

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

CELLCO PARTNERSHIP D/B/A VERIZON WIRELESS, VERIZON
CORPORATE SERVICES GROUP INC.,
T-MOBILE USA, INC.,
AT&T SERVICES, INC., AT&T MOBILITY LLC, AND AT&T CORP.
Petitioners,

v.

HEADWATER PARTNERS I LLC.
Patent Owner.

U.S. Patent No. 9,198,042
Title: SECURITY TECHNIQUES FOR DEVICE ASSISTED SERVICES

Inter Partes Review No.: IPR2024-00809

**PETITIONERS' REPLY TO PATENT OWNER'S
PRELIMINARY RESPONSE (POPR)**

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Petitioner's Exhibit List

<i>Exhibit #</i>	<i>Description</i>
1001	U.S. Patent No. 9,198,042 (“the ’042”)
1002	Prosecution history of the ‘042 (“’042 File History”)
1003	Declaration of Petitioner’s Expert Petitioners expert, Dr. Henry Houh
1004	U.S. Publication No. 2007/0006289 (“Limont”)
1005	U.S. Publication No. 2004/0123153 (“Wright”)
1006	U.S. Publication No. 2006/0183461 (“Pearce”)
1007	U.S. Publication No. 2007/0288989 (“Aarnos”)
1008	U.S. Publication No. 2007/0104169 (“Polson”)
1009	Arm TrustZone Microprocessor Report
1010	Arm TrustZone Paper
1011	U.S. Publication No. 2006/0112427
1012	U.S. Pat. No. 7,849,310
1013	Limont Prosecution History Excerpts (Application No. 11/171,850)
1014	U.S. Publication No. 2006/022474A1
1015	U.S. Publication No. 2009/0265754
1016	U.S. Publication No. 2007/0061535 (“Xu”)
1017	U.S. Pat. No. 8,064,417
1018	U.S. Pat. No. 7,672,695
1019	U.S. Pat. No. 7,881,267
1020	U.S. Publication No. 2008/0244018
1021	Plaintiff’s Infringement Contention (Verizon case)
1022	Docket Control Order
1023	List of Related Applications
1024	AT&T letter with stipulation
1025	Verizon letter with stipulation
1026	T-Mobile letter with stipulation

<i>Exhibit #</i>	<i>Description</i>
1027	Headwater email with claim reduction

Petitioners submit this Preliminary Reply as authorized by the Board in its email dated October 9, 2024. The Board should not deny institution under *Fintiv*. Petitioners have substantially reduced or eliminated any risk of duplicative litigation by stipulating that they will not pursue invalidity challenges in this district court litigation on the grounds or the prior art references asserted in the Petition. EX-1024, EX-1025, EX-1026.

Petitioners' stipulation addresses the concerns raised in the POPR analysis of *Fintiv* factor 4 (POPR at 17-20) that "Petitioners intend to rely heavily on their primary reference in this proceeding at the district court." POPR at 20. Under the Petitioners' stipulation, there will be no overlap between the evidence of invalidity presented in this IPR and any invalidity analysis in the district court. The references considered in the IPR grounds would be considered only in the IPR and not in the district court. Petitioners' stipulation is particularly impactful given the lack of any prior art (much less the primary references asserted herein) during prosecution. This Board will be the sole adjudicator addressing these references.

For factor 4, as foreseen in the Petition (at 79-80), PO has now reduced its infringement assertions to only seven claims from the '042 patent. EX-1027. PO argues the backward position that "the Petition challenges all of the claims that are currently asserted in the litigation." POPR at 18. The issue is not whether a

Petition challenges all asserted claims (which almost all Petitions will do), but the overlap in the district court and IPR proceedings. The IPR challenges eleven claims that will not be a part of the district court proceedings (out of 18 claims overall). This is not some minor mismatch between the claims in the two proceedings, but rather 60% of the overall claims in the patent simply will not be evaluated in the district court but would be evaluated in an instituted IPR. While PO now asserts seven claims, PO is obligated to reduce to only 5 claims before trial. *E.g., Headwater v. AT&T*, case no. 2:23-cv-00397-JRG-RSP, Dkt. 61 at ¶3 (EDTX, June 6, 2024). Thus, the Board will consider 100% of the claims whereas the district court will consider, at very most, 28% of those claims.

Moreover, the district court proceedings are very fluid with respect to timing of any trial whereas this Board's timing is statutorily prescribed. For example, in PO's case against Samsung on patents that claim priority to the same priority applications as the '042 claims, the district court trial was scheduled for August 2024, but now has been indefinitely delayed with no trial date scheduled. *See Headwater v. Samsung*, case no. 2:22-cv-00422-JRG-RSP (EDTX) (docket entry 08/09/2024 noting that the trial date has been continued). Thus, PO's arguments that "district court trials are set to occur *about five months* before the deadline for a final written decision" (POPR at 14) are belied by the reality of the schedules. One adjudicative body (the district court) has complete discretion to delay its trial

dates, has multiple trials scheduled at the same time that, by law, cannot be combined, and has significant post-trial motions practice before a final judgment. The other adjudicative body (this Board) has a statutorily prescribed deadline for reaching its final written decision (“FWD”). The relatively minor disparity between the current district court trial date and the FWD date should not result in discretionary denial because the district court date can, and does, readily change while the FWD date cannot.

Thus, given the stipulation, there is 0% overlap in the prior art to be evaluated in the two proceedings and, at most, 28% overlap of the claims of the ‘042 patent. Given the lack of prior art applied during prosecution, and in light of the fluid district court schedule, the public interest benefits from the Board’s evaluation of these claims.

Respectfully submitted,

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CERTIFICATION OF SERVICE ON PATENT OWNER

Pursuant to 37 C.F.R. §§ 42.6(e), 42.8(b)(4) and 42.105, the undersigned certifies that on the October 11, 2024, a complete and entire copy of this filing and all supporting exhibits were served via filing with PTACTS on all counsel of record receiving notifications through PTACTS.

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