

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SAMSUNG ELECTRONICS CO. LTD., GOOGLE LLC,
and SAMSUNG ELECTRONICS AMERICA, INC.,
Petitioners,

v.

HEADWATER RESEARCH LLC,
Patent Owner.

Case No. IPR2024-00342

Patent No. 8,406,733

PETITIONERS' REQUEST FOR DIRECTOR REVIEW

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I. INTRODUCTION

Google and Samsung (“Petitioners”) sought *inter partes* review (“IPR”) of all 30 claims of U.S. Patent 8,406,733 (“the ’733 patent”). While only claims 1-5, 7-14, 19, 21-24, 26, 29, 30 of the ’733 patent are currently being litigated against Samsung, Petitioners challenged all 30 claims with two, concurrently-filed petitions to avoid piece-meal litigation. *See* Petition (Paper 4), 82; EX-1021, 2. Challenging all 30 claims allowed Petitioners to (1) avoid separately litigating claims added to the Samsung litigation post-IPR; and (2) protect Google and its products from future lawsuits on surviving claims. Because petition word count limits prevented all 30 claims from being challenged in a single petition, out of necessity, two parallel petitions were filed. *See* Ranking Notice (Paper 3), 3-4.

The Board did not dispute that good cause existed for the parallel petition filings but, in discretionarily denying the second petition, determined that a last-minute Patent Owner (“PO”) stipulation mooted it. DI (Paper 15), 6-7. PO stipulated that it would not add claims to the Samsung litigation or assert the ’733 patent “against Google” if institution were denied. But this stipulation plainly does not extend to the distribution and use of Google’s or Samsung’s products that may be implicated in a future litigation. Left to stand, this decision is a recipe for PO gamesmanship. Such important policy issues necessitate Director-level attention, and reversal of the decision to discretionarily deny institution.

II. PARALLEL FILINGS WERE NECESSARY TO COVER ALL CLAIMS

The Board did not deny that the 30 claims of the '733 patent constitute good cause for two petitions, nor dispute Petitioner's argument that "the large number of asserted claims in litigation against Petitioner Samsung makes an IPR challenge using a single petition especially challenging." *See* DI, 6 (quoting Ranking Notice, 3); *see also* Ranking Notice, 3-4 (explaining necessity for two petitions in view of number of asserted claims); Pet. Reply to POPR (Paper 11), 4 (discussing space needed to address claims). Instead, relying on PO's incomplete stipulation and generic concerns about the "burden" imposed by the filing of a second petition¹ (*see* DI, 6), the Board denied institution (DI, 9).

In its POPR, PO offered no stipulation as to the claims it would assert against Samsung; PO *did not even acknowledge Google*. Instead, PO's stipulation was

¹ To eliminate any concerns of the Director as to burden, efficiency and integrity of the system, should institution of IPR2024-00342 be granted (and PO maintains its existing stipulation as to the prior art status of TS-23.140 in IPR2024-00341), Petitioners agree to expressly withdraw the grounds of the petition (IPR2024-00342) other than those necessary to assess the patentability of claims 18, 20 and 28 (including their referenced intervening and base claims) if the Director deems withdrawal helpful or appropriate.

presented at the close of supplemental briefing and a mere three weeks prior to the statutory deadline for the Institution Decision. The last-minute stipulation was by design—with the Board already taking up the petition for decision to meet its statutory deadline. DI, 6-7 (citing PO Sur-Reply (Paper 13), 2-3). This meant that Petitioners had no practical opportunity to highlight to the Board the incomplete nature of PO’s stipulation (supplemental briefing closed with the PO’s last brief).

III. PATENT OWNER’S STIPULATION ADVANCES PIECE-MEAL LITIGATION STRATEGY

Absent Director intervention, the Board’s decision will foster gamesmanship and piece-meal litigation. Such an outcome is entirely inconsistent with the agency’s intent to avoid the “potential for inefficiency and gamesmanship in AIA proceedings.” USPTO Binding Interim Guidance Addressing PTAB’s Approach to Discretionary Denials (June 21, 2022), 1-2.² Far from avoiding “a substantial and unnecessary burden on the Board” (CTPG, 59) that is already reviewing the same patent, the Board’s denial of the second petition has effectively invited further litigation against Google’s and Samsung’s partners. This piece-meal approach takes the AIA’s intent to provide a quick and inexpensive alternative to litigation on its head. The agency is effectively ensuring future litigation involving the ’733 patent

² https://www.uspto.gov/sites/default/files/documents/interim_proc_discretionary_denials_aia_parallel_district_court_litigation_memo_20220621_.pdf.

rather than simply taking up a handful of additional claims of a patent it is actively reviewing (i.e., claims 18, 20 and 28).

