

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

UBIQUITI INC.
Petitioner

v.

XR COMMUNICATIONS, LLC
Patent Owner

IPR2024-00148
Patent No. 10,594,376

**REPLY IN SUPPORT OF UBIQUITI'S MOTION FOR LEAVE TO FILE
MOTION TO REOPEN IPR, MOTION TO WAIVE THE TIME LIMIT
FOR FILING A MOTION FOR JOINDER, AND MOTION FOR JOINDER**

I. INTRODUCTION

This case presents unique circumstances. Three weeks before the Board was set to issue its Final Written Decision, XR settled with the last of six different petitioners who had initiated or joined the IPR. XR did so in order to ensure termination before the Board could address the merits of the IPR—following the invalidation of, or unpatentability findings on, other asserted claims of every other patent XR has brought against Ubiquiti for the past seven years. These are not “personal attacks,” but a factual recitation of what happened.

XR’s opposition concedes that there is no statutory or case law authority preventing the Board from exercising its authority to reopen the IPR under these circumstances. To the contrary, the Board has broad discretion to allow a late joinder. The Board may act in the interest of justice and in furtherance of the fundamental public policy the Board has previously recognized—to address whether questionable claims should ever have been issued in the first place.

Ubiquiti recognizes and wholly supports the countervailing policy in favor of settlements. But this motion does not undermine that policy in any way. XR resolved its cases against Netgear and five other defendants. The only consequence of Ubiquiti’s motion is that the Board will determine whether the relevant claims of the ’376 Patent are patentable. By arguing that Ubiquiti’s motion would discourage future settlements, XR effectively advocates for the

position that patent holders should be permitted to enter into settlements—even on unreasonable terms—for the purpose of avoiding the review of defective patents.

Finally, XR wrongly argues that Ubiquiti’s petition would disrupt the current schedule because there is no current IPR or schedule. **No** significant further activity is required—the IPR was briefed and argued, and the Board was on the verge of issuing its decision. That the Board would still need to issue that decision to determine whether XR’s claims are patentable is not a basis to deny joinder.

I. XR Offers No Basis or Authority to Deny Joinder

With its motion, Ubiquiti included a petition with identical grounds and an identical record as IPR2022-00613, a proceeding in which the Board was a mere three weeks away from issuing its Final Written Decision when XR settled with the last of six different petitioners. As XR concedes, the Board has historically denied similar late termination motions. *See, e.g., Rubicon Communications, LP, v. Lego A/S*, IPR2016-01187 (Paper No. 100, Dec. 14, 2017); *Kinetic Technologies, Inc. v. Skyworks Solutions, Inc.*, IPR2014-00690 (Paper 43, Oct. 19, 2015); XR Opposition (“Opp.”) at 9. XR cites not a single court or Board decision precluding this motion.

XR argues that 37 C.F.R. § 42.71 bars Ubiquiti’s motion. That is clearly wrong, as XR’s own opposition shows. *See* Opp. at 8 (conceding that statute only applies to a “party” and a final written decision). Regardless, because Ubiquiti has not moved for reconsideration, this statute does not apply on its face. XR further

asserts the motion “would undermine predictability and reliance in the IPR system.” *Id.* at 9. Again, XR cites no authority for this position. In any event, XR knows that any of the many defendants facing new lawsuits (*see, e.g., XR v. T-Mobile*, No. 2:23-cv-00204 (E.D.T.X)) or any other third-party could still bring an identical IPR, in which Ubiquiti could seek to join. Rather than begin anew based on the exact same submissions and evidence, the Board should hear Ubiquiti’s petition now.

II. XR’s Wrongly Suggests that the Board Lacks Discretion to Grant Joinder

Much of XR’s opposition is devoted to the argument that the Board lacks discretion to grant joinder now because the IPR was instituted more than a year ago. *See Opp.* at 11. But again, XR cites not a single authority for that proposition and acknowledges § 42.5(c)(3) provides that “[a] late action will be excused . . . upon a Board decision that consideration on the merits would be in the interests of justice.” *Id.* When the earlier IPR was filed, six different petitioners had filed or joined in the IPR; when the last such petitioner settled and the IPR was terminated, Ubiquiti promptly filed its request for joinder, paid substantial fees, and presented its own, identical IPR petition. No authority of which Ubiquiti is aware prevents the Board from determining that, “in the interests of justice,” it should hear an IPR petition the Board already determined had a reasonable likelihood of prevailing.

