

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

QUALCOMM INCORPORATED,
Petitioner

v.

NETWORK SYSTEM TECHNOLOGIES, LLC,
Patent Owner

Case: IPR2024-01081
U.S. Patent No. 7,373,449

**PETITIONER'S REPLY TO PATENT OWNER'S OPPOSITION TO
MOTION FOR JOINDER**

TABLE OF CONTENTS

1. Joinder Is Appropriate	2
2. Joinder Will Not Prejudice PO	3
3. Joinder Will Not Require Significant Changes to the Schedule	4
4. <i>General Plastic</i> Does Not Apply to This Case	5
5. An Otherwise Time-Barred Party May Join An Instituted IPR	5

TABLE OF AUTHORITIES

Cases

<i>AO Kaspersky Lab v. Open Text Inc.</i> , IPR2023-01199, Paper 8 (PTAB Dec. 21, 2023)	1
<i>Apple Inc. and T-Mobile USA Inc. v. Traxcell Techs., LLC</i> , IPR2021-01552, Papers 17, 18 (PTAB May 25, 2022).....	4
<i>Apple Inc. v. Uniloc 2017 LLC</i> , IPR2020-00854, Paper 9 (PTAB Oct. 28, 2020).....	2
<i>AT&T Corp. v. Dali Wireless Inc.</i> , IPR2023-00818, Paper 8 (PTAB Aug. 14, 2023)	1
<i>Code200, UAB v. Bright Data, Ltd.</i> , IPR2022-00861, Paper 18 (Aug. 23, 2022).....	1, 3
<i>eBay, Inc. v. Lexos Media IP, LLC</i> , IPR2024-00336, Paper 11 (PTAB Feb. 23, 2024).....	1, 3, 4 5
<i>Kingston Tech. Company, Inc. v. SecureWave Storage Solutions, Inc.</i> , IPR2020-00139, Paper 12 (PTAB Mar. 23, 2020)	2
<i>LG Electronics Inc. v. Jawbone Innovations, LLC</i> , IPR2023-01248, Paper 9 (PTAB Jan. 19, 2024)	2
<i>Micro Motion, Inc. v. Invensys Systems, Inc.</i> , IPR2014-01409, Paper 14 (PTAB Feb. 18, 2015).....	4
<i>Proppant Express Investment, LLC v. Oren Techs., LLC</i> , IPR2018-00914, Paper 38 (PTAB Mar. 13, 2019)	2, 4
<i>T-Mobile USA, Inc. v. Traxcell Techs., LLC</i> , IPR2022-00669, Paper 13 (PTAB May 24, 2022) (same)	1, 4
<i>T-Mobile USA, Inc. v. VolIP-Pal,com, Inc.</i> , IPR2023-00638, Paper 11 (PTAB Jul. 28, 2023)	2
<i>Valve Corp. v. Electronic Scripting Products, Inc.</i> , IPR2019-00062, Paper 11 (PTAB Apr. 2, 2019).....	5

<i>ZTE (USA) LLC v. Seven Networks, LLC</i> , IPR2019-00460, Paper 18 (PTAB Jun. 6, 2019)	2
--	---

Statutes

35 U.S.C. § 315(b)	3, 5
--------------------------	------

Regulations

37 C.F.R. § 42.122(b)	3, 5
-----------------------------	------

The Board’s mission is to “improve patent quality...by reviewing the merits of challenges raised in petitions.” *Code200, UAB v. Bright Data, Ltd.*, IPR2022-00861, Paper 18, 6 (Aug. 23, 2022) (precedential). Here, the Board has already invested substantial resources to determine that there is a reasonable likelihood the challenged claims of the ’449 patent are invalid.

Patent Owner (“PO”) argues that because it has now moved to terminate the Samsung IPR—something it did well *after* Petitioner’s motion to join—the Board should deny joinder. That is incorrect. Petitioner’s motion was timely and will not complicate the proceeding, cause undue delay, or prejudice PO. Joinder is routinely granted in circumstances like these. *eBay, Inc. v. Lexos Media IP, LLC*, IPR2024-00336, Paper 11 at 2-3, 10-16 (PTAB Feb. 23, 2024) (granting joinder where original Petitioner moved to terminate after joinder motion filed); *AO Kaspersky Lab v. Open Text Inc.*, IPR2023-01199, Paper 8 at 4, 7-9 (PTAB Dec. 21, 2023) (same); *AT&T Corp. v. Dali Wireless Inc.*, IPR2023-00818, Paper 8 at 7-10, n.3 (PTAB Aug. 14, 2023) (same); *T-Mobile USA, Inc. v. Traxcell Techs., LLC*, IPR2022-00669, Paper 13 at 32-35 (PTAB May 24, 2022) (same). PO has not identified any case where the Board denied joinder in a similar circumstance,¹ nor

