UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

CIRRUS LOGIC, INC.;
OMNIVISION TECHNOLOGIES, INC.;
AND AMS SENSORS USA INC.,
Petitioner,
v.

GREENTHREAD, LLC,
Patent Owner.

IPR2024-00001
U.S. Patent No. 10,734,481

PATENT OWNER'S PRELIMINARY SUR-REPLY

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EXHIBIT LIST

Exhibit No.	Description	Submitted Previously?
Ex. 2001	*Greenthread, LLC v. Intel Corp.*, No. 6:22-cv-00105-ADA, Dkt. 1 (Complaint) (W.D. Tex. Jan. 27, 2022)	X
Ex. 2002	Definition of "privity" in Black's Law Dictionary (11th ed. 2019) available from Westlaw at westlaw.com	X
Ex. 2003	*Greenthread, LLC v. Intel Corp.*, 6:22-cv-00105-ADA, Dkt. 38 (First Amended Complaint for Patent Infringement) (W.D. Tex., filed Apr. 29, 2022)	X
Ex. 2004	*Greenthread, LLC v. Intel Corp.*, No. 6:22-cv-00105-ADA, Dkt. 113 (Redacted Memorandum Opinion and Order) (W.D. Tex. Dec. 27, 2022)	X
Ex. 2005	*Greenthread, LLC v. Intel Corp.*, 6:22-cv-00105-ADA, Dkt. 38-8 (Greenthread's Amended Preliminary Infringement Contentions) (W.D. Tex., filed Apr. 29, 2022)	X
Ex. 2006	*Greenthread, LLC v. Intel Corp.*, 6:22-cv-00105-ADA, Dkt. 38-12 (Exs. D-1, D-2, D-3, D-6 to Greenthread's Preliminary Infringement Contentions) (W.D. Tex., filed Apr. 29, 2022)	X
Ex. 2007	*Greenthread, LLC v. Intel Corp.*, 6:22-cv-00105-ADA, Dkt. 49 (Notice of Appearance of Additional Counsel) (W.D. Tex., filed June 9, 2022)	X
Ex. 2008	Petition (Paper 1) in *Sony Group Corp. v. Greenthread, LLC*, IPR2023-00376	X

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Ex. 2009	*Greenthread, LLC v. Dell Inc.*, No. 6:22-cv-105-ADA, Dkt. 120 (Second Amended Complaint)	X
Ex. 2010	*Greenthread, LLC v. Intel Corp.*, 6:22-cv-00105-ADA, Dkt. 135 (Motion for Admission Pro Hac Vice of L. Popovski on Behalf of Sony) (W.D. Tex., filed January 30, 2023)	X
Ex. 2011	**[SEALED]** Email communication from Patent Owner's counsel to Petitioner's counsel dated October 20, 2023	X
Ex. 2012	Email Attachment – Cirrus Logic Technical Support Article Number 000207340	X
Ex. 2013	Email Attachment - Cirrus Logic Investor Presentation as of April 28, 2015	X
Ex. 2014	Email Attachment - GlobalFoundries 2022 Capital Markets Day, available at https://investors.gf.com/static-files/65f5f1b9-2aea-47a3-8455-10413c6560f4	X
Ex. 2015	Email Attachment - Intel RealSense Product Family D400 Series, dated 2019	X
Ex. 2016	**[SEALED]** Email communication from Petitioner's counsel to Patent Owner's counsel dated October 24, 2023	X
Ex. 2017	Email communication from Patent Owner's counsel to Board, copying Petitioner's counsel dated November 1, 2023	X
Ex. 2018	*Greenthread, LLC v. Cirrus Logic, Inc.*, No. 1:23-cv-00369 (Supplemental Preliminary Infringement Contentions) (W.D. Tex., served Oct. 13, 2023)	X

