

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SAMSUNG ELECTRONICS CO., LTD.,
Petitioner,

v.

HEADWATER RESEARCH LLC,
Patent Owner.

IPR2024-01396
Patent 9,647,918 B2

PATENT OWNER'S REQUEST FOR DIRECTOR REVIEW

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I. Introduction

Patent Owner requests discretionary denial of this proceeding, in which Administrative Patent Judge Scott B. Howard has dissented from the decision granting institution on the basis that “the [*Fintiv*] factors, on balance, weigh in favor of exercising discretion to deny institution.” *See* Paper 13. The Director should exercise discretion to terminate this proceeding challenging the patentability of all claims of U.S. Patent No. 9,647,918 (the ’918 patent) for two independent reasons.

First, the Board erred in its discretionary denial analysis. Petitioner declined to enter into a *Sotera* stipulation, and “[t]he district court trial is scheduled for.... approximately six months before the date the final written decision will be due in this proceeding.” Paper 13 (dissenting opinion) at 1–2 (opining that “the Majority does not give sufficient weight to *Fintiv* factor 2). As explained in more detail below, *each* *Fintiv* factor favored denial.

Second, the Board improperly found a reasonable likelihood of success. The Board’s conclusion that the Petition set forth a reasonable likelihood of success rests entirely on the premise that an API “call” is “accessible to each of a plurality of device applications” even if applications are restricted from accessing the API call in question, and instead can only access a call to an intermediary, which *intermediary* has access to the API call in question. Paper 13 at 13-14. In reaching this conclusion, the Board incorrectly held that unless the Board’s interpretation

were accepted, FIG. 32 would be read out of the claims. *Id.* at 14. That conclusion was clear error; FIG. 32 shows that the network stack has a call that is accessible to both an intermediary *and* to an application, such that the network stack has an API call that is clearly “accessible” to the application under *any* interpretation. As such, the Board’s claim interpretation supporting its institution decision was based on a false premise, and institution should not have been granted.

For both of these reasons, Patent Owner respectfully requests that the Director terminate this proceeding.

II. Legal Standards

Director Review is appropriate for institution “decisions presenting (a) an abuse of discretion, (b) important issues of law or policy, (c) erroneous findings of material fact, or (d) erroneous conclusions of law.” Availability of Director Review: AIA Trial Proceedings (last modified Mar. 18, 2025) (*available at <https://www.uspto.gov/patents/ptab/decisions/director-review-process>*).

III. The majority erred in its analysis of the *Fintiv* factors.

35 U.S.C. § 314(a) gives the Board discretion to deny institution of IPR due to the advanced state of parallel district court litigation regarding the same issues. *See NHK Spring Co. v. Intri-Plex Techs., Inc.*, IPR2018-00752, Paper 8 at 19-21 (PTAB Sept. 12, 2018) (precedential). The Board has set forth six factors for determining whether discretionary denial in light of such parallel litigation is

appropriate, and in analyzing them, “takes a holistic view of whether efficiency and integrity of the system are best served by denying or instituting review.” *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 at 5-6 (PTAB Mar. 20, 2020) (precedential) (“*Fintiv I*”); *see also Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 15 at 7-17 (PTAB May 13, 2020) (informative) (“*Fintiv II*”).

Here, over Administrative Patent Judge Howard’s dissent, the majority abused its discretion by instituting this proceeding. The majority instituted even though *all* of the six *Fintiv* factors weigh in favor of the Board exercising its discretion to deny institution.

For **Factor 1**, no stay of the parallel district court litigation had been granted or requested, and a stay is unlikely given the advanced stage of the case. *See, e.g., TQ Delta, LLC v. CommScope Holding Co.*, No. 2:21-cv-00310-JRG, 2022 WL 2872993, at *4 (E.D. Tex. July 21, 2022) (Gilstrap, J.) (denying motion to stay pending IPR where, when defendant’s motion was filed, the claim construction hearing and the close of fact discovery were approaching and noting that “the parties had already invested considerable time and expense in preparing this case”); *Force Mos Tech., Co. v. Asustek Comput., Inc.*, No. 2:22-cv-00460-JRG, 2024 WL 1586266, at *3 (E.D. Tex. Apr. 11, 2024) (denying motion to stay where discovery was well underway and where the IPR petition was filed several months after

infringement contentions were served). The Board did not evaluate these denials of stays pending *inter partes* review in evaluating the likelihood of a stay.

