

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

T-MOBILE USA, INC., AT&T SERVICES, INC., CELLCO
PARTNERSHIP D/B/A VERIZON WIRELESS, ERICSSON INC., AND
NOKIA OF AMERICA CORPORATION,
Petitioner,

v.

HEADWATER PARTNERS II LLC,
Patent Owner.

IPR2024-01468
Patent 9,094,868 B2

PATENT OWNER'S PRELIMINARY RESPONSE

TABLE OF CONTENTS

I.	INTRODUCTION	1
II.	LEVEL OF ORDINARY SKILL IN THE ART	3
III.	CLAIM CONSTRUCTION	4
IV.	THE PETITION FAILS TO SHOW A REASONABLE LIKELIHOOD OF UNPATENTABILITY FOR ANY CHALLENGED CLAIM.	4
V.	DISCRETIONARY DENIAL OF INSTITUTION IS WARRANTED.	8
A.	<i>Fintiv</i> Factor 1: The district court has not granted a stay, nor is there any evidence that a stay will be granted.	9
B.	<i>Fintiv</i> Factor 2: A district court trial will occur more than eight months before the deadline for a final written decision in this proceeding.	11
C.	<i>Fintiv</i> Factor 3: By the time an institution decision is reached, fact discovery will be complete and all expert reports will have been served. 14	
D.	<i>Fintiv</i> Factor 4: There is perfect overlap between this IPR and the district court proceeding.	16
E.	<i>Fintiv</i> Factor 5: Petitioners are defendants and intervenors in the district court litigation.	18
F.	<i>Fintiv</i> Factor 6: Other circumstances weigh strongly against institution, including the weakness of the Petition and Petitioners' delay.	18
VI.	CONCLUSION	19

TABLE OF AUTHORITIES

Cases

<i>10X Genomics, Inc. v. President & Fellows of Harvard College</i> , IPR2023-01299, Paper 15 (PTAB Mar. 7, 2024)	12, 15
<i>Apple Inc. v. Fintiv, Inc.</i> , IPR2020-00019, Paper 11 (PTAB Mar. 20, 2020)	8, 11, 14, 16, 18
<i>Apple Inc. v. Fintiv, Inc.</i> , IPR2020-00019, Paper 15 (PTAB May 13, 2020).....	8, 13, 14, 18
<i>AT&T Servs. Inc. v. ASUS Tech. Licensing Inc.</i> , IPR2024-00997, Paper 15 (PTAB Dec. 16, 2024).....	13, 16, 17
<i>BOE Tech. Grp. Co. v. Element Capital Commercial Co.</i> , IPR2023-00808, Paper 9 (PTAB Nov. 15, 2023)	12, 15
<i>Duplo USA Corp. v. MGI Digital Tech. SA</i> , IPR2023-00936, Paper 8 (PTAB Dec. 5, 2023).....	15
<i>Ericsson Inc. v. Active Wireless Techs. LLC</i> , IPR2024-00886, Paper 8 (PTAB Nov. 12, 2024)	13
<i>Force Mos Tech., Co. v. Asustek Comput., Inc.</i> , No. 2:22-cv-00460-JRG, 2024 WL 1586266 (E.D. Tex. Apr. 11, 2024)	10
<i>Int'l Bus. Machs. Corp. v. Digital Doors, Inc.</i> , IPR2023-00970, Paper 8 (PTAB Jan. 12, 2024).....	13
<i>NHK Spring Co. v. Intri-Plex Techs., Inc.</i> , IPR2018-00752, Paper 8 (PTAB Sept. 12, 2018).....	8, 11
<i>Nine Energy Serv. Inc. v. NCS Multistage Inc.</i> , IPR2020-01615, Paper 18 (PTAB Mar. 24, 2011)	14
<i>NXP USA, Inc. v. Impinj, Inc.</i> , PGR2022-00005, Paper 17 (PTAB May 2, 2022)	13, 14
<i>Pharaoh Energy Servs., LLC v. Flex-Chem Holding Co.</i> , IPR2024-00815, Paper 7 (PTAB Sept. 20, 2024).....	17
<i>Roku, Inc. v. IOEngine, LLC</i> , IPR2022-01551, Paper 11 (PTAB May 5, 2023).....	12, 15