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Ex. 2019	*Greenthread, LLC v. Cirrus Logic, Inc.*, No. 1:23-cv-00369, Dkt. 29 (Scheduling Order) (W.D. Tex. Aug. 18, 2023)	X
Ex. 2020	Article entitled "Cirrus Logic Helps Ease PC Industry Transition to New MIPI SoundWire® Interface" available at https://investor.cirrus.com/news-and-events/investor-news/news-details/2023/Cirrus-Logic-Helps-Ease-PC-Industry-Transition-to-New-MIPI-SoundWire-Interface/default.aspx	X
Ex. 2021	*Greenthread, LLC v. Intel Corp.*, 6:22-cv-00105-ADA, Dkt. 120-8, Greenthread's Amended Preliminary Infringement Contentions (W.D. Tex., filed Jan. 23, 2023)	X
Ex. 2022	**[SEALED]** Confidential agreement	X
Ex. 2023	CS42L42, Low Power Audio Codec with SoundWire and Audio Processing, available at https://www.cirrus.com/pubs/proBulletin/cs42l43-cs36l56-bulletin.pdf	X
Ex. 2024	Cirrus Logic Immersive PC Audio Solution, available at https://www.cirrus.com/pubs/proBulletin/cs42l43-cs36l56-bulletin.pdf	X
Ex. 2025	Cirrus Logic – What Drives Our Success, available at https://investor.cirrus.com/company-overview/what-drives-our-success/default.aspx	X
Ex. 2026	Cirrus Logic, Inc. Terms and Conditions of Sale, available at https://www.cirrus.com/legal/productterms/	X
Ex. 2027	*Greenthread, LLC v. OmniVision Technologies Inc.*; 2:23-cv-212, Dkt. 1 (Complaint) (E.D. Tex May 10, 2023)	X

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Ex. 2028	**[SEALED]** Confidential declaration	X
Ex. 2029	*Greenthread, LLC v. OmniVision Technologies Inc.*, 2:23-00212, Preliminary Infringement Contentions for OmniVision Technologies Inc.	X
Ex. 2030	Deep Dive Teardown of the PlayStation VR2 CFIZVR1 VR Headset, available at https://www.techinsights.com/blog/deep-dive-teardown-playstation-vr2-cfi-zvr1-vr-headset	X
Ex. 2031	Intel RealSense Product Family D400 Series, dated September 2023	X
Ex. 2032	**[SEALED]** Confidential declaration	X
Ex. 2033	GlobalFoundries Annual Report on Form 20-F for the fiscal year ended December 31, 2022, available at https://investors.gf.com/static-files/cc73efd0-09c1-442a-b4dd-0bcb74610e31	X
Ex. 2034	**[SEALED]** Confidential agreement	X
Ex. 2035	TechInsights Report on Sony Xperia 5111	X
Ex. 2036	TechInsights Report Ad	X
Ex. 2037	**[SEALED]** Email communication from Petitioner's counsel to Patent Owner's counsel dated between January 9, 2024 through January 10, 2024	X

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Ex. 2038	**[SEALED]** Email communication from Petitioner's counsel to Patent Owner's counsel dated between October 20, 2023 through October 31, 2023	X
Ex. 2039	*Greenthread, LLC v. Intel Corp.*, No. 6:22-cv-00105-ADA, Dkt. 7 (summons returned executed) (W.D. Tex. Feb. 7, 2022)	X
Ex. 2040	Petition (Paper 2) in *Sony Group Corp. v. Greenthread, LLC*, IPR2023-00324	X
Ex. 2041	Petition (Paper 3) in *Sony Group Corp. v. Greenthread, LLC*, IPR2023-00325	X
Ex. 2042	Petition (Paper 1) in *Sony Group Corp. v. Greenthread, LLC*, IPR2023-00375	X
Ex. 2043	*Greenthread, LLC v. OmniVision Technologies Inc.*; 2:23-cv-212 (OmniVision's Responses and Objections to Greenthread's Fourth Set of Common Interrogatories)	X
Ex. 2044	**[SEALED]** Email communication from Petitioner's counsel to Patent Owner's counsel dated between November 28, 2023 through December 6, 2023	X
Ex. 2045	Samsung Supplier List, dated June 8, 2022, available at https://image-us.samsung.com/SamsungUS/home/pdf/062822/2022_Supplier_List_220608_F.pdf	X
Ex. 2046	Email communication to Petitioner's counsel attaching production dated October 5, 2023	X
Ex. 2047	**[SEALED]** Email communication to Petitioner's counsel attaching production dated June 30, 2023	X

