

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SAMSUNG ELECTRONICS CO., LTD.,
Petitioner,

v.

HEADWATER RESEARCH LLC,
Patent Owner.

IPR2024-01397
Patent 9,647,918 B2

PATENT OWNER'S PRELIMINARY RESPONSE

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PATENT OWNER’S EXHIBIT LIST

No.	Description
Ex. 2001	Declaration of Erik de la Iglesia in Support of Patent Owner’s Preliminary Response
Ex. 2002	<i>Curriculum Vitae</i> of Erik de la Iglesia
Ex. 2003	Eastern District of Texas Case Management Statistics
Ex. 2004	<i>Headwater Research LLC v. Samsung Elecs. Co.</i> , No. 2:23-cv-641-JRG-RSP, Dkt. No. 21, Unopposed Motion for Extension of Time to Move, Answer or Otherwise Respond to Plaintiff’s Complaint and Waiver of Foreign Service Requirement (E.D. Tex. Jan. 8, 2024)
Ex. 2005	<i>Headwater Research LLC v. Samsung Elecs. Co.</i> , No. 2:23-cv-641-JRG-RSP, Dkt. No. 22, Order Granting Extension of Time to Respond to Complaint (E.D. Tex. Jan. 15, 2024)
Ex. 2006	<i>Headwater Research LLC v. Samsung Elecs. Co.</i> , No. 2:23-cv-641-JRG-RSP, Plaintiff Headwater Research LLC’s Amended Disclosure of Asserted Claims and Infringement Contentions (E.D. Tex. Aug. 20, 2024)
Ex. 2007	<i>Headwater Research LLC v. Samsung Elecs. Co.</i> , No. 2:23-cv-641-JRG-RSP, Samsung Electronics Co. Ltd. and Samsung Electronics America, Inc.’s P.R. 3-3 and 3-4 Invalidity and Patent Ineligibility Contentions (E.D. Tex. July 17, 2024)
Ex. 2008	<i>Headwater Research LLC v. Samsung Elecs. Co.</i> , No. 2:23-cv-641-JRG-RSP, Dkt. No. 44, Docket Control Order (E.D. Tex. June 20, 2024)
Ex. 2009	<i>Headwater Research LLC v. Samsung Elecs. Co.</i> , No. 2:23-cv-641-JRG-RSP, Dkt. No. 56, Order Granting Motion to Amend Docket Control Order (E.D. Tex. Dec. 23, 2024)
Ex. 2010	<i>Samsung Elecs. Co. v. Headwater Research LLC</i> , IPR2024-01396, Paper 2, IPR Petition (PTAB September 9, 2024)
Ex. 2011	<i>Samsung Elecs. Co. v. Headwater Research LLC</i> , IPR2024-01396, Paper 3, Petitioner’s Notice Ranking Petitions (PTAB September 9, 2024)

I. INTRODUCTION

The Board should deny institution of *inter partes* review (“IPR”) of U.S. Patent No. 9,647,918 (“the ’918 patent”) for three independent reasons.

First, the Petition should be denied on the merits. The Petition’s only theory as to how any independent claim is satisfied relies on a theory wherein claim 1’s recitation of “a first network stack Application Programming Interface (API)[] contain[s] at least one first call accessible to each of a plurality of device applications” and wherein “the first network stack API [is] callable by each of the plurality of device applications” as recited in limitation [1.3]. The Petition’s theory, however, is clear that in the proposed combination, no “call” of the alleged “first network stack [API]” is actually accessible to the applications; for example, the Petition does not allege that the applications are able to issue the alleged call. The Petition instead is explicit that under its theory that the API is **not** “directly accessible” or “directly call[able]” by the applications. *See* Pet. at 32.

The Petition does not attempt to justify its theory under the plain meaning of the claim language. Instead, the Petition incorrectly alleges that “the process of applications indirectly calling APIs is depicted in the ’918 patent in multiple embodiments.” *Id.* But **none** of the embodiments the Petition relies upon actually disclose what the Petition characterizes as an “indirect[] call”—the alleged “indirect[] calls” are **not** described as calls in the ’918 patent. And the Petition’s

strained reading of claim 1 renders claim language superfluous, as under the Petition's interpretation, limitations [1.4] and [1.5] would make much of the claim language in limitation [1.3] completely redundant and unnecessary. Accordingly, the Petition's claim interpretation is inconsistent with the plain meaning, the specification, and the claim language. Because all of the Petition's invalidity theories rely on this flawed interpretation, the Petition cannot establish the unpatentability of any challenged claim.

Second, the Board should deny institution because the instant Petition is one of two parallel petitions that Petitioners filed challenging claims 1-19 of the '918 patent. The only justification that Petitioner has provided for its two petitions is that there is a *potential* for a priority dispute because Patent Owner *may* assert a different, earlier priority date than it currently has asserted in the co-pending litigation either in this proceeding or later in litigation. Because Patent Owner stipulates that it will assert the same priority date that it has in litigation (January 24, 2011) in this proceeding, and that it will also not change that assertion at the district court, Petitioner's sole reason for its second petition is moot. Institution should be denied.

Third, the Board should exercise its discretion to deny the Petition in light of parallel district court litigation involving the same patent, the same parties, and substantially overlapping art as relied upon by the Petition. The district court cases are at an advanced stage, such that the parties and the district court have already

invested significant time and resources in those cases. By the time the Board reaches an institution decision in this proceeding, the *Markman* hearing will be complete and fact discovery will be nearing completion. And the district court trial is set to take place *over six months before* the deadline for any final written decision in this proceeding. All six *Fintiv* factors favor a discretionary denial.

For any or all of these independent reasons, institution should be denied.

II. OVERVIEW OF THE '918 PATENT

The challenged claims of the '918 patent are generally directed to a wireless end-user device that allows applications to request data transfers over a network stack either directly via a first call to a network stack application programming interface (“API”), or indirectly via a second API call to a proxy media service manager, which manager acts as a proxy to interface for the network stack in lieu of the application. Regardless of whether the application (1) transfers data via a first API call to the network stack or (2) transfers data by proxy via a second API call to the proxy media service manager, the claimed device is able to associate the data transfers with the requesting device application, and as such is able to track an aggregate data usage for both types of calls attributable to the application.

Claim 1 is generally representative,¹ and recites (using the Petition’s

¹ The Petition incorporates by reference the entirety of its claim 1 analysis in alleging the obviousness of every other independent claim. *See* Pet. at 57-58 (claims 14 and

numbering of claim elements):

[1.pre] A wireless end-user device, comprising:

[1.1] a wireless modem configurable to connect to a wireless network;

[1.2] a network stack configurable to receive and transmit data via the wireless modem and the wireless network;

[1.3] *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* to open and use data packet flows via the network stack, the wireless modem, and the at least one wireless network;

[1.4] *a second API containing at least **one second call accessible to each of the plurality of device applications**, the second API callable by each of the plurality of device applications* to make a data transfer request for a media object associated with a network resource identifier supplied by the calling device application;

[1.5] a media service manager prompted by the second call, to manage network data transfers for the media object by interfacing with the network stack to retrieve the media object associated with the network resource identifier via the wireless modem and the wireless network; and

[1.6] one or more service classification and measurement agents to associate wireless network data usage for the media object network

19, incorporating by reference Petition's analysis for [1.pre]-[1.6]); *id.* at 74-75 (claim 15, incorporating by reference Petition's analysis for elements [1.pre]-[1.6]).

data transfers with the device application that requests the data transfer for the media object, to associate wireless network data usage for respective data packet flows opened and used via the first network stack API with the device application opening such respective data packet flow, and to reconcile wireless network data usage for each of the plurality of device applications to track an aggregate wireless network data usage attributable to each of the plurality of device applications via both the first network stack API and the second API.