Indeed, the majority declined to evaluate the likelihood of a stay at all. ID at 6 (“declin[ing] to speculate” as to whether a stay was likely or not). This is despite the majority’s ***acknowledgement*** that this factor requires an evaluation of “whether a stay... is likely to be granted if a proceeding is instituted” (ID at 6). Plainly, it was error for the majority to “decline to speculate” as to the likelihood of a stay, because the factor *requires* such an evaluation.

Thus, although the majority held that “the first factor is neutral,” this factor should have been weighed against institution.

For **Factor 2**, the district court trial is set for October 6, 2025 (Ex. 2008 at 1), approximately ***six months*** before the deadline for a final written decision in this proceeding (April 1, 2026). which weighs strongly against institution. The majority correctly acknowledged that “this second factor favors denial.” ID at 7. However, the majority did not accord sufficient weight to this factor, which weighs “substantially” against institution. *See AT&T Servs. Inc. v. ASUS Tech. Licensing Inc.*, IPR2024-00997, Paper 15 at 9 (PTAB Dec. 16, 2024) (holding that trial occurring “*four to five months* prior to the deadline for our final written decision,

based on the scheduled trial date and median time-to trial statistics ... *weighs substantially in favor of discretionary denial*").¹

APJ Howard, in dissent, agreed that the majority failed to accord sufficient weight to Factor 2. As he correctly observed:

The district court trial is scheduled for October 6, 2025. Ex. 2008, 1. That is approximately six months before the date the final written decision will be due in this proceeding. Even if the scheduled date of the district court trial is pushed back a few months, the district court trial will be completed long before we issue our final written decision. Accordingly, I would give this factor additional weight when balancing all of the factors.

Paper 13 (dissenting opinion) at 2.

For **Factor 3**, there had been much investment by the parties and the district court. For instance, before the majority issued its institution decision, claim construction briefing was already complete and fact discovery (currently set for May 19, 2025) was less than two months away. Additionally, the claim construction hearing already took place on April 4, 2025.

The majority incorrectly weighed the amount of effort that the parties had engaged in, by declining to investigate whether the parties had done any work. Paper

¹ All emphases herein are added unless otherwise specified.

13 at 7 (surmising only that “the parties have likely done some work” but declining to state the amount). However, in an *earlier-issued* decision in a case involving the same district court proceedings, the Board acknowledged that “the parties have expended **significant** effort on this case.” *Samsung Electronics Co., Ltd. v. Headwater Research LLC*, IPR2024-01407, Paper 9 at 7. Given that the Board has previously recognized that “the parties have expended significant effort” in the district court, and given that the claim construction hearing took place just days after institution, Factor 3 should have been weighed against institution.

For **Factor 4**, Petitioner entered into a weak stipulation that it would not pursue the exact grounds raised in this IPR in the district court proceeding. Paper 13 at 8 (noting that Petitioner’s stipulation was “similar to that in *Sand Revolution II, LLC v. Continental Intermodal Group-Trucking LLC*, IPR2019-01393, Paper 24 at 12 (PTAB June 16, 2020) (informative)”). Petitioner’s stipulation is particularly weak, particularly in light of the Director’s recent holding that even a much more expansive *Sotera* stipulation “does not ensure that these IPR proceedings would be a ‘true alternative’ to the district court proceeding” because “Petitioner’s invalidity arguments in the district court are more expansive and include combinations of the prior art asserted in these proceedings with unpublished system prior art, which Petitioner’s stipulation is not likely to moot.” *See Motorola Solutions, Inc. v. Stellar*,

LLC, IPR2024-01205, Paper 19 (Order Granting Director Review) at 3-4 (Mar. 28, 2025) (“*Motorola*”).

The same problem applies here, albeit with far greater force because Petitioner has reserved the right to present the prior art asserted in these proceedings with *any* other art. Ex. 2007 at 35 (Petitioner’s invalidity contentions, identifying “Bennett alone or in combination with one or more of” *thirty-three* different references); *id.* at 34-35 (identifying Vadde, at issue in the Petition’s Ground 1A, as a secondary reference for at least *fourteen* different potential combinations); *id.* (same for Riggs at issue in the Petition’s Ground 1B). Thus, the Petitioner’s *Sand Revolution* type stipulation does almost nothing to mitigate “concern of duplication between the parallel proceeding and this proceeding” (*Motorola* at 4), and the Board erred in finding that this factor weighed against discretionary denial.

For **Factor 5**, Petitioner is a defendant in the parallel litigation, such that this factor weighs against institution (as the majority correctly determined—*see* ID at 8).