Exhibit No.	Description	Submitted Previously?
Ex. 2048	*Greenthread, LLC v. Samsung Electronics Co., Ltd. et al*, EDTX-2-19-cv-00147, Dkt. 1 (Complaint) (E.D.Tex., April 30, 2019)	X
Ex. 2049	*Greenthread, LLC v. Samsung Electronics Co., Ltd. et al*, EDTX-2-19-cv-00147, Dkt. 6 (Order granting Motion for Extension of Time, and Waiver of Foreign Service Requirement) (E.D.Tex., May 31, 2019)	X
Ex. 2050	**[SEALED]** Correspondence from Patent Owner's counsel to Petitioner's counsel dated May 4, 2023	X
Ex. 2051	Webpage from DigiKey for Cirrus Logic CS35L41 (https://www.digikey.com/en/products/detail/cirrus-logic-inc/CS35L41-CWZR/16377919)	X
Ex. 2052	Webpage from DigiKey for Cirrus Logic CS40L25 (https://www.mouser.com/ProductDetail/Cirrus-Logic/CS40L25-CWZR?qs=xZ%2FP%252Ba9zWqYWfeisEtcaTA%3D%3D)	X
Ex. 2053	Webpage from Mouser for Cirrus Logic CS40L25 (https://www.mouser.com/ProductDetail/Cirrus-Logic/CS40L25-CWZR?qs=xZ%2FP%252Ba9zWqYWfeisEtcaTA%3D%3D)	X
Ex. 2054	Webpage from ArduCam for OmniVision OV9282 (https://www.arducam.com/product/ov9282-monochrome-globalshutter-camera-module-depthai-oak/)	X
Ex. 2055	Webpage from Uctronics for OmniVision OV9282 (https://www.uctronics.com/ov9282-monochrome-global-shutter-camera-module-depthai-oak.html)	X

Control over prior litigation is sufficient but not necessary for privity: In its decision regarding Greenthread's discovery motion, the panel said that "the rationale behind the privity provision of § 315(b), [is] 'to prevent successive challenges to a patent by those who previously have had the opportunity to make such challenges in prior litigation.'" Paper 18, 8. Greenthread respectfully contends that the purpose of § 315(b) and the privity inquiry is not so narrow.

Preventing re-litigation by proxy is *a* purpose of § 315(b), but control or even awareness of the prior litigation are not *requirements* of privity. Rather, *Taylor v. Sturgell*, 553 U.S. 880, 894-95 (2008) identifies a "pre-existing 'substantive legal relationship'" as *one* reason to find privity and litigation via "proxy" or "control over the [prior] litigation" as *different* reasons to find privity. (Cleaned up.) Preclusion based on a pre-existing substantive legal relationship is justified by the "needs of property law," *not* because a precluded party was adequately represented in prior litigation, controlled prior litigation, or served as a proxy. *Id.* "Preclusion is extended or denied in an effort to protect conflicting property interests *rather than an effort to implement concepts of participation or representation.*" Wright & Miller (3d ed.) § 4448 Persons Affected by Preclusion (emphasis added).

The Board also has distinguished between privity based on a proxy relationship and privity based on pre-existing substantive legal relationship. For example, in the *Worlds* remand decision, the Board rejected the argument that the

petitioner was not in privity when it "was not placed on notice of the infringement" previously and could not "control the [prior] District Court litigation." *Bungie Inc. v. Worlds Inc.*, IPR2015-01264, Paper 64 at 38, 44 (PTAB Jan. 14, 2020). Moreover, to the extent that control of the prior litigation is relevant, "the lack of evidence" regarding control should count against Petitioners, not Greenthread. *Id*. at 35.

The panel also focused on Petitioners' relationship to the time barred parties "*as it relates to the prior infringement litigation and IPRs*." Paper 18, 12 (emphasis in original). But Petitioners' relationship to time barred parties regarding the *current* infringement litigation and IPRs is at least as relevant. Here, Petitioners want to use their relationships to limit their current liability, by stepping into the shoes of time-barred parties with respect to their licenses. That is precisely the type of substantive legal relationship *Taylor* said is a separate reason to find privity.

