

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SAMSUNG ELECTRONICS CO., Ltd. and
SAMSUNG ELECTRONICS AMERICA, INC.,
Petitioner

v.

HEADWATER RESEARCH LLC,
Patent Owner

Case IPR2025-00481
Patent 11,096,055

**PETITIONER'S OPPOSITION TO PATENT OWNER'S REQUEST FOR
DISCRETIONARY DENIAL OF INSTITUTION**

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EXHIBITS

SAMSUNG-1001	U.S. Patent No. 11,096,055 to Raleigh (“the ’055 Patent”)
SAMSUNG-1002	Excerpts from the Prosecution History of the ’055 Patent (“the Prosecution History”)
SAMSUNG-1003	Declaration and Curriculum Vitae of Dr. Patrick Traynor
SAMSUNG-1004	Complaint for Patent Infringement in <i>Headwater Research LLC v. Samsung Electronics Co., Ltd. et al.</i> , 2-24-cv-00228 (EDTX), Apr. 03, 2024)
SAMSUNG-1005	U.S. Patent Publication No. 2009/0239584 (“Jheng”)
SAMSUNG-1006	PCT Patent Publication No. WO2004/031488 (“Chiu”)
SAMSUNG-1007	U.S. Patent Publication No. 2006/0039354 (“Rao”)
SAMSUNG-1008	U.S. Patent Publication No. 2006/0206941 (“Collins”)
SAMSUNG-1009	U.S. Patent Publication No. 2009/0149220 (“Camilleri”)
SAMSUNG-1010	U.S. Patent Publication No. 2004/0196796 (“Bajko”)
SAMSUNG-1011	U.S. Patent Publication No. 2005/0107066 (“Erskine”)
SAMSUNG-1012	U.S. Patent Publication No. 2005/0164737 (“Brown”)
SAMSUNG-1013	European Patent Publication No. 1 484 871 A1 (“Kelz”)
SAMSUNG-1014	3rd Generation Partnership Project; Technical Specification Group Terminals; Characteristics of the USIM application (Release 7) (“3GPP TS 31.102”)
SAMSUNG-1015	Digital cellular telecommunications system (Phase 2+); Specification of the Subscriber Identity Module-Mobile Equipment (SIM - ME) interface (“GSM 11.11”)
SAMSUNG-1016	U.S. Patent Publication No. 2008/0080458 (“Cole”)

SAMSUNG-1017	U.S. Patent Publication No. 2007/0184858 (“Land-schaft”)
SAMSUNG-1018	3GPP2 S.R0048-A Version 4.0, 3G Mobile Equipment Identifier (MEID) Stage 1 (“3GPP2 S.R0048-A”).
SAMSUNG-1019	IEEE Standard for Local and Metropolitan Area Networks: Overview and Architecture (“IEEE 802-2001”)
SAMSUNG-1020	<i>Security Engineering</i> , Second Edition (“Anderson”)
SAMSUNG-1021	<i>Developing a new Protection Profile for (U)SIM UICC platforms</i> , (“Wary”)
SAMSUNG-1022	<i>Mobile Virtual Network Operators</i> , Teletronikk Volume 97 No. 4 – 2001 (“Thanh”)
SAMSUNG-1023	<i>The Symbian OS Architecture Sourcebook</i> (“Morris”)
SAMSUNG-1024	U.S. Patent Publication No. 2010/0273450 A1 (“Papineau”)
SAMSUNG-1025	Memorandum, Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings, June 21, 2022, available at https://www.uspto.gov/sites/default/files/documents/interim_proc_discretionary_denials_aia_parallel_district_court_litigation_memo_20220621_.pdf
SAMSUNG-1026	Samsung Stipulation Letter
SAMSUNG-1027	Docket Control Order, CASE NO. 2:24-CV-00228-JRG-RSP
SAMSUNG-1028	U.S. Patent No. 7,929,993 B2 (“Nagarajan”)
SAMSUNG-1029	<i>Learning XML</i> , Erik. T Ray (“Ray”), published January 2001
SAMSUNG-1030	U.S. Patent Publication No. 2008/0020755 (“Liu”)
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SAMSUNG-1150	Docket Control Order, CASE NO. 2:22-cv-00422-JRG-RSP
SAMSUNG-1151	Court Order, December 23, 2024, CASE NO. 2:22-cv-00422-JRG-RSP
SAMSUNG-1152	Docket Control Order, CASE NO. 2:23-CV-00103-JRG-RSP
SAMSUNG-1153	Court Order, February 5, 2025, CASE NO. 2:23-CV-00103-JRG-RSP
SAMSUNG-1154	(Excerpts) “Taylor – Samsung Semiconductor USA,” downloaded from https://semiconductor.samsung.com/us/sas/company/taylor/ on May 24, 2025
SAMSUNG-1155	“Samsung Electronics Unveils a US\$200bn Investment Plan in the U.S.,” downloaded from https://www.businesskorea.co.kr/news/articleView.html?idxno=97177 on May 24, 2025
SAMSUNG-1156	“Samsung Electronics to receive up to \$6.4 billion in direct funding under the CHIPS and Science Act, downloaded from https://semiconductor.samsung.com/us/sas/local-news/samsung-electronics-to-receive-up-to-6-4-billion-in-direct-funding-under-the-chips-and-science-act/ on May 24, 2025
SAMSUNG-1157	“President Trump Says Samsung Is Planning a _Massive Investment_ In The US, Calls It an Aftermath Of His Tariff Policy,” downloaded from https://wccftech.com/president-trump-says-samsung-is-planning-a-massive-investment-in-the-us/ on May 24, 2025