Ex. 1001 at claim 1 (124:28-63).²

Most relevant to consideration of the Petition, the claim provides for two alternative pathways for an application to initiate traffic—a path where the application interfaces with the network stack directly by issuing a call to the network stack’s API (via “the first network stack API callable by each of the plurality of device applications,” or a “first” API), and a path where the application interfaces with the network stack indirectly by issuing a call to a proxy “media service manager” via a different API (“a second API”).

Then—regardless of whether the application interfaced *directly* with the network stack by issuing a call to the first network stack API, or whether the application made use of the network stack *indirectly* by issuing a call to the second API to prompt the proxy media service manager to interface with the network stack

² All emphases added unless otherwise noted.

on the application's behalf—the system has at least one service and classification agent to associate the corresponding traffic with the requesting application in order “to track an aggregate wireless network data usage attributable to each of the plurality of device applications.”

An example of this dual-path approach is depicted, for example, in Figure 32 of the '918 patent, reproduced below:

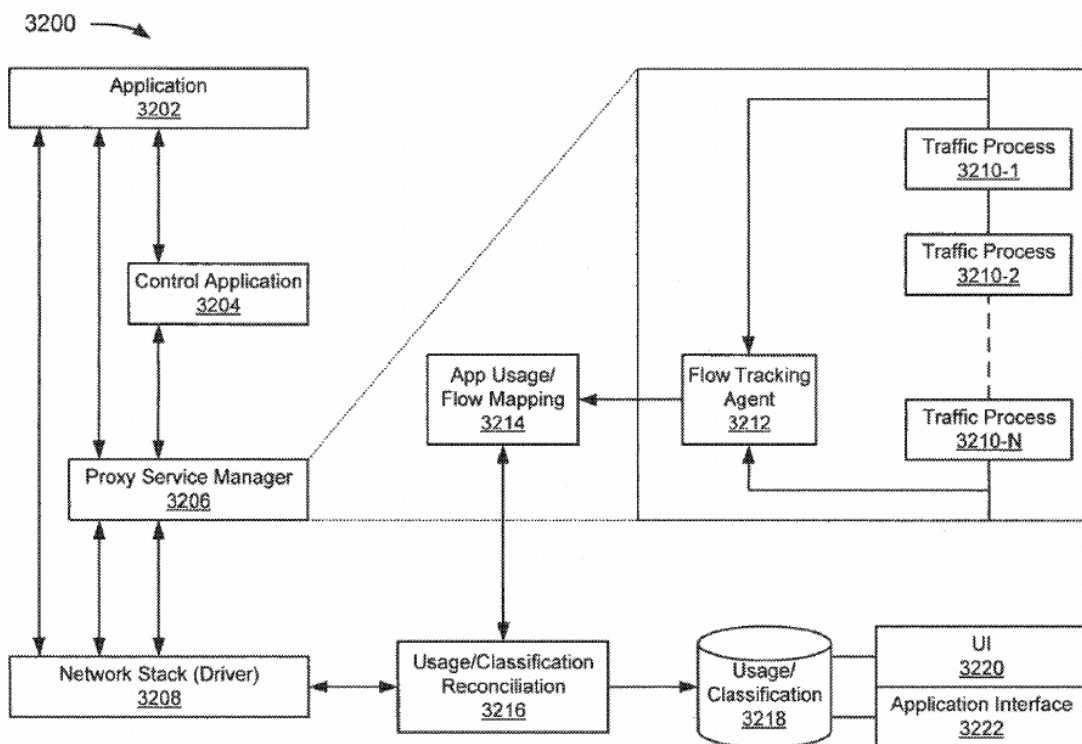


FIG. 32

Id. at Fig. 32. As shown above, Application 3202 is able to **directly** interface with the Network Stack 3208 via the left-most vertical arrow, and is also able to **indirectly** interface with the Network Stack 3208 via Proxy Service Manager 3206.

In the event that “the application 3202 does **not** use the proxy service manager

3206,” and instead calls the network stack API via the left-most arrow, “data at the socket will accurately identify the app as the initiator of the data flow” because the application issued a call to the network stack API to open the socket and to initiate the data flow. *Id.* at 116:66-117:3; Ex. 2001 ¶¶31-32. However, “[i]n an instance or embodiment where the application uses the proxy service manager 3206” rather than calling the network stack API, “data at the socket will be insufficient to identify the application 3202 as the initiator of the data flow.” Ex. 1001 at 117:3-6. To solve the socket-level data being insufficient to identify the application 3202 as the initiator of the data flow, the ’918 patent recognizes the advantage “to add a virtual tag at the proxy API,” such that the virtual tag is “sent from the flow tracking agent 3212” (which is depicted as being part of the proxy service manager) “to the app usage/flow mapping engine 3214, which communicates with the usage/classification reconciliation 3216, which in turn communicates with the network stack (driver) 3208.” *Id.* at 117:12-20.³

The purpose of these disclosures is to inform a POSITA how traffic initiated by applications can be tracked both (1) in an instance where the application directly interfaces with the network stack by calling the network stack API and (2) in an

³ An alternative way (i.e., an alternative to the use of a virtual tag) to track data flows that pass through the proxy is for “the proxy service manager [to] perform application identification and classification, usage monitoring, and counting,” which “allows service usage to be classified and associated with an application prior to proxy processing.” Ex. 1001 at 117:29-33; Ex. 2001 ¶33.

instance where the application does not call the network stack, but instead uses a proxy to initiate the data transfer. Ex. 2001 ¶34. Specifically, regardless of which access path is used (a call to the network stack API or a call that initiates a network transfer via a proxy), the system is able to “associate wireless network data usage” with the application initiating the data flow in order “to track an aggregate wireless network data usage attributable to each of the first plurality of device applications via both the first network stack API and the second API.” Ex. 1001 at 124:51-63.

III. LEVEL OF ORDINARY SKILL IN THE ART

The Petition proposes that a POSITA in the field of the '918 patent “would have had (1) at least a bachelor’s degree in computer science, computer engineering, electrical engineering, or a related field, and (2) at least two years of industry experience in wireless communication network applications and software. Additional graduate education could substitute for professional experience, and *vice versa*.” See Pet. at 2-3 (citing Ex. 1003 ¶¶21-22). For purposes of this Preliminary Response, Patent Owner does not challenge that definition.

IV. CLAIM CONSTRUCTION

The Petition states that “[n]o formal claim constructions are necessary.” *Id.* at 2. For purposes of this Preliminary Response, Patent Owner agrees.

V. THE PETITION FAILS TO SHOW A REASONABLE LIKELIHOOD OF UNPATENTABILITY FOR ANY CHALLENGED CLAIM.

A. The Petition’s claim 1 theory fails.

As discussed above in Section II above, claim 1 requires that a plurality of device applications be able to initiate data transfers over the network in two different ways. The first way is through a “first call accessible to each of a plurality of device applications,” which “first network stack API [is] callable by each of the plurality of device applications.” Ex. 1001 at 124:33-39 (limitation [1.3]). The second way is through “a second API containing at least one second call accessible to each of the plurality of device applications,” which “second API [is] callable by each of the plurality of device applications to make a data transfer request for a media object.” *Id.* at 124:40-45 (limitation [1.4]). The second API call will prompt “a media service manager... to manage network data transfers... by interfacing with the network stack” instead of the application interfacing with the network stack. *Id.* at 124:46-50 (limitation [1.5]).