The Board reasoned that **Factor 6** weighed “against exercising discretion to deny institution,” but based that determination on the assumption that the Petition did not suffer from significant weaknesses. *See* Paper 13 at 8-10. As discussed below, however, the Board’s Institution Decision was based on the false premise that Patent Owner’s claim interpretation (which required that for an API call to be “accessible to” an application, the application itself—rather than merely some other

system component—must actually be able to access that API) excluded the embodiment of FIG. 32. ID at 14. As explained in further detail in Section IV, below, the Board’s understanding was incorrect.

Furthermore, the Petition did not even attempt to set forth an invalidity theory under the plain meaning of claim scope (in which the application itself must be able to access the API call). *See* Pet. 32-35 (acknowledging a potential claim interpretation where the API call “must be directly ‘accessible to each of a plurality of device applications,’” but declining to set forth an invalidity theory under that interpretation) (cleaned up, underlining in original). Accordingly, the majority’s conclusion that “the merits of at least one ground raised in the Petition are particularly strong” (ID at 9) was unsupported, and Factor 6 should have been weighed strongly against institution.

Taken as a whole, each of Factors 1-6 weighed against institution. And even if the Board’s Factor 6 analysis regarding the strength of the Petition’s merits is assumed to be correct, the other factors taken as a whole supported discretionary denial, as the dissent correctly recognized. *See* Paper 13 (dissenting opinion) at 1-2.

IV. The majority’s conclusion of reasonable likelihood of success was also error.

The Petition acknowledges that claim 1 is generally representative of all other challenged independent claims, as it merely incorporates by reference its claim 1 analysis for other independent claims. *See* Pet. 57-58.

Claim 1 recites “a first network stack Application Programming Interface (API), containing *at least one first call accessible to each of a plurality of device applications, the first network stack API callable by each of the plurality of device applications.*”

In other words, representative claim 1 requires a network stack API having two characteristics: the API must “contain[] at least one first call accessible to each of a plurality of device applications,” and the API must further be “callable by each” of the applications.

The Petition identified Bennett’s “SA API 210” “requests” as allegedly constituting the “at least one first call accessible to each of a plurality of device applications.” Pet. 29. did not identify any “first call accessible to each of a plurality of device applications.” Bennett’s SA API 210 is shown below, highlighted in red by Petitioner.

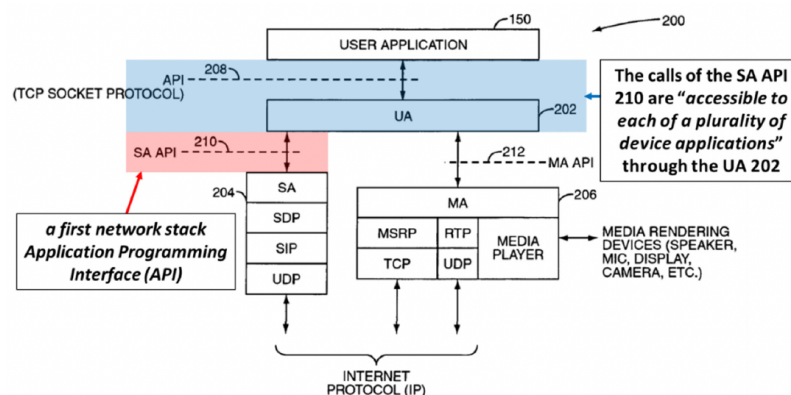


FIG. 3

Pet. at 30 (Petition’s annotation of Ex. 1041 at Fig. 3).

Petitioner does not contend that “user application 150” (i.e., the alleged “plurality of device applications”) *itself* is able to access Bennett’s SA API call. Rather, the Petition alleges that user agent (UA) 202 is able to access Bennett’s SA API call, and that the user application 150 is able to access the user agent 202 API call to request that the user agent 202 call the SA 210 API.

Petitioner characterizes this process, wherein user application calls UA, and the UA in turn calls the SA API, as the SA API having a “call” that is (indirectly) “accessible to user application. *See generally* Pet. 29-32. Petitioner alleges that this same configuration means that the SA API is (indirectly) “callable” by the user application. *See generally id.*

Petitioner asserted that the claim does not require that the claim does not require that the API call be *directly* “accessible” to the applications, or that the API be *directly* “callable” by the applications. Pet. 32 (addressing heavily paraphrased versions of the claim requirements). But Petitioner cited to no documentary evidence that a POSITA would have understood the prior art configuration to constitute an “indirect” API call or an “indirect” access to an API call. Indeed, Petitioner did not even introduce any documentary evidence that a POSITA would have had *any* understanding of what it means for an API all to be “indirectly accessible” or for an API to be “indirectly callable.”