SAMSUNG-1158	(Excerpts) Docket Navigator Report, downloaded on May 22, 2025 ¹
SAMSUNG-1159	H.R. Rep. 112-98, pt. 1, available at https://www.congress.gov/congressional-report/112th-congress/house-report/98/1 (last accessed on May 27, 2025)
SAMSUNG-1160	Interim Process for PTAB Workload Management
SAMSUNG-1161	FAQs for Interim Processes for PTAB Workload Management
SAMSUNG-1162	U.S. District Court for the Eastern District of Texas Calendar Events Set for 2/3/2026-2/9/2026 for Judge Rodney Gilstrap
SAMSUNG-1163	LegalMetric Individual Judge Report for Judge James Rodney Gilstrap Patent Cases December 2011 to January 2025
SAMSUNG-1164	Order Granting Stay in <i>Maxeon Solar PTE. LTD. V. Hanwha Solutions Corp. et al.</i> , case no. 2:24-CV-00262-JRG (EDTX)
SAMSUNG-1165	Order Granting Stay in <i>Cellspin Soft, Inc., V. Bytedance Ltd., et al.</i> , case no. 2:23-CV-00496-JRG-RSP (EDTX)
SAMSUNG-1166	First Amended Docket Control Order, CASE NO. 2:24-CV-00228-JRG-RSP
SAMSUNG-1167	Motion Success for Stay Pending IPR (Post-Institution) (EDTX), accessed July 16, 2025

¹ Litigation Activity Report generated using Docket Navigator, with “Parties” exactly matching “Headwater Partners I LLC,” “Headwater Partners II LLC,” or “Headwater Research LLC.”

SAMSUNG-1168	Second Amended Complaint for Patent Infringement in <i>Headwater Research LLC v. Samsung Electronics Co., Ltd. et al.</i> , 2-22-cv-00422 (EDTX) (March 13, 2023)
SAMSUNG-1169	Docket Navigator Report of Headwater District Court Litigations, generated July 13, 2025
SAMSUNG-1170	Email from Headwater Litigation Counsel Concerning Proposed Extensions to Deadlines in the Co-Pending Litigation (July 9, 2025)
SAMSUNG-1171	RESERVED
SAMSUNG-1172	Complaint for Patent Infringement in <i>Headwater Research LLC v. Samsung Electronics Co., Ltd. et al.</i> , 2-23-cv-00103 (EDTX) (March 10, 2023)
SAMSUNG-1173	Complaint for Patent Infringement in <i>Headwater Research LLC v. Samsung Electronics Co., Ltd. et al.</i> , 2-23-cv-00641 (EDTX) (December 29, 2023)
SAMSUNG-1174	Federal Court Management Statistics-Profiles, U.S. District Courts—Combined Civil and Criminal (March 2025), accessed from https://www.uscourts.gov/sites/default/files/document/fcms_na_distprofile0331.2025.pdf
SAMSUNG-1175	RESERVED
SAMSUNG-1176	Benefon Twin User Manual