<i>Samsung Elecs. Co. v. Mojo Mobility Inc.</i> , IPR2023-01094, Paper 11 (PTAB Feb. 9, 2024)	12, 15
<i>Samsung Elecs. Co. v. Cali. Inst. of Tech.</i> , IPR2023-00137, Paper 10 (PTAB May 4, 2023)	15
<i>Solas OLED Ltd. v. Samsung Display Co.</i> , No. 2:19-cv-00152-JRG, 2020 WL 4040716 (E.D. Tex. July 17, 2020)	10
<i>TQ Delta, LLC v. CommScope Holding Co.</i> , No. 2:21-cv-00310-JRG, 2022 WL 2872993 (E.D. Tex. July 21, 2022)	10
<i>Vector Flow, Inc. v. HID Global Corp.</i> , IPR2023-00353, Paper 8 (PTAB July 17, 2023)	12, 15, 17
<i>Xerox Corp. v. Bytemark, Inc.</i> , IPR2022-00624, Paper 9 (PTAB Aug. 24, 2022)	7
<i>Zhuhai Cosmx Battery Co. v. Ningde Ampere Tech. Ltd.</i> , IPR2023-00585, Paper 12 (PTAB Oct. 24, 2023)	12, 15

Statutes

35 U.S.C. § 314(a)	8
37 C.F.R. § 42.100(c)	11
37 C.F.R. § 42.107(e)	1

PATENT OWNER’S EXHIBIT LIST

No.	Description
Ex. 2001	<i>Headwater Partners II LLC v. T-Mobile USA, Inc. et al.</i> , No. 2:24-cv-00015-JRG-RSP (lead case), First Amended Docket Control Order, Dkt. No. 70 (E.D. Tex. Jan. 27, 2025)
Ex. 2002	Federal Court Management Statistics for the Eastern District of Texas (Sept. 2024)
Ex. 2003	<i>Headwater Partners II LLC v. Cellco Partnership, d/b/a Verizon Wireless et al.</i> , No. 2:24-cv-00007-JRG-RSP, Complaint for Patent Infringement, Dkt. No. 1 (E.D. Tex. Jan. 5, 2024)
Ex. 2004	<i>Headwater Partners II LLC v. T-Mobile USA, Inc. et al.</i> , No. 2:24-cv-00015-JRG-RSP, Complaint for Patent Infringement, Dkt. No. 1 (E.D. Tex. Jan. 10, 2024)
Ex. 2005	<i>Headwater Partners II LLC v. AT&T Services, Inc. et al.</i> , No. 2:24-cv-00016-JRG-RSP, Complaint for Patent Infringement, Dkt. No. 1 (E.D. Tex. Jan. 10, 2024)
Ex. 2006	<i>Headwater Partners II LLC v. Cellco Partnership, d/b/a Verizon Wireless et al.</i> , No. 2:24-cv-00007-JRG-RSP, Proof of Service, Dkt. No. 17 (E.D. Tex. Jan. 16, 2024)
Ex. 2007	<i>Headwater Partners II LLC v. T-Mobile USA, Inc. et al.</i> , No. 2:24-cv-00015-JRG-RSP, Proof of Service, Dkt. No. 8 (E.D. Tex. Feb. 5, 2024)
Ex. 2008	<i>Headwater Partners II LLC v. AT&T Services, Inc. et al.</i> , No. 2:24-cv-00016-JRG-RSP, Proof of Service, Dkt. No. 7 (E.D. Tex. Feb. 5, 2024)
Ex. 2009	<i>Headwater Partners II LLC v. Cellco Partnership, d/b/a Verizon Wireless et al.</i> , No. 2:24-cv-00007-JRG-RSP, Plaintiff Headwater Partners II LLC’s Disclosure of Asserted Claims and Infringement Contentions (E.D. Tex., served Mar. 18, 2024)
Ex. 2010	<i>Headwater Partners II LLC v. T-Mobile USA, Inc. et al.</i> , No. 2:24-cv-00015-JRG-RSP, Plaintiff Headwater Partners II LLC’s Disclosure of Asserted Claims and Infringement Contentions to T-Mobile (E.D. Tex., served Mar. 18, 2024)

No.	Description
Ex. 2011	<i>Headwater Partners II LLC v. AT&T Services, Inc. et al.</i> , No. 2:24-cv-00016-JRG-RSP, Plaintiff Headwater Partners II LLC's Disclosure of Asserted Claims and Infringement Contentions to AT&T (E.D. Tex., served Mar. 18, 2024)
Ex. 2012	<i>Headwater Partners II LLC v. T-Mobile USA, Inc. et al.</i> , No. 2:24-cv-00015-JRG-RSP (lead case), Defendants' Initial Invalidity Contentions (E.D. Tex., served May 20, 2024)
Ex. 2013	U.S. Patent No. 8,639,260 to Fox et al.