Regardless of whether applications use the first network stack API or the second API to initiate data transfer, the claimed device is able to “track an aggregate wireless network data usage attributable to each of the plurality of device applications via both the first network stack API and the second API.” *Id.* at 124:51-63 (limitation [1.6]).

The Petition relies exclusively on the Bennett reference’s (Ex. 1041) “SA API 210” in alleging that the Petition’s combination of Bennett and Vadde discloses or renders obvious “a first network stack Application Programming Interface (API),

containing at least one first call accessible to each of a plurality of device applications” as recited by limitation [1.3]. *See* Pet. at 29 (equating Bennett’s “SA API 210” with “a first network stack Application Programming Interface,” and equating Bennett’s “user application 150” with one of a “plurality of device applications”). The Petition’s annotation of Bennett’s Figure 3 with respect to this mapping is reproduced below:

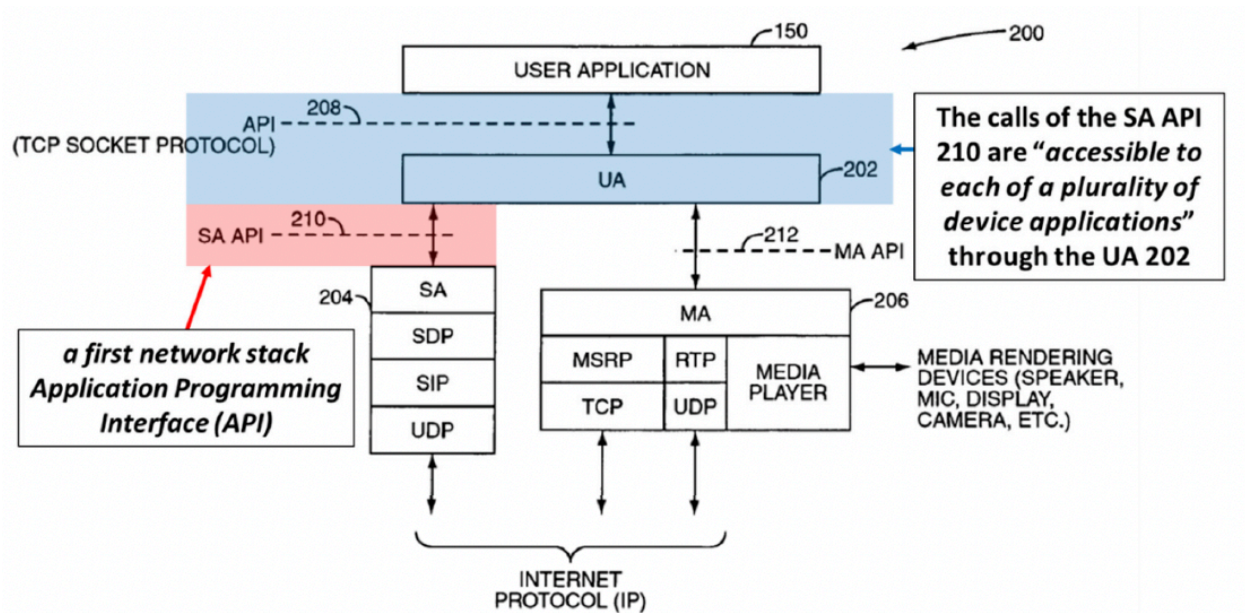
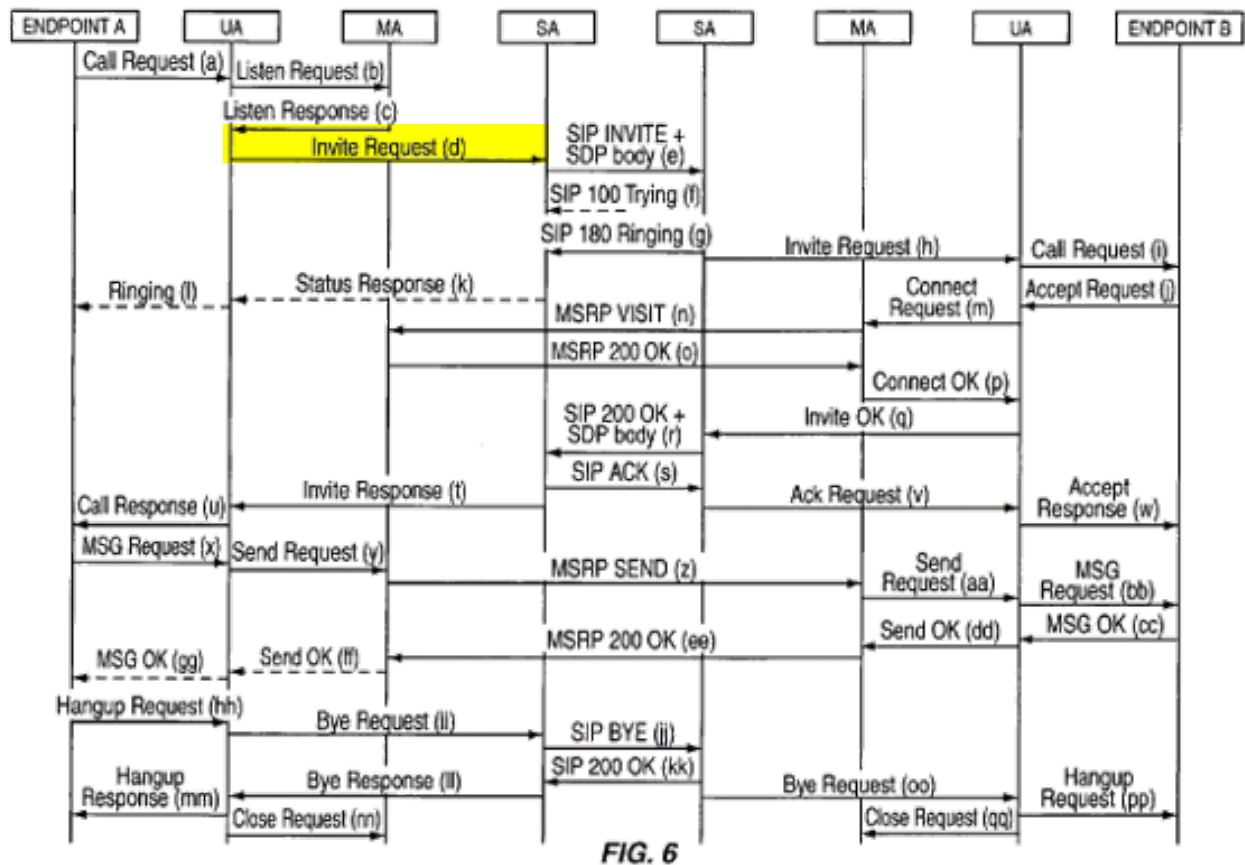


FIG. 3

Id. at 30 (Petition’s annotation of Ex. 1041 at Fig. 3). As shown in the Petition’s annotation, the application 150 (i.e., one of a “plurality of device applications”) contacts API 208 to user agent (UA) 202, which in turn contacts “SA API 210.” *Id.*

at 29-30; Ex. 2001 ¶38.⁴ The Petition alleges that “SA API 210[’s]” “requests” (i.e., requests transmitted between UA 202 and SA API 210) constitute the “at least one first call accessible to each of a plurality of device applications.” Pet. at 29. These SA API “requests” are depicted, e.g., in Figure 6 of Bennett, an annotated version of which is reproduced below:



⁴ Bennett does not explicitly discuss API “calls”; instead, its discussion of a “call” is in the more traditional sense of, e.g., a telephone “call” which would initiate, e.g., “ringing” another user using a different device. *See, e.g.,* Ex. 1041 ¶¶63-64; Ex. 2001 ¶39.