Petitioner bears the burden of proof: Petitioners start by observing that privies and real parties in interest ("RPIs") are not identical. That may be true, but is irrelevant. It is Petitioners' "burden to establish that the Petition is not time-barred under 35 U.S.C. § 315(b)" regardless of whether the time bar may occur by virtue of a real-party-in-interest relationship or privy relationship. *Samsung v. Netlist*, IPR2022-00615, Paper 40 (Dir. Vidal Feb. 3, 2023). Petitioners say "it's unclear why Greenthread cites to *Worlds*," regarding the burden of proof for a time bar created by a privity relationship, but it should not be unclear. (Reply 4). *The Director*

cited *Worlds* for that same proposition in *Samsung* and § 315(b) applies equally to "the petitioner, real party in interest, *or privy* of the petitioner." (Emphasis added.)

Therefore, the first four pages of Petitioners' reply brief, including their reference to *RPX Corp. v. Applications in Internet Time, LLC*, IPR2015-01750, Paper No. 128 at 10–11 (PTAB Oct. 2, 2020) (precedential) (*RPX*), do not help Petitioners at all. Greenthread does not have to show that the Petition failed to name an RPI under *RPX*. *Petitioners* have the burden to show that their Petition is not time-barred by an RPI *or* privity relationship. *Samsung*, IPR2022-00615, Paper 40.

Petitioners have failed to carry their burden under any legal standard for privity: Even assuming that privity only exists when a party controls prior litigation or acts as a proxy, Petitioners have not met their burden. Petitioners previously offered to provide declarations regarding their control of prior litigation and the Board allowed them to provide evidence with their preliminary reply. Yet no declarations accompany Petitioners' reply. If they had submitted such declarations, Greenthread would have been permitted to depose the declarant. 37 C.F.R. § 42.51(b)(1)(ii). Attorney statements in briefs are not evidence and the Board cannot credit statements from declarants whom Petitioners do not even identify.

Petitioners have not met their burden to show that their *particular* customer-manufacturer relationships do not create privity: Petitioners observe that "[n]ot every" customer-manufacturer relationship creates privity. Reply 6.

Perhaps, but Petitioners do not dispute that a customer-manufacturer relationship *can* create privity. *See, e.g.*, *Volkswagen Grp. of Am. Inc. v. Argina Tech. Ltd.*, IPR2021-01263 Paper 16 (PTAB Jan. 21, 2022). Petitioners also do not dispute that they *have* a customer-manufacturer relationship with time-barred parties. *E.g.*, Ex. 2013, 5; Ex. 2035, 2; Ex. 2020, 1; Ex. 2021, 18; Ex. 2014, 19. It is therefore Petitioners' burden to show that their *specific* customer-manufacturer relationships are the kind that *do not* create privity, as opposed to the kind that do.

The privity inquiry is a "highly fact-dependent question," "handled by the Office on a case-by-case basis.'" *Ventex Co., Ltd. v. Columbia Sportswear N. Am., Inc.*, IPR2017-00651, Paper No. 148 at 6 (PTAB Jan. 24, 2019) (precedential). Petitioners have no *facts* to support them on a *fact*-dependent question. For example, Petitioners cannot show that they do not have substantial indemnity obligations to the time-barred parties. It is well established that such obligations can create privity. *Ericsson Inc. v. Regents of Univ. of Minnesota*, IPR2017-01197, Paper 56 at 8, 10 (PTAB Sept. 18, 2020). Petitioners do not deny that they have such obligations here. Rather, Petitioners inconsistently describe their indemnity obligations on the one hand as "[g]eneric" but <u>*not*</u> "straightforward" on the other. Paper 11, 8; Paper 19, 9. The only way to determine which (if any) of Petitioners' representations about their obligations is correct is to look at the actual contracts, which Petitioners have withheld.

Petitioners also analyze Cirrus' "standard terms and conditions," arguing that *those* terms do not create privity. Reply 10. But whether *those* terms create privity is beside point. Greenthread points to Cirrus' terms to show that Petitioners have indemnity obligations and should have produced the applicable contracts so that the Board could determine whether the *operative* terms create privity.