I. INTRODUCTION

The Board should deny institution of *inter partes* review (“IPR”) of U.S. Patent No. 9,094,868 (“the ’868 patent”) for two independent reasons: (1) a clear failure of the merits of the Petition, and (2) Petitioners’ significant delay (such that a final written decision will issue *approximately 250 days* after a district court trial is set to occur) strongly favors discretionary denial.

First, the Petition should be denied on the merits. Patent Owner will disclaim all challenged claims of the ’868 patent except for claims 11-15 (i.e., Patent Owner will disclaim claims 1-10 and 16-34) shortly after the filing of this Preliminary Response, leaving claims 11-15 as the only remaining claims challenged by this Petition.¹ Because the Board may not institute IPR based on disclaimed claims,² institution of this proceeding is appropriate only if the Petition can demonstrate a reasonable likelihood of prevailing with respect to claims 11-15. And because claims 12-15 each depend from claim 11, the Petition must demonstrate a reasonable likelihood of prevailing with respect to claim 11, which requires *inter alia*

¹ Patent Owner does not concede the merits of the Petition’s challenges as to any claims; disclaimer of the referenced claims is merely to simplify proceedings.

² 37 C.F.R. § 42.107(e) (“No *inter partes* review will be instituted based on disclaimed claims.”).

“determining a UE environment information.”

The Petition, however, does not make any plausible showing that the prior art discloses “determining a UE environment information.” Instead, the Petition presents only a single conclusory sentence that this limitation is satisfied, and quotes disclosures from Jarvinen (the only prior art reference relied on for this limitation) as teaching that a database is “updated constantly with new data” that will “*adapt the database* to changes in” the alleged UE environment, such as changes in “newly constructed buildings,” “season of the year, weather, traffic, etc.” Pet. at 54.³ The Petition makes no showing that any of this alleged “UE environment information” is *determined* as required by the claims. For example, the Petition does not even allege, much less show, that Jarvinen discloses determining whether any buildings have been newly constructed, determining whether the seasons have changed, or determining traffic conditions, as would be required under the Petition’s theory.

Accordingly, the Petition fails to present any cognizable theory under which claim 11 (and claims 12-15, which depend from claim 11) are disclosed or rendered obvious by the prior art.

Second, the Board should exercise its discretion to deny the Petition in light of parallel district court litigation involving the same patent, the same parties, the same claims, and the same art as relied upon by the Petition. The district court cases

³ All emphases added unless otherwise noted.

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, fact discovery will be complete and both opening and rebuttal expert reports will have been served, including those addressing patent validity. And the district court trial is set to take place *over eight months before* the deadline for any final written decision in this proceeding. All six *Fintiv* factors favor a discretionary denial.

For either or both of these independent reasons, institution should be denied; Patent Owner respectfully requests that the Board refrain from extending its own resources, and the resources of the parties, to adjudicate the weak merits of the Petition, which will not simplify any issues for the district court proceedings.

II. LEVEL OF ORDINARY SKILL IN THE ART

The Petition proposes that a POSITA in the field of the '868 patent “would have been someone with at least (1) a bachelor’s degree in electrical engineering, computer engineering/science, or a related scientific field, and (2) either (a) a master’s degree in electrical engineering, computer engineering/science, or a related fi[el]d, or (b) two or more years of work or research experience in wireless networking and/or computing.” *See* Pet. at 10 (citing Ex. 1012 ¶20). For purposes of this Preliminary Response, Patent Owner does not challenge that definition.

III. CLAIM CONSTRUCTION

The Petition states that “all claim terms should be given their plain and ordinary meaning as would be understood in the context of the ’868 Patent’s disclosure.” *Id.* at 10-11. For purposes of this Preliminary Response, Patent Owner agrees.

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

As noted above, all challenged claims will shortly be disclaimed other than claims 11-15, and each of claims 12-15 depend from claim 11. Accordingly, institution should be denied unless the Petition demonstrates a reasonable likelihood of prevailing with respect to claim 11, which requires *inter alia* “determining a UE environment information.”

The Petition’s treatment of claim 11 consists entirely of a conclusory allegation that “Jarvinen also discloses [the claim language],” with no supporting evidence or analysis other than a string citation to Jarvinen, as well as a citation to an expert declaration that provides the same conclusory allegation (modified only to specify that the conclusory allegation is the expert’s “opinion”). The *entirety* of the Petition’s treatment of claim 11 is reproduced below.