I. INTRODUCTION

The PTAB is best suited to consider the patentability of '055 Patent. Much like the multi-patent litigation at issue in *Tesla, Inc. v. Intellectual Ventures II LLC*, the '055 Patent at issue here is part of “complex and diverse” multi-patent litigation spanning multiple patent families and numerous diverse technologies. IPR2025-00217, Paper 9 at 2-3 (Jun. 13, 2025). As explained in more detail in §II below, Headwater is a patent assertion entity that has sequentially filed **five** lawsuits against Samsung over the last 2.5 years asserting **21** patents directed to a broad range of complex wireless and computing technologies. The '055 Patent is among those 21 asserted patents. SAMSUNG-1158, 2-4.² Samsung, by contrast, is a technology leader that has invested billions of dollars in new and ongoing economic activity in the United States—i.e., activity that Headwater seeks to disrupt through its aggressive litigation campaign. §II.B.6; SAMSUNG-1155, -1156, -1157.

Numerous factors weigh in favor of an adjudication on the merits. Not only is the PTAB well-equipped to address the complex and diverse technologies at issue in the parties' dispute, but the PTAB has already proven to be essential in helping

² This case and patent count does not include *Headwater Research LLC v. Samsung Electronics Co., Ltd. et al.*, 2-22-cv-00467, which was dismissed shortly after filing.

the parties narrow their dispute and conserve resources. *See infra*, §II. For example, after the PTAB instituted IPRs on 6 of 9 patents asserted in Headwater's first litigation, Headwater dropped from that litigation each of the patents that were subject of the instituted IPRs. The parties also later settled the instituted IPRs thereby conserving Board resources, and the first litigation went to trial on only 1 of the 9 originally asserted patents. Similarly, in Headwater's second litigation, the PTAB instituted Samsung's petitions on 2 of the 3 asserted patents. The parties settled one of the instituted IPRs and Headwater dropped the patent corresponding to the settled IPR from the litigation. In Headwater's third lawsuit, the PTAB instituted Samsung's petitions on all 4 asserted patents, but the parties again reached a resolution in which they have already settled one of the instituted IPRs and Headwater dropped the corresponding patent from the litigation. All told, PTAB institution decisions on the merits have already contributed to resolution and settlement of the parties' disputes over more than half a dozen patents. This history demonstrates that the PTAB is working in this complex, multi-patent litigation and institution decisions on the merits are likely to help narrow issues in the co-pending litigation, ultimately conserving resources of the parties, the judiciary, and the Board.

Moreover, Samsung diligently prepared and filed petitions requesting IPR of all claims of the '055 Patent months ahead of the statutory deadline. Samsung specifically sought an efficient resolution at the PTAB of these claims, which received

limited scrutiny during original examination and never should have issued in the first place.

Headwater argues that the District Court in the Eastern District of Texas—where the litigation involving the '055 Patent is pending (“the Texas litigation”)—is best suited to resolve patentability of the claims of the '055 Patent. Headwater’s brief, however, ignores the District Court’s Order, which confirms that the District Court will not address the patentability of a majority of the claims (i.e., at least 8 of the 13 claims of the patent will not be addressed by the District Court). SAMSUNG-1027, 3 (“no more than 5 claims per asserted patent”); EX-2002, 5. Further, the '055 Patent’s claims underwent little or no scrutiny during prosecution, emerging therefrom without a single prior art rejection. *See generally* SAMSUNG-1002. Therefore, interests of efficiency and promoting a strong patent system are best served by maintaining this proceeding at the PTAB so that the patentability of *all* claims of the '055 Patent can be properly addressed. This is particularly important given that Headwater retains the ability to threaten Samsung with suit based on the remaining 8 claims in later district court actions, but Samsung would be statutorily barred under 35 U.S.C. § 315(b) from filing any further IPRs on the '055 Patent.