The Board simply cannot assume that Petitioners' indemnity obligations are the type that do not create privity, when there is no evidence in the record to support such an assumption. Even the attorney argument on which Petitioners rely describes the terms inconsistently. Petitioners have the burden to prove the nature of the obligations and the evidence to do it. Greenthread has neither. In the absence of evidence, Petitioners "lose[]." *Dynamic Drinkware, LLC v. Nat'l Graphics, Inc.*, 800 F.3d 1375, 1378–79 (Fed. Cir. 2015).

Likewise, undisputed evidence shows that Petitioners are involved in the design of their customers' products. Ex. 2014, 19; Ex. 2020, 1; Ex. 2033, 12, 35; Ex. 2025. Again, only Petitioners have the burden or the evidence to show the extent of any collaboration between them and time-barred parties regarding products that were previously accused or are accused now. Without the contracts and communications Greenthread sought in discovery, Petitioners cannot meet their burden.

Contrary to what Petitioners argue, Greenthread does *not* contend that every customer-manufacturer relationship creates privity. Reply 8. Greenthread argues

that *some* customer manufacturer relationships create privity and *Petitioners* have the burden to show whether their *particular* relationships do. Greenthread sought to compel the production of "agreements relating to the sale, manufacture, or design of products and communications about products." Paper 18, 12. The panel denied Greenthread's motion, because those documents "are characteristic of a standard customer-supplier relationship." *Id.* However, the categories of documents Greenthread sought are not just "characteristic of a standard customer-supplier relationship," they are characteristic of *any* customer-supplier relationship, because they *define* the relationship, including whether it would create privity. Put differently, to determine whether a particular customer supplier relationship creates privity the documents the Board should look at are "agreements relating to the sale, manufacture, or design of products and communications about products." In the absence of those documents, Petitioners cannot carry their burden.

Moreover, it is incorrect to rely on undefined generalizations like "standard" relationships in a privity analysis that is "highly fact-dependent" and "handled by the Office on a case-by-case basis." *Ventex*, IPR2017-00651, Paper No. 148 at 6 (precedential). What may be "standard" may vary industry to industry and over time. There is no evidence in the record about what is "standard" in Petitioners' industries. Even if there was evidence about what is "standard," there is no rule that, because a type of relationship is common it cannot create privity. Standard relationships of

security guards, insurance investigators, and asset management companies all have been held to create privity. *See, e.g., Herrion v. Children's Hosp. Nat. Med. Ctr.*, 448 F. App'x 71, 72 (D.C. Cir. 2011); *Fiumara v. Fireman's Fund Ins. Companies*, 746 F.2d 87, 87 (1st Cir. 1984); *John St. Leasehold, LLC v. Cap. Mgmt. Res., L.P.*, 283 F.3d 73, 74 (2d Cir. 2002).

The panel's decision in *Semiconductor Components* is an outlier that the panel should not apply here: In every post-*Worlds* case, of which Greenthread is aware, in which the Board found a customer-manufacturer relationship did not create privity, the contracts and/or communications between the customer and manufacturer were part of the record, and the Board analyzed them. *See, e.g.*, *WesternGeco LLC v. ION Geophysical Corp.*, 889 F.3d 1308, 1321 (Fed. Cir. 2018) ("the Board reviewed the purchase agreements"); *Samsung Electronics Co. Ltd. v. Netlist Inc.*, IPR2022-00615, Paper 64 at 14-15 (PTAB Jun. 30, 2023) (examining "indemnification correspondence" and contracts); *Assa Abloy AB v. CPC Patent Tech. Pty., Ltd.*, IPR2022-01093, Paper 20 at 18 (PTAB Feb. 2, 2023) (citing an "88-page agreement"). When the documents are *not* in the record the Board has consistently said that the absence of evidence "cuts against" the *petitioner*, not the patent owner. *Ventex Co., Ltd. v. Columbia Sportswear N. Am., Inc.*, IPR2017-00789, Paper 148 at 14 (PTAB Jan. 24, 2019) (precedential). The only exception of which Greenthread is aware is this panel's decision in *Semiconductor Components*

Indus., LLC v. Greenthread, LLC, IPR2023-01242, Paper No. 35 (Feb. 5, 2024). Greenthread respectfully urges the panel decide this case in accordance with the Board's other post-*Worlds* precedents. *See* POPR, 20.