Ex. 1041 at Fig. 3 (annotated); *see also* Pet. at 29 (explicitly identifying the “INVITE” request as the “at least one first call” which is allegedly “accessible to each of a plurality of device applications”).

In Bennett’s Figure 6, the communications between “ENDPOINT A” and “UA” represent communications between “user application 150” and “UA 202.” Ex. 2001 ¶¶40-41; *see, e.g.*, Ex. 1041 ¶34 (“The CALL request is sent by the user application 150 to the UA 202”); *id.* ¶36 (“The ACCEPT request is sent by the user application 150 responsive to a CALL request to instruct the UA 202 to either accept or reject an incoming call.”); *id.* ¶39 (“When the HANGUP request is sent by the user application 150 to the UA 202, the UA 202 sends a HANGUP response to confirm that the call is ended.”).

However, the Petition does not show that these requests are “accessible to each of a plurality of device applications” in Bennett. Instead, Bennett is clear that the user agent is not able to access the “invite request” (the only example alleged by the Petition), but instead that *only the UA 202* has access to these requests. Ex. 2001 ¶42. As explained by Patent Owner’s expert Mr. de la Iglesia, the user application is able to send a “call request” that may ultimately result in the UA 202 sending an “invite request,” but the “invite request” itself is not something the user application has access to and is thus not “accessible” to the user application. *Id.*

The Petition makes no attempt to explain how these requests, which the Petition does not allege can be made by user application 150, are “accessible to” user application 150 as the claim requires. Instead, as explained by Mr. de la Iglesia, a POSITA would understand that in order for an API request to be “accessible” to an application, the application must be able to actually make the API request; if an application cannot make a request, that request is not accessible to the application. *Id.* ¶43. And it is clear from Bennett (e.g., Bennett’s Figure 6) that Bennett does not disclose or otherwise suggest that user application 150 (the “ENDPOINT” in Figure 6) is able to make either the “invite” request or any other alleged call of any alleged “network stack API.” *Id.*

The Petition does not allege that the first API is “***directly*** ‘accessible to each of a plurality of device applications,’ or that the application [can] ***directly*** call the ‘first’ API.” Pet. at 32. Rather than allege that the alleged network stack API (SA 210) has a request (the alleged “call”) that is “accessible” to the user application under any articulated ***plain meaning*** of “accessible,” the Petition contends that it is “accessible” because the ’918 patent teaches that applications can use a proxy or some other middleman entity that will facilitate network access, rather than having the application call the API. *See* Pet. at 32-35 (alleging that Figures 30, 35, and 12 of the ’918 patent as supposedly “indicating that such an interpretation [where the

application need not actually have access to the API request] is within the scope of the claims [which require the API request is ‘accessible’ to the application]”).

However, the Petition’s theory fundamentally misunderstands the teachings of the ’918 patent in relevant respect, and in fact renders superfluous the claim requirement that a “first network stack [API]” contains “at least one first call accessible to each of a plurality of device applications.” Ex. 2001 ¶45.

For example, Figure 30 (reproduced below) relied upon by the Petition clearly discloses that one way an application may initiate network traffic is by issuing an API call to a “proxy” 3012, which will then initiate network traffic by opening a thread 3014 which issues an API call to socket 3016:

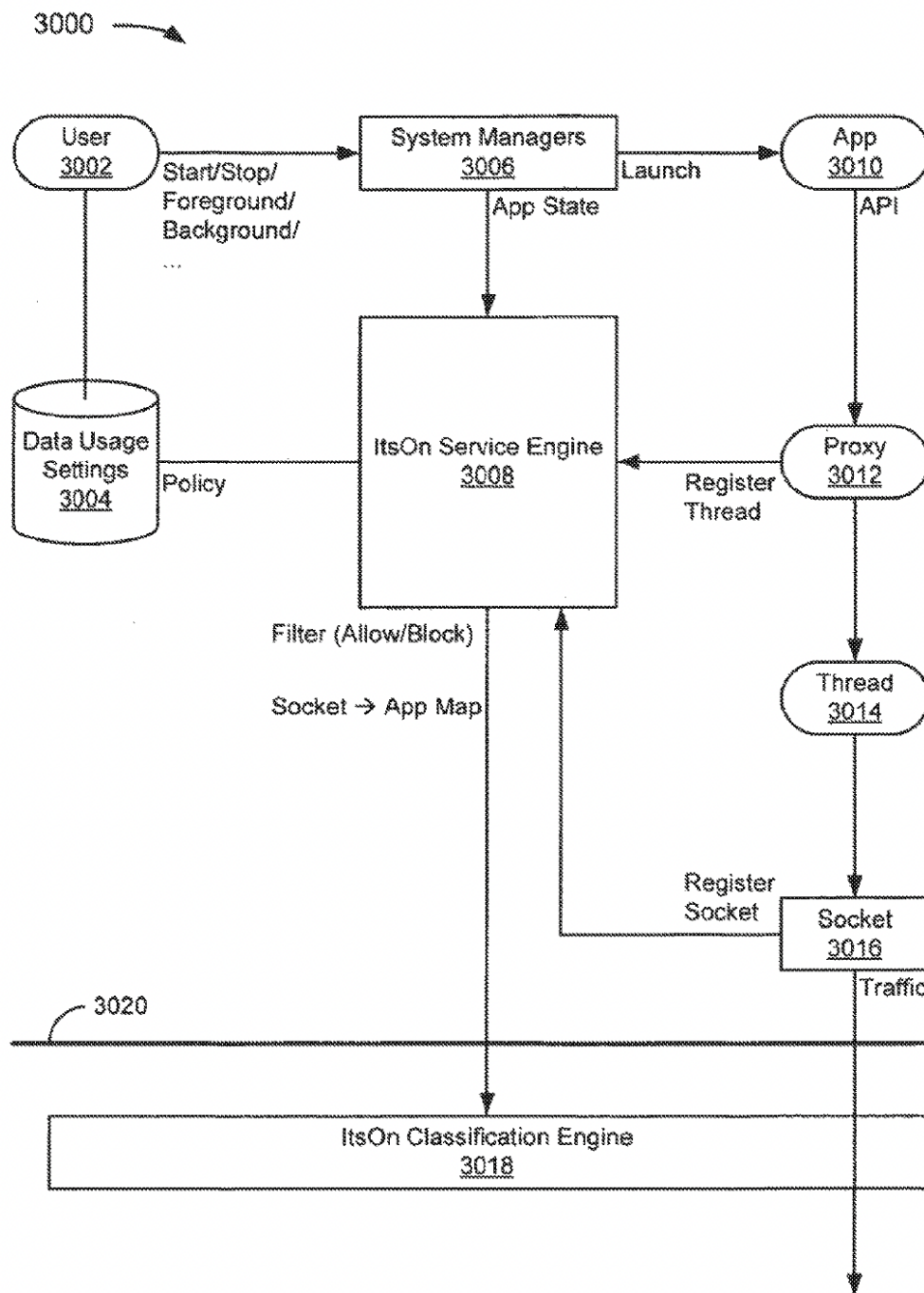


FIG. 30

Ex. 1001 at Fig. 30; Ex. 2001 ¶46; Ex. 1001 at 110:46-48 (“In the example of FIG. 30, the app 3010 utilizes an API to trigger the proxy 3012 which in turn passes

through a socket connection at the socket 3016 as traffic.”). Nothing in Figure 30, or the description of Figure 30, implies that the app accesses a network stack API call or calls the network stack API in this example.⁵ Instead, a POSITA would understand this example traffic flow as showing the app calling a proxy API by accessing a proxy API call. Ex. 1001 at 110:46-53; Ex. 2001 ¶46.

