, given the other four district court cases with different defendants.

We took the matter under advisement. Upon further consideration, we determine that there is good cause for a limited reply due to the timing of the related district court cases. *See* 37 C.F.R. § 42.108(c). In particular, no case schedule and no trial date had been set at the time Petitioner filed its Petitions. Petitioner could not have foreseen arguments based on timing that had not yet been established. To ensure that both parties are heard on the issue, we also authorize Patent Owner to file a sur-reply responding to Petitioner's arguments. The reply and sur-reply are limited to the issue of discretionary denial under 35 U.S.C. § 314(a), and the parties are referred to Board decisions on that issue, including *Fintiv; Sotera Wireless, Inc. v. Masimo Corp.*, IPR2020-01019, Paper 12 (PTAB Dec. 1, 2020) (precedential as to § II.A); *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 15 (PTAB May 13, 2020) (informative); and *Sand Revolution II, LLC v. Continental Intermodal Group – Trucking LLC*, IPR2019-01393, Paper 24 (PTAB June 16, 2020) (informative). The parties may file relevant documents from the district court cases as exhibits with their reply and sur-reply if necessary.

Finally, should any of the relevant facts pertaining to the district court cases change after the filing of the papers authorized herein, the parties may request another conference call to notify the Board.

In consideration of the foregoing, it is hereby:

ORDERED that Petitioner is authorized to file a reply in the instant proceedings, limited to five pages and addressing only the issue of

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discretionary denial under 35 U.S.C. § 314(a), by September 16, 2021;

FURTHER ORDERED that Patent Owner is authorized to file a sur-reply, limited to five pages and responding to Petitioner's reply, by September 23, 2021; and

FURTHER ORDERED that the parties shall file a single reply and sur-reply in all six proceedings using a caption referring to all of the proceedings.

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FOR PETITIONER:

Eric S. Lucas  
David J. Cooperberg  
SHEARMAN & STERLING LLP  
eric.lucas@shearman.com  
david.cooperberg@shearman.com

FOR PATENT OWNER:

John Scheibeler  
Jonathan Lamberson  
Ashley T. Brzezinski  
WHITE & CASE LLP  
jonathan.lamberson@whitecase.com  
ashley.brzezinski@whitecase.com