Patent Owner, in response, presented undisputed expert testimony that “in

order for an API request to be ‘accessible’ to an application [directly, indirectly, or otherwise], the application must be able to actually make the API request.” Ex. 2001, ¶73. As explained in Patent Owner’s pre-institution sur-reply, Petitioner never addressed or disputed this uncontroverted evidence. Paper 10 at 1 (citing Paper 9, which did not mention the “callable” limitations). Instead, Petitioner’s pre-institution reply addressed what it means for an “*API*” to be “accessible to” an application, ignoring the fact that it is an “*API call*” that must be “accessible to” the applications. *See generally id.*; Paper 9.

In its pre-institution reply, instead of addressing the plain meaning of what it means for an API call to be “accessible to” applications, Petitioner presented attorney argument that Patent Owner’s understanding of claim scope would read out the embodiment of FIG. 32 (reproduced below). Paper 9 at 1-3.

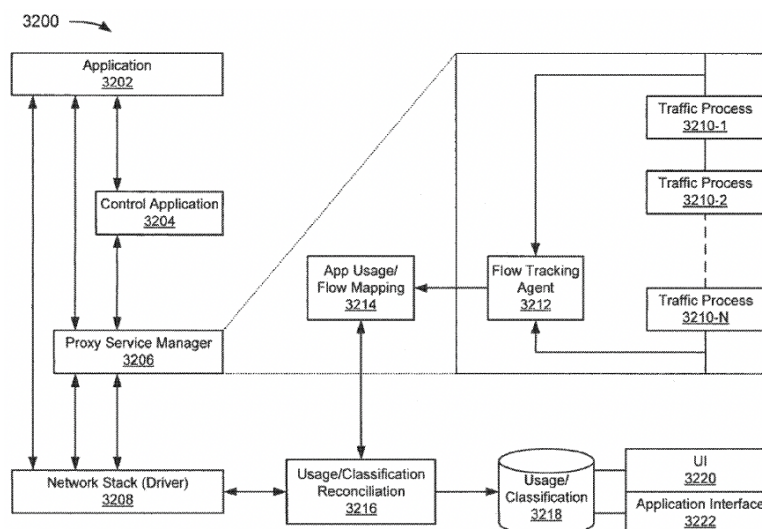


FIG. 32

Ex. 1001, FIG. 32. According to Petitioner, the “API of proxy 3206” is not

“inaccessible to application 3202 simply because it uses the API through control application 3204.” Paper 9 at 2 (emphasis in original). In other words, it was Petitioner’s apparent contention that if an API call being accessible to an application required that the application itself actually be able to call the API (rather than merely being able to call an intermediary, which intermediary could call the API), then “proxy service manager 3206” of FIG. 32 would not have an API call “accessible to” application 3202.

Of course, however, FIG. 32 makes clear that proxy service manager 3206 has an API that is callable (under Petitioner’s framing, “directly” callable) by application 3202, because there is clearly a ***direct line connecting*** application 3202 directly to proxy service manager 3206, such that 3206’s API is both “callable by” and has an API call that is “accessible to” application 3202. It does not matter whether application actually *chooses* to call the proxy service manager 3206, or instead chooses to call control application 3204. Either way, the fact remains that proxy service manager is ***callable*** by application 3202.

Although Patent Owner had limited space to respond to Petitioner’s belated new theory in this regard,² Patent Owner made clear that the API “is still ***callable*** by

² Petitioner was aware of the potential for this claim interpretation dispute when it submitted the Petition (*see* Pet. 32), and accordingly, should have presented all arguments in support of Petitioner’s position in the Petition. The Board nevertheless authorized a pre-institution reply, and Patent Owner thus had far less

the app because the user of the intermediary is ‘optional.’” Paper 10 at 3 n.2 (emphasis in original). Patent Owner noted that in contrast, under Petitioner’s prior art theory, “the user application **cannot** call the SA API 210 such that it is not ‘callable.’” *Id.* (emphasis in original).