As quoted by the Board, “Patent Owner stipulates that as institution is denied in this proceeding, it will not file suit against petitioner Google alleging infringement of the ’733 Patent, and it will likewise not assert any additional claims against petitioner Samsung in the pending parallel litigation.” DI, 6-7. To avoid burdening the agency with a review of this matter where a revised stipulation might avoid it, Google and Samsung respectively requested PO provide a complete stipulation that protected other entities from being sued for their distribution or use of *their respective products*. PO denied that modification, disagreeing that, e.g., “Google is entitled to additional stipulations beyond the stipulations Headwater expressly made to the PTAB”³ and highlighting PO’s sleight-of-hand stipulation before the Board.

PO’s current stipulation, however, is inadequate at least because it *fails to protect Google’s products from future litigation*—one of the key reasons Google

³ In accordance with the Board’s rules, Petitioners have not attached the intervening email correspondence concerning Headwater’s purported stipulations (*see* Revised Interim Director Review Process § 3.E, *available at* <https://www.uspto.gov/patents/ptab/decisions/revised-interim-director-review-process>) but will submit such evidence if the Director deems it necessary.

brought the IPR challenge in the first place together with Samsung. Indeed, in the parallel litigation, *Headwater Research LLC v. Samsung Electronics Co., Ltd. et al*, Case No. 2:23-cv-103 (E.D. Tex.), PO alleges, amongst other claims, that Samsung's use of **Google's** Firebase Cloud Messaging infringes the '733 patent. PO's stipulation does not state that it will not assert the '733 patent against Google's Firebase Cloud Messaging for any company other than Google. PO Sur-Reply, 2-3. In the same vein, PO's current stipulation also ***fails to protect Samsung's products from future litigation involving the unasserted claims of the '733 patent.***

Besides the parallel litigation, PO has repeatedly sued parties for their distribution and use of a third party's products. In *three* other ***pending*** litigations, *Headwater Research LLC v. AT&T Inc. et al.*, Case No. 2:23-cv-00397 (E.D. Tex.); *Headwater Research LLC v. T-Mobile US, Inc. et al.*, Case No. 2:23-cv-00377 (E.D. Tex.); *Headwater Research LLC v. Verizon Communications Inc. et al.*, Case No. 2:23-cv-00377 (E.D. Tex.), PO has alleged that Defendants' (AT&T, T-Mobile, and Verizon) distribution of Google's products, *e.g.*, Google Pixel 7 phones, infringes two other PO patents. Nor is this a strategy that PO reserves for only Google products. In those same litigations, PO has also accused AT&T, T-Mobile, and Verizon for their distribution of Apple, Motorola, and Samsung (amongst others) products.

PO's stipulation was carefully crafted to preserve its ability to continue filing these types of lawsuits and PO's refusal to agree to Google's and Samsung's stipulations confirms PO's intent. Accordingly, the Board's discretionary denial here defeats the goal of AIA trial proceedings which are intended to provide "a quick, inexpensive, and reliable alternative to district court litigation to resolve questions of patent validity." *See Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings*, 3-4 (Jun. 21, 2022) (quoting S. Rep. No. 110-259, at 20).

IV. CONCLUSION

The Board's reliance on a PO stipulation that carves out critical protection for Petitioners' products denies the promise of the AIA—that IPR serves as an alternative to litigation. Petitioners should be permitted to pursue IPR of all claims of the '733 patent rather than potentially face years of piece-meal litigation.

Director Review is warranted, and Petitioners respectfully request that the Board grant this request and institute *inter partes* review.

Respectfully submitted,

Dated: August 26, 2024

/Karan Jhurani/

W. Karl Renner, Reg. No. 41,265
Jeremy J. Monaldo, Reg. No. 58,680
Karan Jhurani, Reg. No. 71,777
Fish & Richardson P.C.
60 South Sixth Street, Suite 3200
Minneapolis, MN 55402
Counsel for Petitioner Samsung

/Scott A. McKeown/

Scott A. McKeown, Reg. No. 42,866
Gregory F. Corbett, admitted *pro hac vice*
Turhan F. Sarwar, admitted *pro hac vice*
Wolf, Greenfield & Sacks, P.C.
600 Atlantic Avenue
Boston, MA 02210
Counsel for Petitioner Google

CERTIFICATE OF SERVICE UNDER 37 C.F.R. § 42.6 (e)(4)

I certify that on August 26, 2024, I will cause a copy of the foregoing document, including any exhibits filed therewith, to be served via electronic mail, as previously consented to by Patent Owner, upon the following:

Reza Mirzaie	rmirzaie@raklaw.com
Marc A. Fenster	mfenster@raklaw.com
Dale Chang	dchang@raklaw.com
Amy E. Hayden	ahayden@raklaw.com
James A. Milkey	jmilkey@raklaw.com
Neil Rubin	nrubin@raklaw.com
Philip X. Wang	pwang@raklaw.com
	rak_headwater@raklaw.com

Date: August 26, 2024

/MacAulay Rush/
MacAulay Rush
Paralegal
WOLF, GREENFIELD & SACKS, P.C.