License is an affirmative defense: The panel has also said that "[l]icensed articles are by definition non-infringing, and … cannot give rise to infringement liability." Paper 18, 18. Respectfully, Greenthread believes the Board misunderstands Greenthread's argument. The mere existence of a license does not *automatically* relieve the defendant of liability. License is an "affirmative defense to a claim of patent infringement" that must be pled and proved. *McCoy v. Mitsuboshi Cutlery, Inc.*, 67 F.3d 917, 920 (Fed. Cir. 1995). Defendants may waive, forfeit, or choose not to raise the defense. *See, e.g.*, *Imperium IP Holdings (Cayman), Ltd. v. Samsung Elecs. Co.*, 203 F. Supp. 3d 755, 760 (E.D. Tex. 2016) ("Defendants chose not to raise the [license] defense …."). Greenthread does not dispute that Petitioners *could* plead and prove a license defense for certain accused products, but in doing so Petitioners must affirmatively assert that they are acting on behalf of time-barred parties with regards to those products. Since Petitioners want to benefit from the prior litigation, they must accept the burdens as well. Petitioners' act of asserting the license, i.e. saying that they act on behalf of time-barred parties, (or their refusal to take a position now) is the link between the time-barred parties and the instant litigation.

Greenthread does not rely on Petitioners being third party beneficiaries of the licenses: Being a third-party beneficiary of a contract may or may not establish privity with the contracting parties, but Greenthread's argument is different. Petitioners are not simply the unwitting beneficiaries of Greenthread's license to Petitioners' customers. As discussed above, they must affirmatively assert a license defense and claim to be acting on behalf of the time-barred parties. Petitioners also do not sell off-the-shelf commodity products. Petitioners *chose* to enter a contract with the time-barred parties to make *custom* products for them. Ex. 2014, 19; Ex. 2020, 1; Ex. 2033, 12, 35; Ex. 2025. A manufacturer in such a circumstance would ordinarily assume that it would have the benefit of its customers' IP rights for the purposes of such products, lest it risk being sued by the customer or its licensors. That is why "have-made vendors" are entitled to a limited implied license. *LaserDynamics, Inc. v. Quanta Computer, Inc.*, 694 F.3d 51, 73 (Fed. Cir. 2012). Therefore, Petitioners are the direct beneficiaries of the outcome of the prior litigation, by virtue of the release and a license to products that are otherwise accused here.

Agency creates privity: One party acting on behalf of another (i.e. an agent) creates privity. *See, e.g.*, *In re Google LLC*, 949 F.3d 1338, 1346 (Fed. Cir. 2020); *John St.*, 283 F.3d at 75; *Fiumara*, 746 F.2d at 87. The panel has said that those cases "do not apply," because in those cases "the alleged privy was the party asserting a

defense of res judicata or collateral estoppel, not the party against whom collateral estoppel was asserted." *Semiconductor Components Industries, LLC v. Greenthread LLC*, IPR2023-01242 Paper 35 at 20 (PTAB Feb. 21, 2024). But the standard for privity does not change based on who is making the argument. Two parties are either in privity or they are not. Petitioners may have an interest in re-litigating validity, but *Greenthread also* has an interest in *not* having the re-litigate validity against parties that want to step into the shoes of Greenthread's former adversary to gain the benefit of their license. "[T]o deny preclusion would be to deny [Greenthread] any assurance of repose." Wright & Miller (3d ed.) § 4462 *Successive Property Relationships*.

The Board should not consider Petitioners' Reply: A preliminary reply is only justified on a showing of "good cause." Office Trial Practice Guide at 13. A reply is not appropriate to address arguments "Petitioner could have reasonably foreseen" when filing its petition. *Sandoz Inc. v. Abbvie Biotechnology Ltd.*, No. IPR2018-00002, Paper 11 at 3 (PTAB Mar. 6, 2018). Here, Greenthread *actually informed* Petitioners about its time-bar arguments before four of the Petitions were filed and Petitioners failed to address the issue in these petitions. Ex. 2011, 1. Accordingly, there is no good cause to consider Petitioners' preliminary replies.

Dated: March 18, 2024

Respectfully submitted,

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