19. Claim 11: The method of claim 7, further comprising determining a UE environment information, wherein at least a portion of the link quality positioning information is based on the UE environment information.

Jarvinen also discloses determining UE environment information, wherein at least a portion of the link quality positioning information is based on the UE environment information. (Jarvinen, ¶¶0039 (“The database may be updated constantly with new data to adapt the database to *changes in the radio environments* related to different geographical locations. . . . The *radio environment* may have changed due to newly constructed buildings[.]”), 0062 (“Several factors may affect the actual transmission properties with given transmission conditions. Such factors include *season of the year, weather, traffic*, etc.”); McClellan, ¶96. *See also* Jarvinen at ¶¶0058-59.)

Pet. at 54.

As shown above, the Petition points to “radio environments” including “newly constructed buildings,” “season of the year, weather, traffic, etc.” as being the alleged “UE environment information.” However, the Petition makes no showing whatsoever that Jarvinen discloses *determining* this UE environment information, as opposed to merely “constantly” updating its database “with new data” that will “adapt the database to changes” in the alleged UE environment information. *Id.* For instance, the Petition makes no showing at all that Jarvinen discloses determining any “radio environments” such as “newly constructed buildings,” “season of the

year,” “weather, or “traffic.” Of course, as Jarvinen discloses, the information in the constantly-updated database may be influenced in some respect by environmental factors such as newly-constructed buildings or changing weather, but this does not mean that any method in Jarvinen *determines* that the weather has changed or any buildings have been constructed.

In short, *none* of the few citations to Jarvinen disclose anything about “determining” the alleged UE environment information under the Petition’s claim mapping, and the Petition thus fails to demonstrate a reasonable likelihood of prevailing as to this limitation.

Finally, the Petition’s citation to the McClellan declaration (Ex. 1012) at paragraph 96 does nothing to remedy the Petition’s deficiency. The entirety of the Dr. McClellan’s analysis of claim 11 is reproduced below:

9.19 Claim 11: The method of claim 7, further comprising determining a UE environment information, wherein at least a portion of the link quality positioning information is based on the UE environment information.

96. Claim 11 is dependent upon Claim 7, all limitations of which are disclosed in Jarvinen, in my opinion, as discussed in Sections 9.1-9.9 and 9.15. In addition, it is my opinion that Jarvinen also discloses determining UE environment information, wherein at least a portion of the link quality positioning information is based on the UE environment information. (Jarvinen, ¶¶0039 (“The database may be updated constantly with new data to adapt the database to *changes in the radio environments* related to different geographical locations. . . . The *radio environment* may have changed due to newly constructed buildings[.]”), 0062 (“Several factors may affect the actual transmission properties with given transmission conditions. Such factors include *season of the year, weather, traffic*, etc.”). *See also* Jarvinen at ¶¶0058-59.) In my opinion, this limitation is met.

Ex. 1012 ¶96.

As shown above, Dr. McClellan provides only the same conclusory allegation as in the Petition (with the additional caveat that the allegation is in his words “my opinion”). His declaration should be afforded little if any weight, and cannot support a showing that the Petition is reasonably likely to prevail as to claim 11. *Xerox Corp. v. Bytemark, Inc.*, IPR2022-00624, Paper 9 at 15 (PTAB Aug. 24, 2022) (precedential) (giving “little weight” to “cited declaration testimony [that] is

conclusory and unsupported” and “adds little to the conclusory assertion for which it is offered to support”).

V. DISCRETIONARY DENIAL OF INSTITUTION 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. Intri-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) (“Discretionary Denial Memo”).

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, a district court trial will occur more than eight 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, fact discovery will be complete and both opening and rebuttal expert reports will have been served, including those addressing patent validity. For Factor 4, there is perfect overlap in both the patent claims and art at issue in this proceeding and in the district court, and Petitioners offer no stipulation, let alone one that quells the concerns of inefficiency and inconsistent rulings. For Factor 5, Petitioners are defendants and intervenors in the parallel litigations. And for Factor 6, not only did Petitioners unduly delay in filing the Petition, but the Petition also fails to present a compelling challenge on the merits. 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 proceedings involving the same claims of the '868 patent, the district court has not granted a stay pending IPR. Further, Petitioners have not requested such a stay, there is no indication they 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 that negated the need for a *Markman*

hearing; fact discovery is also well underway. Ex. 2001 at 4-6. And by the time the Board's institution decision is due in this proceeding (May 13, 2025), fact discovery will be closed, both opening and rebuttal expert reports will have been served, and trial will be less than four months away. *See id.* at 2, 4. Further, trial is currently set for September 8, 2025, over eight months before the earliest deadline for a final written decision in this IPR. *Id.* at 2; *see infra* § V.B.