The merits of the Petition are also strong and well-supported by competent expert testimony and contemporaneous third-party evidence, including dozens of

patents and printed publications that corroborate the obviousness of the claimed subject matter. Tellingly, Headwater identified ***no substantive deficiency*** in the merits of the Petition's prior art challenges at all. This is unsurprising in light of plentiful evidence cited in the Petition that well establishes how the claims are directed to conventional features well-known in the field of art long before the '055 Patent. Not only Samsung, but the public broadly, share an interest in ensuring that all claims of the '055 Patent receive proper scrutiny from the PTAB—particularly as Headwater continues to mount an aggressive litigation campaign against multiple defendants through dozens of lawsuits in the last 2-3 years alone.

Finally, to extinguish any concerns of potential overlap between this IPR and the co-pending Texas litigation, Samsung has submitted a strong stipulation that is far more sweeping than a *Sotera* stipulation and that further estops Samsung (in the event institution is granted) from relying on combinations of the prior art asserted in this proceeding with unpublished system prior art (or any other type of prior art). SAMSUNG-1031; *see Motorola Solutions, Inc. v. Stellar, LLC*, IPR2024-01205, IPR2024-01206, IPR2024-01207 & IPR2024-01208, Paper 19 (PTAB Mar. 28, 2025)).

Thus, under the facts of this case and given the present record, Samsung respectfully requests that the Director decline Headwater's request to discretionarily deny institution of this IPR and refer Samsung's Petition for a determination on the

merits.

II. THE PETITION SHOULD NOT BE DENIED ON DISCRETIONARY GROUNDS

Headwater seeks to shield the '055 Patent from an adjudication on the merits by requesting discretionary denial of this IPR proceeding. Headwater purports that an assessment of the *Fintiv* factors and three additional considerations recited in Director Stewart's Memorandum of March 26, 2025 counsels in favor of discretionary denial.³ SAMSUNG-1160; Discretion Briefing (DB), 24-26. Contrary to Headwater's contentions, and as explained below, a holistic evaluation of the *Fintiv* factors and the additional considerations in the Stewart Memorandum confirm that discretionary denial of the petition is not warranted.

A. The Complexity and Diverse Technology of the Asserted Patents Favors Institution

Headwater's assertion of a "large number and vast scope of [] patents" directed toward "a diverse range of subject matter" in the parallel district court proceeding is the precise situation for which "the Board is better suited to review" issues

³ Headwater does not address any considerations or argue for discretionary denial under *General Plastic* or *Advanced Bionics*. See generally DB. Samsung in turn does not address these considerations in this paper but reserves the right to do so if Headwater later raises these issues.

of validity, just as was the case in *Tesla, Inc. v. Intellectual Ventures II LLC* IPR2025-00217, Paper 9 at 2-3 (Jun. 13, 2025). The '055 Patent challenged in this proceeding is but one of 21 patents that Headwater has asserted against Samsung across five litigations in the last 2.5 years alone. SAMSUNG-1158. Against this barrage of lawsuits, Samsung has asked the Office to apply much-needed scrutiny to Headwater's patents and has filed a total of 26 IPR petitions on the same. While the proceedings inspired by some of these petitions have since terminated, 11 petitions remain pending, of which 5 are already instituted and 6 await decisions on discretion or institution.⁴ Samsung's pending petitions alone seek review of 10 different patents and span a broad range of technologies and claim scope in the general areas of computing devices and wireless networks, including:

- “[A] services policy communication system and method. In some embodiments, a communications device stores a set of device credentials for activating the communications device for a service on a network; and sends

⁴ Samsung's petitions in IPR2025-00426 IPR2024-00341, IPR2024-01337, IPR2024-01396, IPR2024-01407 are currently instituted. Additional petitions in IPR2025-00481, IPR2025-00482, IPR2025-00483, IPR2025-00484, IPR2025-00932, and IPR2025-00963 are pending decisions on discretion or institution.

an access request to the network, the access request including the set of device credentials.” (U.S. Patent No. 11,096,055, Abstract)

