

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SAMSUNG ELECTRONICS CO., LTD.,
Petitioner,

v.

HEADWATER RESEARCH LLC,
Patent Owner.

Case IPR2024-01396
Patent 9,647,918 B2

**PETITIONER'S AUTHORIZED RESPONSE TO PATENT OWNER'S
REQUEST FOR DIRECTOR REVIEW**

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I. THE MAJORITY’S FINTIV CONCLUSION WAS CORRECT

As an initial matter, Headwater’s assertion that Samsung presented only a “weak” *Sand Revolution* stipulation is incorrect. Req. 6-7. Although the Petition was originally filed with a *Sand Revolution* stipulation, Samsung diligently served Headwater with an upgraded *Sotera* stipulation on 1/24/2025, which the Board authorized to be filed as an exhibit in this IPR on 1/27/2025 (SAMSUNG-1065). Headwater’s statements to the contrary misrepresent the facts. Because institution was appropriate when factor 4 weighed marginally against denial, institution is certainly appropriate when factor 4 strongly favors institution per *Sotera*.¹

Additionally, the majority sufficiently addressed the *Fintiv* factors consistent with governing precedent. DI, 5-9. As to factor 1, the Request states that “no stay of the parallel district court litigation had been ... requested.” Req., 3. But this ignores that Samsung moved to stay on 4/2/2025, two weeks prior to Headwater’s Request and after all four patents asserted in the district court had been instituted upon. Now that all asserted patents are subject to IPR, a stay is likely to occur. *See Vill. Green Techs., LLC v. Samsung Elecs. Co., Ltd.*, No. 2:22-cv-00099-JRG, 2023 WL 416419, at *3 (E.D. Tex. Jan. 25, 2023) (granting a stay pending IPR).

¹ While the Institution Decision incorrectly acknowledges Petitioner’s stipulation as “similar to that in *Sand Revolution II*,” assessing factor 4 as only “weigh[ing] marginally against exercising discretion to deny institution” (DI, 8), the majority nonetheless reached the correct decision by instituting review.

For factor 2, the majority used a projected trial date of 10/6/2025 and noted that the “second factor favors denial.” DI, 6. But, the likelihood the trial starts on this date is speculative. A stay motion is pending and current median time-to-trial statistics for EDTX² projects trial on 11/29/2025, which is 23.0 months from the 12/29/2023 complaint and nearly two months after 10/6/2025. Even if the court denies Samsung’s stay motion, prior litigation between the same parties in the same forum suggests delay. In *Headwater Research LLC v. Samsung Elecs. Am., Inc.*, 2:22-cv-00422 (EDTX), trial commenced on 1/13/2025, more than five months after the originally-scheduled trial date of 8/5/2024. If Samsung’s motion to stay is granted or if similar delay occurs, the FWD can, and likely will, come before trial.

With respect to factors 3 and 4, Headwater relies on a recent Director Review decision in IPR2024-01205. Pap. 19 (Mar. 28, 2025) (“*Motorola*”). But, unlike the parallel litigation implicated there, the parties’ investments here do not rise to the same level of “substantial investment.” DI, 6-8. There, the parties had submitted claim construction briefing and the court had held a *Markman* hearing before patent owner filed its Preliminary Response. In contrast, when Headwater filed its POPR on 12/26/2024, no claim construction briefing or *Markman* hearing had taken place. Further distinguishing *Motorola*, the parallel litigation is still months from the close

² https://www.uscourts.gov/sites/default/files/2025-02/fcms_na_distprofile1231.2024.pdf

of fact discovery, and the parties still have not even served expert reports.³ Indeed, the majority recognized that this minimal investment did not allow them to “evaluate the extent of that work involving invalidity to any meaningful degree.” DI, 7.

As to factor 4, Petitioner’s *Sotera* stipulation (SAMSUNG-1065) weighs heavily against denial. Indeed, the Boalick Memo (at 2-3) reaffirmed *Sotera* stipulations as “highly relevant.” Although Headwater contends that “Petitioner has reserved the right to present the prior art asserted in these proceedings with *any* other art,” this is incorrect and ignores Petitioner’s *Sotera* stipulation (SAMSUNG-1065). Req., 7 (emphasis in original). More, Samsung does not plan to and will not combine any of the prior art at issue in this proceeding with system prior art in the district court to the extent that institution is maintained. Given Samsung’s *Sotera* stipulation as clarified here, there remains a complete lack of overlap between forums.

Factor 6 also favors institution. As the Board found, “Petitioner presents a strong case that the challenged claims are unpatentable.” DI, 8. “Petitioner’s obviousness grounds are clear and persuasive” and “Petitioner articulates clearly how Bennett teaches nearly all of the independent claims’ features.” DI., 8-9. And, “[f]or the sole feature missing from Bennett—i.e., application-based data usage monitoring—Petitioner presents clear and uncontested evidence, backed by multiple

³ In the parallel litigation, all ESI production, ~20-30 depositions, expert discovery, summary judgment proceedings, and pre-trial motions lie in the future.