XR also incorrectly argues that, “[t]o allow a third-party to join a terminated IPR up to a year past the joinder deadline would violate both 37 C.F.R. § 42.122(b)

and 35 U.S.C. § 315(b).” Opp. at 12. Under § 315(b), the Director is prohibited from *instituting* an IPR after the one-year bar. But if the Director *has already instituted* an *inter partes* review, she is authorized to join any party to that instituted proceeding. See 35 U.S.C. § 315(c); *see, e.g.*, IPR2014-00385, Paper 17.

The closest XR comes to citing authority is its citation to the PTAB Consolidated Trial Practice Guide (Nov. 2019) (“TPG”) at 76–77, which notes that “[t]he Board expects to exercise its discretion to permit such joinder only in extremely limited circumstances.” Opp. at 14. Such circumstances clearly exist here, where the Board was about to issue its Final Written Decision and XR manipulated the proceedings to avoid a decision. But XR also omits numerous other portions of the Trial Practice Guide that militate toward joinder here. *See, e.g.*, TPG at 76 (citing “late additions of newly asserted claims,” without time limitation); *id.* (“The conduct of the parties and ***attempts to game the system*** may also be considered In this way, the Board can carefully balance the interest in preventing harassment against ***fairness and prejudice concerns*** on a case-by-case basis, based on the facts then before it.”) (emphasis added); *id.* at 77 (other “important” factors include the “stage and schedule” of the IPR and “[e]vents in other proceedings”); *Gen. Motors LLC v. Neo Wireless LLC*, 2023 WL 8461610, at *8 (2023) (granting joinder where party agreed to limit petition to identical issues, evidence, and expert testimony, with no effect on schedule); *Sony Mobile*

Commun.’s AB v. Ancora Techs., Inc., 2021 WL 2386905, at *14 (2021) (same); see also *VirnetX Inc. v. Mangrove Partners Master Fund, Ltd.*, 778 Fed. Appx. 897, 901-02 (Fed. Cir. 2019) (no prejudice where there was no change to issues or schedule); *Facebook, Inc. v. Windy City Innovations, LLC*, 973 F.3d 1321 (2020) (“We hold that the clear and unambiguous language of § 315(c) does not authorize **same-party joinder** or joinder of **new issues**.”) (emphasis added). Here, again, little or nothing remains to be done except for the Board’s Final Written Decision.

III. XR’S SANCTIONS REQUEST IS IMPROPER AND UNWARRANTED

XR’s request for sanctions is defective. A party seeking sanctions under Rule 42.11 must first offer a “safe harbor” and is required to serve a proposed motion at least 21 days before seeking leave. 37 C.F.R. § 42.11(d)(2). Otherwise, the Board may only order sanctions “on its own.” 37 C.F.R. § 42.11(d)(3).

Regardless, XR does not remotely provide any basis for sanctions here. No authority precludes a motion like this one. By contrast, in the lone case XR cites, *OpenSky Inds., LLC and Intel Corp. v. VLSI Tech. LLC*, IPR2021-01064, Paper 121 at 2-3 (PTAB Dec. 22, 2022), a party had repeatedly “abused the IPR process by filing this petition in an attempt to extract payment” and “engaged in further sanctionable conduct including discovery misconduct, violation of an express order, and unethical conduct” and made “false and misleading statements.” XR makes no showing that Ubiquiti misstated any facts or law or abused any process.

Dated: February 29, 2024

Respectfully submitted,

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CERTIFICATE OF SERVICE

I certify that on February 29, 2024, I caused a true and correct copy of the foregoing REPLY IN SUPPORT OF UBIQUITI'S MOTION FOR LEAVE TO FILE MOTION TO REOPEN IPR, MOTION TO WAIVE THE TIME LIMIT FOR FILING A MOTION FOR JOINDER, AND MOTION FOR JOINDER to be served via overnight delivery on the Patent Owner at the following correspondence address of record as listed on PAIR:

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A courtesy copy was also sent via electronic mail to the Patent Owner's litigation counsel listed below:

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