In relationship to the claim language, the Figure 30 traffic flow shows the application making use of the *second* API, which is a “proxy” (an example of which the ’918 patent discloses as being a “service manager” such as the claimed “media services manager”). Ex. 2001 ¶47; Ex. 1001 at 114:11-21 (discussing “an application ... that requests from a proxy service manager a data transfer (a data transfer request)”; *id.* at 114:24-26 (discussing “each application that requests a data transfer from the proxy service manager or that conducts a data transfer with the proxy service manager”); *see also* Pet. at 3 (the Petition’s “Brief Description” of the ’918 patent discussing it being directed to a wireless device that includes a “proxy network service manager”).

⁵ As explained by Mr. de la Iglesia, the fact that this application flow does not show the application accessing the network stack API call does not mean that the network stack API call is not *accessible* to the application; it simply means that the figure does not depict the application making use of that option in this exemplary traffic flow. Ex. 2001 ¶46 n.2. In other words, Figure 30 shows the application accessing the “second API” recited in the claim, not the “first network stack [API]” recited in the claim. *Id.*

Importantly, if a plurality of applications' ability to access a call of a *proxy* API (e.g., an API to prompt "a media service manager" to "manage network data transfers ... by interfacing with the network stack" as recited by limitations [1.4] and [1.5]) were sufficient for a "first network stack [API]" to "contain[] at least one first call accessible to each of a plurality of device applications" (as recited by limitation [1.3]), limitation [1.3] would not need to recite that the first network stack API contains a call accessible to the applications; this would already be inherent in the claim's other recitations of the "second API" having a call that prompts the media service manager to "manage network data transfers" on behalf of the application "by interfacing with the network stack." Ex. 2001 ¶48; Ex. 1001 at 124:40-50.

A POSITA would not understand the claim language to be superfluous in this manner. Instead, a POSITA would understand the claims to mean what they say: that both the network stack API *and* the second API (e.g., proxy API) must contain calls that are accessible to the application, and the application can thus be able to issue a call to either API (which is further enforced by the claim requirements that each API be "*callable* by each of the plurality of device applications"). Ex. 2001 ¶49. This is also consistent with the remainder of the claim language (and an important purpose of the invention of the '918 patent), which is to "track an aggregate wireless network data usage attributable to each of the device applications" *regardless* of which API the application calls. Ex. 1001 at 124:60-63 ("track an aggregate wireless network

data usage attributable to each of the plurality of device applications via **both** the first network stack API and the second API”); Ex. 2001 ¶49.

The Petition’s reliance on Figure 35 of the ’918 patent (*see* Pet. at 34), reproduced below, fails for the same reasons:

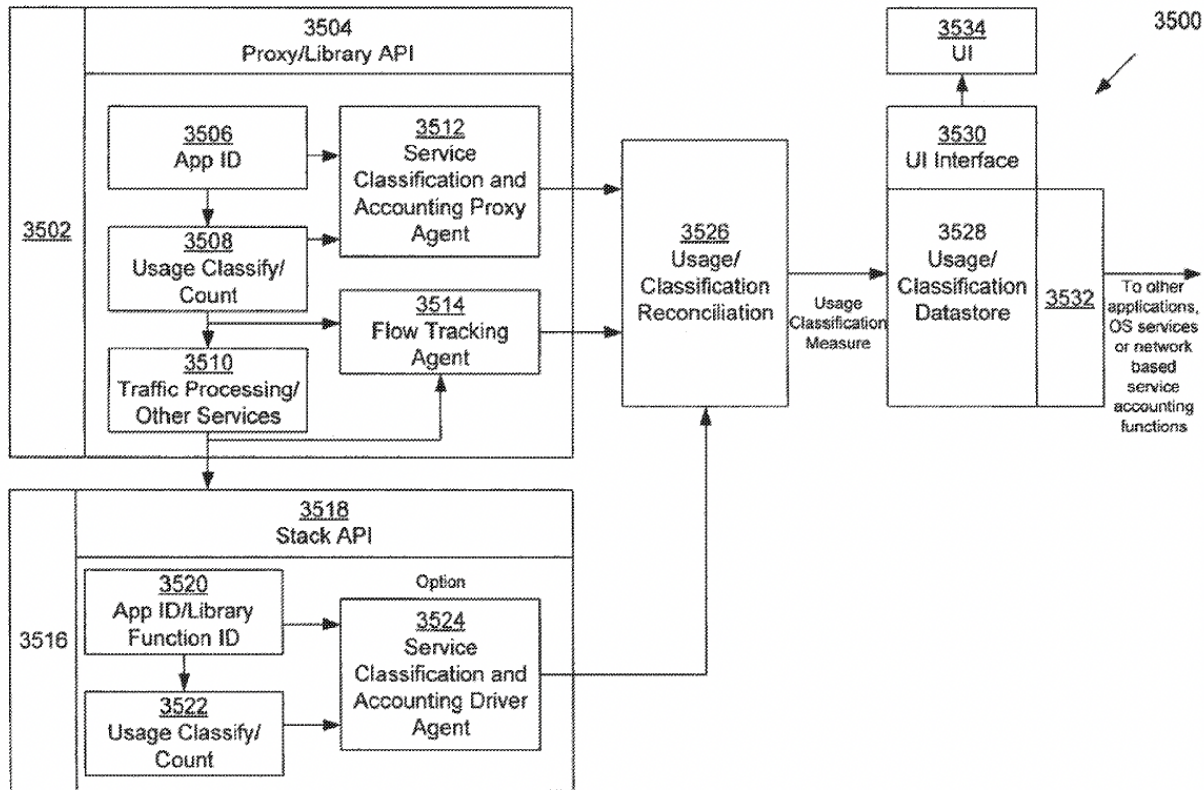


FIG. 35

Ex. 1001 at Fig. 35 (cited by Pet. at 34).

Specifically, Figure 35 discloses a network stack API (3518) being called by a proxy API (3504), which is also what the claim contemplates when it references the second API causing a media service manager to “interface with the network stack” on the application’s behalf. *Id.* at 124:40-50. Nothing in Figure 35 discloses

or even remotely implies that a proxy API interfacing with a network stack API on an application's behalf is itself sufficient for the network stack API to have an API call accessible to an application that can *only* call the proxy API (which is what the Petition's theory entails).

The Petition's reliance on Figures 12 and 13 of the '918 patent (Pet. at 34-35) likewise fails. Specifically, Figures 12 and 13 disclose applications interfacing with an "Application Interface" or an "Application Service Interface Agent." But again, the patent does not teach or suggest that an application interfacing with an "application interface" or an "application service interface agent" is somehow accessing an API call for a *different* element of the system. Ex. 2001 ¶52. To the contrary, the patent implies that the "application interface" can be part of the "network stack" level in that embodiment. Ex. 1001 at 8:45-52 (referring to a "network stack application interface level/layer"). Furthermore, the Petition does not allege that Figures 12 and 13 are even embodiments of claim 1. And in embodiments that *do* clearly provide examples of the claimed invention (e.g., Figure 32), the "application interface" is not shown as being interposed between the application 3202 and network stack 3208. Ex. 2001 ¶52.

The Petition's reliance on "network based APIs" that are located "on a network element" (Pet. at 34) also does not imply that a network stack API can have a call accessible to an application even if the application cannot call that API. The

Petition presents no plausible rationale for why this teaching of the '918 patent supports the Petition's theory, and it does not. As explained by Mr. de la Iglesia, a "network *based* API" is not the same thing as "network *stack* API," and furthermore even if a network stack somehow existed outside of the device itself, that does not mean that the network stack API would have a call that is accessible to any particular application. Ex. 2001 ¶53.