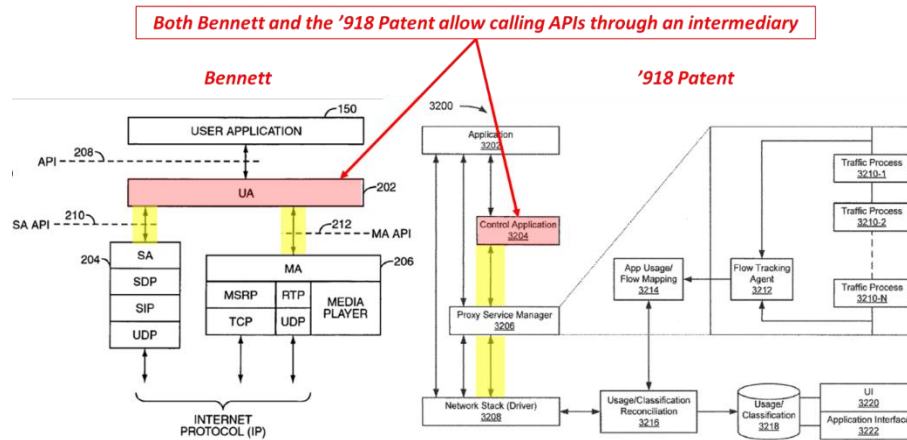
prior art references, that the technique and its benefits were well known,” and “articulates, with clear support from its expert and the prior art, not just one but several reasons that would have motivated a skilled artisan to combine Vadde’s application-based data monitoring technique in Bennett.” DI., 9. For these reasons, the merits are “particularly strong” and favor institution. *Id.*

Headwater, a non-practicing entity, does not contribute to technological development in the U.S. Although the ’918 Patent issued on 5/9/2017, Headwater waited more than 6 years to assert it. In contrast, Samsung has been diligent in applying prior art to a large number of claims well before its statutory bar. No other forum has adjudicated the patentability or validity of the Challenged Claims. And, as explained, the Board decided to institute based on express prior art disclosure, confirming a lack of overreliance on expert testimony.

II. THE MAJORITY CORRECTLY FOUND BENNETT’S DISCLOSURE TO ALIGN WITH EMBODIMENTS IN THE ’918 PATENT

As discussed in pre-institution briefing, Headwater argues that applications must “directly” access/call APIs to meet the claims of the ’918 Patent. Yet, the claims do not recite “directly” and Headwater’s arguments read that term into the claims, to the exclusion of indirect access/calls in a manner contrary to law. As the Board recognized, “the claims neither recite applications ‘directly’ accessing/calling APIs, nor expressly preclude indirect access/calls through an intermediary.” DI, 14.

The '918 Patent also describes examples of “indirect” access that align closely with Bennett’s disclosure. SAMSUNG-1001, FIGs. 28-29, 32; 107:29-32, (“control application 2816 ... invokes the proxy 2818 on behalf of the initiator 2814”); 107:60-62 (“An initiator ... triggers a control application ... to utilize a proxy.”).



SAMSUNG-1041, FIG. 3 vs SAMSUNG-1001, FIG. 32

Headwater never contended with these examples, and the Board correctly found that “the '918 patent’s Figure 32 includes an intermediary similar to [the prior art].” DI, 14. Indeed, Headwater’s argument would “impermissibly read [the control application embodiment of FIG. 32] out of the scope of the claims.” *Id.*

Finally, the DI noted “[n]either party has proposed a construction ... that would specifically include or exclude access or API calls made through an intermediary.” DI, 14. The DI recognized Headwater as attempting to exclude prior art by narrowing claim features outside of formal claim construction. *Id.* For these reasons, trial should proceed and Director Review should be denied.

Respectfully submitted,

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/Jeremy J. Monaldo/

W. Karl Renner, Reg. No. 41,265
Jeremy J. Monaldo, Reg. No. 58,680
Jennifer J. Huang, Reg. No. 64,297
Fish & Richardson P.C.
60 South Sixth Street, Suite 3200
Minneapolis, MN 55402
T: 202-783-5070
F: 877-769-7945

Attorneys for Petitioner

CERTIFICATE OF SERVICE

Pursuant to 37 CFR § 42.6(e), the undersigned certifies that on April 23, 2025, a complete and entire copy of this Petitioner's Authorized Response to Patent Owner's Request for Director Review was provided by email, to the Patent Owner, by serving the correspondence addresses of record as follows:

Reza Mirzaie
Marc A. Fenster
Dale Chang
James A. Milkey
Neil Rubin
Philip X. Wang
Russ, August & Kabat
12424 Wilshire Blvd. 12th Floor
Los Angeles, CA 90025

Email: rak_headwater@raklaw.com

_____/Diana Bradley/
Diana Bradley
Fish & Richardson P.C.
60 South Sixth Street, Suite 3200
Minneapolis, MN 55402
bradley@fr.com