Thus, even if Petitioners were to file a motion to stay pending this proceeding, it is highly unlikely Judge Gilstrap would grant stays at this very late juncture in these cases. Indeed, Judge Gilstrap routinely denies stays of litigation at earlier stages of litigation than will be present here at the time of institution. *See, e.g., Solas OLED Ltd. v. Samsung Display Co.*, No. 2:19-cv-00152-JRG, 2020 WL 4040716, at *2 (E.D. Tex. July 17, 2020) (Gilstrap J.) (denying motion to stay pending IPR where fact discovery was complete); *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 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: A district court trial will occur more than eight 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 May 13, 2026, which may be extended to November 13, 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 September 8, 2025. *See* Ex. 2001 at 2. The timeframe set by the district court is consistent with the Federal Court Management Statistics for the Eastern District of Texas. *See* Discretionary Denial Memo 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. 2002 (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 20 months after the cases were filed. *Compare* Ex. 2001 at 2 (trial set

for September 8, 2025) *with* Exs. 2003-2005 (parallel cases filed January 5-10, 2024).

Thus, consistent with historical statistics, the district court trial is set to occur ***more than eight months*** before the deadline for a final written decision, and possibly more than a year before the deadline if extended. “A trial date about ***eight or nine months*** before [the Board’s] statutory due date ***weighs heavily in favor of discretionary denial.***” *Zhuhai Cosmx Battery Co. v. Ningde Amperex Tech. Ltd.*, IPR2023-00585, Paper 12 at 11-13 (PTAB Oct. 24, 2023) (“*Zhuhai*”); *see also, 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 substantially 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”); *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); *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 it is supposedly “estimated.” Pet. at 70 n.11. But this is a date set by a court order. Ex. 2001 at 2. And the Petition presents no evidence that trial 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* Discretionary Denial Memo 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 Serv. Inc. v. NCS Multistage Inc.*, IPR2020-01615, Paper 18 at 9 (PTAB Mar. 24, 2011); *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 eight 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, fact discovery will be complete and all expert reports will have been served.

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. Here, fact discovery will be complete and both opening and rebuttal expert will have been served. Ex. 2001 at 4. Notably, by the time of the institution decision, Petitioners will have completed their opening invalidity reports, which is expected to overlap with the invalidity ground presented in this IPR. *See infra* § V.D. Further, Patent Owner will also have served its rebuttal validity expert reports. *See* Ex. 2001 at 4.

Those investments weigh strongly against institution because they ensure that this IPR cannot be an efficient alternative to district court litigation. In *Samsung*

Electronics Co. v. California Institute of Technology, the Board denied institution in similar circumstances, and for Factor 3, found that “the advanced stage of expert discovery is the most significant fact for our analysis.” IPR2023-00137, Paper 10 at 12 (PTAB May 4, 2023). “In particular, the scheduling order in the underlying litigation indicates that Petitioner should have already served its opening expert report on validity [at the time of the institution decision]. Given that the deadline for rebuttal expert reports is only days away, we can also safely assume that work pertaining to a rebuttal expert report on validity is well underway. We consider this work significant because it related to the merits of the parties’ invalidity positions.” *Id.* (citations omitted); *see also Zhuhai* at 13 (denying institution in part because opening expert reports were served before the institution decision issued); *Vector Flow* at 21 (same); *Duplo USA Corp. v. MGI Digital Tech. SA*, IPR2023-00936, Paper 8 at 17-18 (PTAB Dec. 5, 2023).

Thus, the parties will have invested significant time and resources in the district court litigation by the time the Board reaches an institution decision in this matter. This favors discretionary denial, and various panels have found this factor to favor denial even when the parallel litigation was far less advanced than 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 being served with the district court complaints. *Compare* Pet. at 72 (dated September 20, 2024) *with* Ex. 2006 (Petitioner Cellco Partnership d/b/a Verizon Wireless served January 9, 2024); Ex. 2007 (Petitioner T-Mobile USA, Inc. served January 12, 2024); Ex. 2008 (Petitioner AT&T Services, Inc. served January 12, 2024). The Petition offers no explanation for Petitioners' 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 perfect 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 sole prior art ground relied upon in the Petition is also a ground Petitioners intend to rely on at the district court.