And for *each* of the Petition's examples, the Petition does not even *allege* any disclosure constitutes lexicography that could require a deviation from the plain and ordinary meaning of the claim scope, which is that the first API must be *callable* by the application. Ex. 1001 at 124:33-39 (limitation [1.3]).

In sum, the Petition's theory is not based on any purported plain meaning of the claim language, but instead implies that portions of the specification broaden the claim scope beyond the plain meaning, despite there being no allegation of lexicography. As explained by Mr. de la Iglesia, these portions of the specification do not even suggest the unduly broad reading of claim scope alleged by the Petition. Ex. 2001 ¶¶55-57. And the Petition's characterizations of these teachings ignore an important purpose of the *claimed* invention, which is to evaluate traffic initiated by API calls to *either* a network stack API *or* an API that will initiate a proxy "media service manager" to "manage network data transfers ... by interfacing with the network stack" on behalf of the application, in order to "track an *aggregate* wireless

network data usage attributable to” the applications. Ex. 1001 at 124:40-63; Ex. 2001

¶55. The Petition’s examples, to the extent Patent Owner understands why Petitioner believes they are relevant, simply focus on portions of the specification where an application calls a proxy API to interface with the network stack on the application’s behalf as supposed evidence of claim broadening, while ignoring that the claim *also* requires that a network stack API is *itself* callable by applications. Ex. 2001 ¶56. And the Petition’s interpretation that an application’s call to a proxy API that interfaces with the network stack means that the *network stack API* is accessible to and callable by the application that calls the *proxy API* would render superfluous the requirement that the network stack API itself be callable by the application.

Accordingly, the Petition’s invalidity theory is inconsistent with the requirements of limitation [1.3];⁶ the Petition’s theory does not show “a first network stack [API] containing at least one first call accessible to each of a plurality of device applications [and] the first network stack API callable by each of the plurality of device applications” as claim 1 requires.

⁶ The Petition also fails to show that the alleged “second API [is] callable by each of the plurality of device applications” or that it contains “at least one second call accessible to each of the plurality of device applications” for the same reasons. *See* Pet. at 36-38 (relying exclusively on the same claim interpretation where the application need not be able to actually have access to the specific API call of the second API, but must instead just somehow be able to influence or cause the API call of the second API).

B. The Petition sets forth no alternative theory for claims 14, 15, and 19, the only other challenged independent claims of the '918 patent.

The Petition does not set forth any independent analysis for other independent claims, but rather incorporates by reference the *entirety* of its claim 1 analysis in alleging the obviousness of every other independent claim. *See* Pet. at 55 (claim 14, incorporating by reference Petition's analysis for [1.pre]-[1.6]); *id.* at 75 (claims 15 and 19, incorporating by reference Petition's analysis for elements [1.pre]-[1.6]). Because the Petition does not provide any unique analysis for the other independent claims, the Petition's theories with respect to those claims rise and fall with the Petition's claim 1 theory. Accordingly, because the Petition's claim 1 analysis fails for the reasons discussed above, the Petition's analysis for each of claims 14, 15, and 19 (which incorporate by reference those same theories) also fails.

VI. THE INSTANT PETITION IS AN UNJUSTIFIED PARALLEL PETITION.

Under 35 U.S.C. § 314(a), the Board has discretion to deny institution of IPR. *See, e.g., SAS Inst. Inc. v. Iancu*, 138 S. Ct. 1348, 1356 (2018). When a petitioner opts to file two parallel petitions on the same patent, as Petitioner has done here, the Board considers the following guidance in the November 2019 Consolidated Trial Practice Guide ("CTPG"):

Based on the Board's experience, *one petition should be sufficient* to challenge the claims of a patent in most situations. *Two or more petitions filed against the same patent* at or about the same time (e.g.,

before the first preliminary response by the patent owner) may place a ***substantial and unnecessary burden*** on the Board and the patent owner and could raise ***fairness, timing, and efficiency concerns***. In addition, multiple petitions by a petitioner are not necessary in the vast majority of cases. To date, a substantial majority of patents have been challenged with a single petition.

CTPG at 59. If a petitioner opts to file two or more parallel petitions concerning the same patent:

[That] petitioner should ... identify: (1) a ranking of the petitions in the order in which it wishes the Board to consider the merits, if the Board uses its discretion to institute any of the petitions, and (2) a succinct explanation of the differences between the petitions, why the issues addressed by the differences are material, and why the Board should exercise its discretion to institute additional petitions if it identifies one petition that satisfies petitioner's burden under 35 U.S.C. § 314(a).

Id. at 59-60. However, the CTPG emphasizes that, although there may be “cases [in which] ***two petitions*** by a petitioner may be needed, ... this ***should be rare.***” *Id.* at 59.

Here, Petitioner filed (1) a petition in IPR2024-01396 (“Petition 1,” Ex. 2010) challenging claims 1-19 of the '918 patent, applying Bennett as the primary reference in combination one or more secondary references (Riggs, Hendrickson, Srikantan, and Vadde); and (2) the instant Petition (“Petition 2”) challenging the same claims, again applying Bennett as the primary reference in combination with

secondary references (Riggs, Hendrickson, Srikantan, Rakoshitz, and Rybak). Petitioner thus filed two petitions that each challenges the same nineteen claims using the same primary reference.

Petitioner filed the same Petitioners' Notice Ranking Petitions ("Ranking Notice") in both this proceeding (Paper 3) and the -01396 proceeding (Ex. 2011), giving Petition 1 a ranking of 1 and the Petition 2 a ranking of 2. Ranking Notice at 2. To the extent that the Board institutes review of Petition 1, institution of Petition 2 should be denied as an unnecessary parallel petition. Petitioner asserts that this is a case where two petitions are appropriate, but the only reason Petitioner identifies is that "the priority date according to the '918 patent has *potential* for dispute." *Id.* at 2. No such potential exists here.

As Petitioner correctly recognizes, "Patent Owner has claimed the January 24, 2011 priority date in litigation." *Id.* at 3. Petitioner is also correct that (a) certain of the secondary references that it applies in Petition 1 qualify as prior art to the January 24, 2011 date, but not as prior art to the earliest provisional date listed on the face of the '918 patent (January 28, 2009), and (b) all of the prior art in Petition 2 qualifies as prior art to the January 28, 2009 date. *See id.* at 4.

Petitioner speculates that Patent Owner *may* assert a different priority date in IPR than it has in litigation, and/or that Patent Owner *may* change its position in the litigation to assert a priority date. Patent Owner has no intention of doing either.

Patent Owner therefore stipulates that the priority date that will assert in and throughout the co-pending litigation and this proceeding is January 24, 2011. With that stipulation, the sole reason for the instant Petition 2 is moot.

To the extent Petitioner is arguing that, even with such a stipulation, Petition 2 is still justified because “[t]he petitions are not redundant or duplicative” and “each Petition provides a strong showing of unpatentability” (*id.* at 5), the Board has consistently rejected that argument. *See, e.g., Shenzhen Root Tech. Co. v. Chiaro Tech. Ltd.*, IPR2024-00593, Paper 18 at 10-11 (PTAB Dec. 16, 2024) (denying institution as an improper parallel petition because “the mere fact that different references are asserted in this proceeding and [another] IPR is not justification for a parallel petition”); *see also Global Tel*Link Corp. v. HLFIP Holding, Inc.*, IPR2021-00445, Paper 14 at 18 (PTAB June 22, 2021) (“*Global Tel*Link*”) (“There is no entitlement to assert, in a single petition, more than one ground of unpatentability against each challenged claim.”). Thus, “Petitioner’s focus on whether the primary references are redundant or duplicative or each other is misplaced. It is not enough that the primary references are not redundant to or duplicative of each other. The key question is whether multiple grounds are necessary.” *Global Tel*Link* at 14. The evidence shows they are not necessary here.