¹*ZTE* and *LG* (Paper 7, 9 n.2) are inapposite. In *ZTE*, the underlying IPR had already been terminated for six months and there was “no proceeding for *ZTE* to

provided a persuasive reason for denying joinder in this case.

1. Joinder Is Appropriate

PO argues Petitioner failed to address the Board’s “limited circumstances” test set forth in the “precedential” *Proppant* decision. Paper 7 at 4-5, 7. However, *Proppant* was “de-designate[d]...from precedential status.” <https://www.uspto.gov/about-us/news-updates/uspto-extends-director-review-dr-option-institution-decisions-retires>. Moreover, the Board has recognized that *Proppant*’s analysis is inapplicable to cases like this one, as *Proppant* concerned same-party and new-issue joinder. *E.g., Kingston Tech. Company, Inc. v. SecureWave Storage Solutions, Inc.*, IPR2020-00139, Paper 12 at 13-14 (PTAB Mar. 23, 2020).

PO also argues that “similar ‘understudy’ arguments” have been rejected. Paper 7, 6. However, the two cases PO cites are not at all “similar”—each concerned “serial” IPRs, where the party seeking to be an “understudy” had already *unsuccessfully* filed previous IPRs against the same patents. *Apple Inc. v. Uniloc 2017 LLC*, IPR2020-00854, Paper 9 at 4, 7, 13 (PTAB Oct. 28, 2020) (Precedential); *T-Mobile USA, Inc. v. VolIP-Pal,com, Inc.*, IPR2023-00638, Paper 11 at 3-4 (PTAB Jul. 28, 2023). That is not the case here.

join.” IPR2019-00460, Paper 18, 7-8. In *LG*, the Board *instituted* the IPR; it merely denied the accompanying joinder motion as moot. IPR2023-01248, Paper 9, 2.

2. Joinder Will Not Prejudice PO

PO argues that “[t]here are strong public policy reasons to favor settlement between the parties to a proceeding.” Paper 7, 8. However, any such reasons do not outweigh the Board’s strong interest in “improv[ing] patent quality” and therefore in “reviewing the merits” of challenges,” as the Board explained in a recent decision citing the precedential *Code200* case. *eBay*, IPR2024-00336, Paper 11, 15; *see also Code200*, IPR2022-00861, Paper 18, 5-7 (precedential). Moreover, PO continues to assert the ’449 patent against Petitioner.

PO’s arguments about the timing of Petitioner’s motion (Paper 7, 7-10) miss the mark. The Petition and motion to join were timely filed under statute and the Office’s regulations. *See* 35 U.S.C. § 315(b); 37 C.F.R. § 42.122(b). Moreover, Petitioner had no involvement in Samsung’s decision to file an IPR against the ’449 patent. Petitioner reasonably filed its copycat Petition and joinder request after the Board instituted review not because it had “learned of [a] settlement,” but rather because the rules do not allow the Director to grant joinder until after institution. *See* 35 U.S.C. § 315(c). And Petitioner’s promise to take an understudy role was not “disingenuous”; Petitioner’s joinder motion expressly acknowledged PO’s apparent settlement-in-principle of the district court case (Paper 3, 2 n.1), but explained that Petitioner did not know at that time what effect, if any, that might have on the Samsung IPR, which was proceeding normally. It was not until weeks

later that PO apparently settled the Samsung IPR. That circumstances between PO and Samsung changed after Petitioner's motion is no reason to deny joinder.

PO's timing arguments also ring hollow given that PO waited over six weeks from the time it told the district court it had "settled in principle" to when it moved to terminate the Samsung IPR. In the interim, the Board invested substantial time and resources into the Samsung IPR and issued a decision instituting review. PO cites two cases to argue that joinder would be an unfair "do-over." Paper 7, 7. But those cases are inapposite—each concerned same-party joinder requests seeking to add *new claims* to the IPR. *Proppant*, IPR2018-00914, Paper 38, 2; *Micro Motion*, IPR2014-01409, Paper 14, 14.