In the institution decision, the majority adopted Petitioner’s conclusory assertion that “requiring direct access/calls would as Petitioner asserts, ‘impermissible read [FIG. 32] out of the scope of the claims.’” Paper 13 at 14. But the claim requirement of an API “callable” by applications only requires that the applications **be able** to call the API, not that the application **must** always call the API. See <https://www.merriam-webster.com/dictionary/able#dictionary-entry-2> (defining “-able” as an adjective suffix as meaning “capable of, fit for, or worthy of (being so acted upon or toward)→chiefly in adjectives derived from verbs”). The majority, in reaching its conclusion, ignored the fact that the claim merely requires that the API be “**callable**” by applications, and that the “callable” limitation only requires the **ability** to call the API. Under this plain claim language, FIG. 32 clearly and unambiguously shows that **both** the network stack API 3208 **and** the proxy service manager API 3206 are **callable** by the application (under Petitioner’s framing, they are both **directly** callable), because there exists a pathway where there

space than normal to respond to Petitioner’s untimely claim construction arguments.

is no intermediary between the application and both of these APIs.

To expand the concierge analogy developed in the pre-institution sur-reply, for a restaurant that has a private phone line that is only available to a concierge, that private line is only *callable* by the concierge, even if a customer can call the concierge and ask that the concierge call the private line. *See* Paper 10 at 2-3.

Of course, that same restaurant may *also* have a public phone line that the customer *could* call, such that the public line *would* be “callable” by the customer. The restaurant, in this scenario, would have two separate lines (analogous to APIs), one which *is* “callable” by the customer and one which is *not* “callable” by the customer. The fact that the private line is *not* callable does not mean that the restaurant’s *other* line is not callable.

The majority’s acceptance of Petitioner’s interpretation of claim scope was based on the premise that, if Petitioner’s interpretation was not adopted, it would “impermissibly read [FIG. 32] out of the scope of the claims.” Paper 13 at 14 (“Thus, at this stage, we agree with Petitioner....”). But as explained above, Patent Owner’s claim interpretation is fully consistent with FIG. 32, because FIG. 32 makes clear that both APIs 3206 and 3208 are *callable* (and have calls that are *accessible*) to the application.

The majority erred in overlooking this plain claim language (which requires that the API be *callable* by the application rather than *always called* by the

application), and adopted Petitioner's unsupported attorney argument that only Petitioner's interpretation of claim scope would prevent FIG. 32 from being read out of the claims. The majority's error in this regard is an additional reason why the Director should terminate this IPR proceeding.

V. Conclusion

Patent Owner respectfully requests that, consistent with the dissenting opinion, the Director exercise discretion to terminate the instant proceeding. First, the majority's discretionary denial analysis was flawed both as to individual factors and the weighing of those factors as a whole. And second, the majority's conclusion that the Petition set forth a reasonable likelihood of success was based on a false premise that Patent Owner's understanding of claim scope would have excluded FIG. 32 of the challenged patent.

Date: April 15, 2025

Respectfully submitted,

/James A. Milkey/

James A. Milkey, Reg. No. 79,503

Reza Mirzaie, Reg. No. 69,138

Marc A. Fenster, *pro hac vice* forthcoming

Dale Chang, Reg. No. 61,476

Neil A. Rubin, Reg. No. 67,030

Philip X. Wang, Reg. No. 74,621

RUSS, AUGUST & KABAT

12424 Wilshire Blvd., 12th Floor

Los Angeles, CA 90025

Counsel for Patent Owner

CERTIFICATE OF SERVICE (37 C.F.R. § 42.6(e)(1))

The undersigned hereby certifies that the above document was served on April 15, 2025, by filing this document through the Patent Trial and Appeal Case Tracking System as well as delivering a copy via electronic mail upon the following attorneys of record for the Petitioner:

W. Karl Renner (Reg. No. 41,265)
Jeremy J. Monaldo (Reg. No. 58,680)
Jennifer J. Huang (Reg. No. 64,297)
Ryan Chowdhury (Reg. No. 74,466)
FISH & RICHARDSON PC
60 South Sixth Street, Suite 3200
Minneapolis, MN 55402
IPR39843-0181IP1@fr.com
PTABInbound@fr.com
axf-ptab@fr.com
jjm@fr.com
jjh@fr.com
rxc@fr.com

Date: April 15, 2025

/James A. Milkey/
James A. Milkey, Reg. No. 79,503
Reza Mirzaie, Reg. No. 69,138
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Neil A. Rubin, Reg. No. 67,030
Philip X. Wang, Reg. No. 74,621
RUSS, AUGUST & KABAT
12424 Wilshire Blvd., 12th Floor
Los Angeles, CA 90025

Counsel for Patent Owner