If institution is granted as to Petition 1, the Board should deny institution of Petition 2 as an unjustified parallel petition.

VII. DENIAL OF INSTITUTION UNDER *FINTIV* IS WARRANTED.

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. Intrix-Plex Techs., Inc.*, IPR2018-00752, Paper 8 at 19-21 (PTAB Sept. 12, 2018) (precedential) (“*NHK*”). 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*”); Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation (dated June 21, 2022) (“Interim Discretionary Denial Memo,” Ex. 1060).

Each of these six *Fintiv* factors weigh in favor of the Board exercising its discretion to deny institution here. For Factor 1, no stay of the parallel district court litigation has been granted or requested, and a stay is unlikely given the advanced stage of the case. For Factor 2, the district court trial will occur more than six months before the deadline for a final written decision in this proceeding. For Factor 3, largely due to Petitioners’ delay in filing the Petition, there will be much investment by the parties and the district court—by the time the Board issues its institution

decision, the *Markman* hearing will have occurred, and fact discovery will be nearing completion. For Factor 4, there is substantial overlap in both the patent claims and art at issue in this proceeding and in the district court, and Petitioner's *Sand Revolution* stipulation does not quell the concerns of inefficiency and inconsistent rulings. For Factor 5, Petitioner is a defendant in the parallel litigation. And for Factor 6, not only did Petitioners unduly delay in filing the Petition, but the Petition fails to present a compelling challenge on the merits and is also an unjustified parallel petition. Each of these factors is addressed in more detail below.

A. *Fintiv* Factor 1: The district court has not granted a stay, nor is there any evidence that a stay will be granted.

In the parallel district court proceeding involving the same claims of the '918 patent, the district court has not granted a stay pending IPR. Further, Petitioner has not requested such a stay, there is no indication it will do so, and there is no evidence that a stay will be granted.

Moreover, the facts here indicate that it is unlikely that the district court would grant a stay pending IPR even if this IPR were instituted, given the late stage of litigation. The parties have already exchanged infringement contentions, invalidity contentions, and claim construction disclosures; fact discovery is also well underway. Ex. 2008 at 6; Ex. 2009. And by the time the Board's institution decision is due in this proceeding (April 9, 2025), the Court will have conducted the *Markman* hearing and a claim construction order will have issued or will soon issue, fact

discovery will be set to close in just over a month, and trial will be less than six months away. *See* Ex. 2008 at 1, 4-5. Further, trial is currently set for October 6, 2025, over six months before the earliest deadline for a final written decision in this IPR. *Id.* at 1; *see infra* § VII.B.

Thus, even if Petitioner were to file a motion for a stay pending this proceeding, it is highly unlikely Judge Gilstrap would grant a stay at this late juncture in 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).

Where the district court litigation has not been stayed, and any stay is speculative and unlikely, allowing this IPR to proceed in parallel would be wasteful and inefficient. Factor 1 weighs against institution.

B. *Fintiv* Factor 2: The district court trial will occur more than six months before the deadline for a final written decision in this proceeding.

“If the court’s trial date is earlier than the projected statutory deadline, the Board generally has weighed this fact in favor of exercising authority to deny institution under *NHK*.” *Fintiv I* at 9.

Here, the deadline for a final written decision in this IPR is April 9, 2026, which may be extended to October 9, 2026, for good cause or in the case of joinder. 37 C.F.R. § 42.100(c). Meanwhile, the district court litigation is set for trial on October 6, 2025. *See* Ex. 2008 at 1. The timeframe set by the district court is consistent with the Federal Court Management Statistics for the Eastern District of Texas. *See* Ex. 1060 at 3 & n.4 (encouraging use of these statistics in evaluating this factor). Those statistics indicate that, over the past six years, a civil case in the district was brought to trial 19.8 months after filing. Ex. 2003 (indicating median times to trial for civil cases for the twelve-month period ending in September for 2019-2024 as 16.8, 18.0, 22.1, 21.0, 19.0, and 21.9). Here, trial is set approximately 21 months after the cases were filed. *Compare* Ex. 2008 at 1 (trial set for October 6, 2025) *with* Ex. 1004 (parallel case filed December 29, 2023).

Thus, consistent with historical statistics, the district court trial is set to occur ***more than six months*** before the deadline for a final written decision, and possibly more than a year before the deadline if extended. This weighs heavily against institution. *See, e.g., Samsung Elecs. Co. v. Mojo Mobility Inc.*, IPR2023-01094, Paper 11 at 8-9 (PTAB Feb. 9, 2024) (“*Mojo*”) (denying institution when trial was

set **six months** before the final written decision would issue); *BOE Tech. Grp. Co. v. Element Capital Commercial Co.*, IPR2023-00808, Paper 9 at 21-22 (PTAB Nov. 15, 2023) (“*BOE*”) (same); *Vector Flow, Inc. v. HID Global Corp.*, IPR2023-00353, Paper 8 at 19-20 (PTAB July 17, 2023) (“*Vector Flow*”) (same); *Roku, Inc. v. IOEngine, LLC*, IPR2022-01551, Paper 11 at 10-11 (PTAB May 5, 2023) (“*Roku*”) (same).

Indeed, the Board has denied institution on account of even smaller gaps between the final written decision and trial. *See, e.g., 10X Genomics, Inc. v. President & Fellows of Harvard College*, IPR2023-01299, Paper 15 at 16 (PTAB Mar. 7, 2024) (“*10X*”) (denying institution where “trial [is] **approximately five months** before our Final Written Decision”); *Int’l Bus. Machs. Corp. v. Digital Doors, Inc.*, IPR2023-00970, Paper 8 at 10-11 (PTAB Jan. 12, 2024) (denying institution where “trial would occur **about five months** before the statutory deadline”); *Nine Energy Serv. Inc. v. NCS Multistage Inc.*, IPR2020-01615, Paper 18 at 8-9 (PTAB Mar. 24, 2011) (“*Nine Energy*”) (finding this factor favored denial of institution when trial was **five months** before the final written decision, even though there were pending motions to consolidate and transfer that could have affected the trial date if granted); *AT&T Servs. Inc. v. ASUS Tech. Licensing Inc.*, IPR2024-00997, Paper 15 at 9 (PTAB Dec. 16, 2024) (“*AT&T*”) (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”); *Ericsson Inc. v. Active Wireless Techs. LLC*, IPR2024-00886, Paper 8 at 8-9 (PTAB Nov. 12, 2024) (“*Ericsson*”) (trial four months before deadline for final written decision weighed in favor of denial of institution); *EClinicalWorks, LLC v. Decapolis LLC*, IPR2022-00229, Paper 10 at 9 (PTAB Apr. 13, 2022) (“*EClinicalWorks*”) (finding this factor weighed in favor of discretionary denial and denying institution where “the beginning of the jury trial in the WDTX Cases is roughly ***one or two months*** before any final decision would have been due had *inter partes* review been instituted”); *Fintiv II* at 13 (finding this factor weighed in favor of discretionary denial and denying institution where the district court trial was scheduled to occur ***two months*** before the deadline for the Board to reach a final written decision); *NXP USA, Inc. v. Impinj, Inc.*, PGR2022-00005, Paper 17 at 9 (PTAB May 2, 2022) (“*NXP*”) (same), *reh’g denied*, Paper 20 (PTAB Aug. 25, 2022).