3. Joinder Will Not Require Significant Changes to the Schedule

The Board grants joinder even when doing so requires significantly extending the schedule. *E.g.*, *T-Mobile*, IPR2022-00669, Paper 13, 34-35; *see also* IPR2021-01552, Papers 17 and 18 (extending statutory pendency by 3.5 months due to joinder). But here, little if any extension is needed. Petitioner is filing both this reply and its reply to the POPR early, and PO's sur-reply to the POPR is due August 16. Once PO files its sur-reply, the Board can decide joinder. Therefore, the *current trial schedule can likely be maintained*, with at most only slight modifications to dates 1-3. The ability to maintain the current schedule in this IPR weighs strongly in favor of joinder. *See eBay*, IPR2024-00336, Paper 11, 15.

4. *General Plastic* Does Not Apply to This Case

General Plastic applies to serial/follow-on petitions, not copycat petitions like this one. *E.g.*, *eBay*, IPR2024-00336, Paper 11, 13 (“Here the *General Plastic* factors are not at issue; Petitioner here is not filing this Petition as a follow-on to prior petitions filed by Petitioner challenging claims of the same patent.”). PO’s citation of *Valve Corp.* is likewise inapposite. *Valve Corp.* also concerned a true follow-on (second) petition that used the previous IPR as a roadmap to present new and different arguments of unpatentability. *Valve Corp.*, IPR2019-00062, Paper 11, 13. Here there is effectively only one Petition. *General Plastic* does not apply.

Even were one to try the square peg in the round hole, the factors favor institution. As to Factor 1, Qualcomm and Samsung are not co-defendants; they are defendants in separate lawsuits in separate districts accused of infringing different claim sets. As to Factors 2 and 4-5, the contentions PO cites do not contain the Drake reference. Factor 3 is inapplicable, and Factors 6 and 7 favor institution.

5. An Otherwise Time-Barred Party May Join An Instituted IPR

PO argues Petitioner is time-barred. Paper 7, 1, 4, 5, 14-15. However, USPTO regulations state the time bar does not apply when the petition is accompanied by a joinder request. 35 U.S.C. §315(b); 37 C.F.R. §42.122(b). Even the DOJ brief PO cites states “[t]he USPTO has understood the [one-year bar] to ‘not apply when the petition is accompanied by a request for joinder.’” Ex-2068, 4.

Respectfully submitted,

Dated: August 5, 2024

/J. Derek Vandenburg/

J. Derek Vandenburg (Reg. No. 32,179)

Aaron W. Pederson (Reg. No. 58,607)

Nathan D. Louwagie (Reg. No. 70,057)

Ryan D. Rypka (Reg. No. 79,451)

CARLSON CASPERS VANDENBURGH &

LINDQUIST, P.A.

225 South Sixth Street, Suite 4200

Minneapolis, MN 55402

dvandenburg@carlsoncaspers.com

apederson@carlsoncaspers.com

nlouwagie@carlsoncaspers.com

rrypka@carlsoncaspers.com

Phone: 612.436.9600

Fax: 612.436.9605

*Attorneys for Petitioner Qualcomm
Incorporated*

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing
PETITIONER'S REPLY TO PATENT OWNER'S OPPOSITION TO MOTION
FOR JOINDER was served on August 5, 2024, via email upon the following:

Jennifer Hayes (Reg. No. 50,845)
NIXON PEABODY LLP
300 South Grand Avenue, Suite 4100
Los Angeles, CA 90071-3151
jenhayes@nixonpeabody.com

Hang Zheng (Reg. No. 73,464)
NIXON PEABODY LLP
799 9th Street NW, Suite 500
Washington, DC 20001-5327
hzheng@nixonpeabody.com

Daniel Stringfield (Reg. No. 68,677)
Angelo J. Christopher (Reg. No. 81,594)
Peter Krusiewicz (*Pro Hac Vice*)
NIXON PEABODY LLP
70 West Madison, Suite 5200
Chicago, IL 60602-4224
dstringfield@nixonpeabody.com
achristopher@nixonpeabody.com
pkrusiewicz@nixonpeabody.com

/J. Derek Vandenburg/
J. Derek Vandenburg