First, the Petition challenges claims 11-15 of the '868 patent, the only claims that Patent Owner will not have disclaimed; those claims are also currently asserted in the litigations. *Compare* Pet. at 2 (challenging claims 11-15) *with* Ex. 2009 at 2; Ex. 2010 at 2; Ex. 2011 at 2 (infringement contentions asserting claims 11-15); *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); *AT&T* at 14-15 (same); *Vector Flow* at 22 (same).

Second, the Petition challenges claims 11-15 based on their alleged obviousness over Jarvinen in view of Fox. Pet. at 2; *see also id.* at viii (in the Petition, “Jarvinen” refers to U.S. Patent Application Publication No. 2008/02448822 (Ex. 1004) and “Fox” refers to U.S. Patent Application Publication No. 2012/0064908 (Ex. 1005)). Petitioners rely on this ***exact same combination*** at the district court. Ex. 2012 at 42 (“Jarvinen (Appendix A-6) + Fox (Appendix A-3)”); *see also id.* at 7-8 (in the invalidity contentions, “Jarvinen” refers to U.S. Patent Application Publication No. 2008/02448822 and “Fox” refers to U.S. Patent No. 8,639,260). The Jarvinen and Fox combination in the district court relies on the exact same Jarvinen document, and the issued version of the same Fox patent application. *See* Ex. 2013 at face page (Fox U.S. Patent No. 8,639,260 listing “US 2012/0064908 A1” under “Prior Publication Data”). In addition, Defendants also rely on both Jarvinen and Fox in their anticipation and single reference obviousness theories, as well as in a multitude of obviousness combinations. Ex. 2012 at 17-18, 21, 42-43.

Further, Petitioners do not offer ***any*** stipulation, let alone one that quells the efficiency concerns rooted in this exact overlap of both claims and prior art grounds.

In short, the Petition challenges the same patent claims that are asserted in the parallel litigation, and Petitioner relies on the same prior art ground 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: Petitioners are defendants and intervenors in the district court litigation.

Petitioners are defendants and intervenors 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 Petitioners’ 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 three reasons.

First, contrary to Petitioners’ assertion, the merits of this Petition are weak as the Petition does not present any cognizable theory under which the prior art discloses “determining a UE environment information” as each of claims 11-15 require. *See supra* § IV. Thus, the Petition fails to present a “compelling unpatentability challenge” (*see* Discretionary Denial Memo at 2-5) and fails to establish a reasonable likelihood of success.

Second, there is evidence that the Petitioners unduly delayed in filing the

Petition, doing so less than four months before the statutory deadline, and the Petitioners offer no explanation for the delay. *See supra* § V.C.

Third, “Petitioners acknowledge that Jarvinen was cited in an IDS” during prosecution of the ’868 patent. Pet. at 68. Indeed, not only was Petitioners’ lead reference Jarvinen cited during prosecution, but the Examiner also acknowledged that he considered it. Ex. 1002 at 176. Thus, one of the two references that Petitioners rely on in this proceeding (and the *only* reference relied on for the dependent limitation of claim 11) was already submitted and considered during original prosecution.

* * *

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

VI. CONCLUSION

Patent Owner respectfully requests that the Board deny institution for either or both of two independent reasons. First, the Petition’s challenge to claims 11-15 of the ’868 patent fails on the merits. Second, the Board should exercise its discretion under Section 314(a) to deny institution because of the status of the co-pending lawsuits in light of Petitioners’ delay in filing the Petition.

Date: February 13, 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

Amy E. Hayden, Reg. No. 64,817

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

CERTIFICATION REGARDING WORD COUNT

Pursuant to 37 C.F.R. §42.24(d), Patent Owner certifies that there are 4,129 words in the paper excluding the portions exempted under 37 C.F.R. §42.24(a)(1).

Date: February 13, 2025

/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

Amy E. Hayden, Reg. No. 64,817

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 February 13, 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:

Jacob K. Baron (Reg. No. 48,961)
Jacob W.S. Schneider (*pro hac vice* forthcoming)
HOLLAND & KNIGHT LLP
10 St. James Ave., 11th Floor
Boston, MA 02116
Jacob.Baron@hklaw.com
Jacob.Schneider@hklaw.com
ClientTeamHeadwaterLitigation@hklaw.com

Date: February 13, 2025

/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
Amy E. Hayden, Reg. No. 64,817
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