The Petition implies that the Board should ignore this set trial date because “scheduled trial dates are unreliable and often change.” Pet. at 99-100. But the Petition presents no evidence that the trial *in this case* will not proceed on the set date, which, as noted above, is consistent with the most current time-to-trial statistics for the Eastern District of Texas. *See* Ex. 1060 at 3 & n.4; *see also id.* at 8-9. “[B]ased on the evidence of record, there is no evidence to suggest that trial will be delayed.”

Nine Energy at 9; *see also NXP* at 9 (“We generally take courts’ trial schedules at face value absent some strong evidence to the contrary.”) (quoting *Fintiv II* at 13).

Because the district court trial is currently set to occur more than six months before the earliest deadline for a final written decision in this IPR, the set date is consistent with current time-to-trial statistics, and there is no evidence that this date may change, this factor weighs heavily against institution. *Fintiv II* at 13.

C. *Fintiv* Factor 3: By the time an institution decision is reached, the Court will have held the *Markman* hearing and fact discovery will be nearing completion.

Factor 3 relates to the “amount and type of work already completed in the parallel litigation by the court and the parties *at the time of the institution decision*.” *Fintiv I* at 9. For example, “if, at the time of the institution decision, the district court has issued substantive orders related to the patent at issue in the petition,” this factor favors denial. *Id.* at 9-10. “Likewise, district court claim construction orders may indicate that the court and parties have invested sufficient time in the parallel proceeding to favor denial.” *Id.* at 10.

Here, by the time the institution decision issues, the *Markman* hearing will be complete and a *Markman* order will have issued or will soon issue. The *Markman* decision would clearly qualify as a “substantive order.” But even if the *Markman* order does not issue prior to the institution decision, in any event, claim construction proceedings will be complete, and the district judge would have taken these

substantive issues under submission. Ex. 2008 at 4-5. Fact discovery will also be just over a month from completion. *Id.* at 4.

These investments by the parties and district court weigh against institution because they ensure that this IPR cannot be an efficient alternative to district court litigation. This favors discretionary denial, and panels have found this factor to favor denial when the parallel litigation was at a similarly advanced stage as here. *See, e.g., BOE* at 23-24 (denying institution in part because claim construction was complete and fact discovery was nearly completed); *Roku* at 12 (same); *10X* at 18 (same); *Mojo* at 9 (same).

Of course, the reason that the district court litigation will be so far along at the time of institution is because Petitioners unduly delayed in filing the Petition, filing over eight months after waiving service of the district court complaint. *Compare* Pet. at 102 (dated September 9, 2024) *with* Ex. 2004 at 1 (Petitioner waived service on January 8, 2024); *see also* Ex. 2005. The Petition offers no explanation for Petitioner's delay.

Because there has been substantial investment in the parallel proceeding, and Petitioners delayed in filing the Petition, Factor 3 weighs heavily against institution.

D. *Fintiv* Factor 4: There is substantial overlap between this IPR and the district court proceeding.

This factor looks at “whether all or some of the claims challenged in the petition are also at issue in district court” and whether the “petition includes the same

or substantially the same claims, grounds, arguments, and evidence” as the parallel district court case. *Fintiv I* at 12-13. Here, the challenged and asserted claims are identical, and the prior art relied upon in the Petition and at the district court is substantially overlapping.

First, the Petition challenges claims 1-19 of the '918 patent; those are also the same claims currently asserted in the litigation. *Compare* Pet. at 1 (challenging claims 1-19) *with* Ex. 2006 at 2 (infringement contentions asserting claims 1-19); *see also Pharaoh Energy Servs., LLC v. Flex-Chem Holding Co.*, IPR2024-00815, Paper 7 at 13-14 (PTAB Sept. 20, 2024) (denying institution in part because the same claims were challenged at the PTAB and asserted in litigation); *Vector Flow* at 22 (same); *EClinicalWorks* at 12 (same).

Second, of the six references relied upon by the Petition, Petitioner relies on five of them at the district court. Ex. 2007 at 10, 12, 16-17, 29 (invalidity contentions relying on Bennett, Rakoshitz, Rybak, Riggs, and Hendrickson). The only reference from the Petition that Petitioner does not cite in its invalidity contentions is Srikantan, which the Petition only uses as a secondary reference in part of a four-reference challenge to dependent claim 10. Critically, at the district court Petitioner relies on its primary reference Bennett as an allegedly anticipatory reference. Ex. 2007 at 29-30. Petitioner also relies on all of Bennett, Rakoshitz, Riggs, and Hendrickson in exemplary obviousness combinations. *Id.* at 31-36. In fact, fourteen

of the fifteen exemplary combinations include one or more of Bennett, Rakoshitz, Riggs, and Hendrickson. *Id.* There is thus substantial overlap in the prior art invalidity theories presented to the PTAB and the district court.

Further, Petitioner’s *Sand Revolution* stipulation does not address efficiency concerns rooted in that substantial overlap. *See* Ex. 1061 at 1 (“[I]f the PTAB institutes IPR2024-01396 ..., Samsung agrees not to pursue the same instituted grounds ... in the district court litigation.”); *see also* Pet. at 100 (citing Ex. 1061). That stipulation is essentially meaningless where, as here, Petitioner intends to raise the same prior art in similar, albeit not identical, combinations in this proceeding as well as before the district court. *See Ericsson* at 12-13; *AT&T* at 12-13.

In short, the Petition challenges the same patent claims that are asserted in the parallel litigation, and Petitioner relies on substantially overlapping prior art at the district court. This raises substantial “concerns of inefficiency and the possibility of conflicting decisions,” weighing against institution. *See Fintiv I* at 12.

E. *Fintiv* Factor 5: Petitioner is a defendant in the district court litigation.

Petitioner is a defendant in the parallel litigation. *See, e.g., Fintiv II* at 15 (“Because the petitioner and the defendant in the parallel proceeding are the same party, this factor weighs in favor of discretionary denial.”).

F. *Fintiv* Factor 6: Other circumstances weigh strongly against institution, including the weakness of the Petition and Petitioner’s delay.

This factor looks at “other circumstances that impact the Board’s exercise of discretion, including the merits.” *Fintiv I* at 9. This factor weighs heavily against institution for two reasons.

First, contrary to Petitioner’s assertion, the merits of this Petition suffer from significant weaknesses and gaps in proof, as discussed above. *See supra* § V. Thus, the Petition fails to present a “compelling unpatentability challenge” (*see* Ex. 1060 at 2-5) and fails to establish a reasonable likelihood of success.

Second, there is evidence that the Petitioner unduly delayed in filing the Petition, doing so less than four months before the statutory deadline, and the Petitioner offers no explanation for the delay. *See supra* § VII.C.

* * *

Each of the six *Fintiv* factors weigh in favor of the Board exercising its discretion to deny institution.

VIII. CONCLUSION

Patent Owner respectfully requests that the Board deny institution for any or all of three independent reasons. First, the Petition’s challenge to claims 1-19 of the ’918 patent fails on the merits. Second, the Petition is an unjustified parallel petition. Third, the Board should exercise its discretion under Section 314(a) to deny institution because of the status of the co-pending lawsuit in light of Petitioner’s delay in filing the Petition.

Date: January 9, 2025

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CERTIFICATION REGARDING WORD COUNT

Pursuant to 37 C.F.R. §42.24(d), Patent Owner certifies that there are 8,244 words in the paper excluding the portions exempted under 37 C.F.R. §42.24(a)(1).

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

The undersigned hereby certifies that the above document was served on January 9, 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:

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