- “[I]mplementing a service profile executed at least in part in a secure execution environment of a processor of a communications device for assisting control of the communications device use of a service on a wireless network, in which the service profile includes a plurality of service policy settings, and wherein the service profile is associated with a service plan that provides for access to the service on the wireless network.” (U.S. Patent No. 11,405,429, Abstract)

- “Devices, systems, and non-transitory computer-readable storage media for updating wireless device credentials[.] ...[O]btain an indication of a user request to replace a particular credential with a target credential, detect a network-provisioning state change, determine that the particular credential does not match the target credential, initiate a programming session with a network element over a wireless access network, obtain an updated credential from the network element, and assist in storing the updated credential in memory.” (U.S. Patent No. 9,609,510, Abstract)

- “Enterprise and consumer billing allocation for wireless communication device service usage activities is provided. In some embodiments, enter-

prise and consumer billing allocation for wireless communication device service usage activities includes monitoring a service usage activity of a wireless communication device, and determining an enterprise and consumer billing allocation for the monitored service usage activity.” (U.S. Patent No. 10,080,250, Abstract)

- “A wireless end-user device has a wireless wide-area network (WWAN) modem and multiple execution environments. Applications execute in an application execution partition. A kernel execution partition executes processes for classifying, by application, traffic passing between the WWAN modem and the applications, measuring per-application traffic, and applying per-application traffic policies to the traffic.” (U.S. Patent No. 10,028,144, Abstract)

- “[A] service control device link agent receives an encrypted agent message from the service control server link element over the secure service control link, uses an encryption key to obtain a decrypted agent message comprising a particular agent identifier and message content for delivery to the particular device agent, and, based on the particular agent identifier, delivers the message content to the particular device agent over the agent communication bus.” (U.S. Patent No. 8,406,733, Abstract)

- “[A] communications device implements a service policy for assisting billing for the communications device use of a service on a network; and monitors use of the service based on the service policy, in which a local service usage is synchronized with a network based service usage.” (U.S. Patent No. 8,588,110, Abstract)

- “A wireless end-user device has a wireless modem, a network stack configurable to receive and transmit data via the modem and a wireless network, and two Application Programming Interfaces (APIs) available to device applications. The first API allows applications to open and use data flows via the network stack. The second API allows applications to make data transfer requests for media objects associated with network resource identifiers.” (U.S. Patent No. 9,647,918, Abstract)

- “A wireless end-user device has wireless wide-area network (WWAN) and wireless local-area network (WLAN) modems. One or more processors apply a WWAN-specific differential traffic control policy to Internet data service provided using the WWAN modem.” (U.S. Patent No. 9,179,359, Abstract)

As illustrated by the examples above, even just the subset of Headwater’s asserted patents that are the subject of pending IPRs cover a broad array of complex subject matter including wireless link quality estimation, mobile device credential

provisioning, secure execution and processing environments, enterprise and consumer billing allocation, wireless modem architectures, traffic monitoring and measurement, encryption methodologies, application programming interfaces (APIs), and traffic control policies. Such diverse and complex technology strongly favors institution. *Tesla*, IPR2025-00217, Paper 9 at 2-3. As was the case in *Tesla*, “the Board is better suited to review a large number of patents involving diverse subject matter.” *Id.* Moreover, Samsung’s IPR challenges on 4 other patents in Headwater’s multi-patent litigation have already been instituted and remain pending. *See* IPR2025-00426 IPR2024-00341, IPR2024-01337, IPR2024-01396, IPR2024-01407. Interests of efficiency, justice, and the promotion of a strong patent system favor continued PTAB review of Headwater’s patents, including referring the present Petition for adjudication on the merits.

As noted above, the PTAB has also proven to be essential in helping the parties narrow their dispute and conserve resources. For example, after the PTAB instituted IPRs on 6 of 9 patents asserted in Headwater’s first litigation, Headwater dropped from that litigation each of the patents that were subject of the instituted IPRs. SAMSUNG-1168; IPR2023-1157, -1226, -1250, -1336, -1337, -1360. The parties also later settled the instituted IPRs thereby conserving Board resources and the first litigation went to trial on only 1 of the 9 originally asserted patents. Similarly, in Headwater’s second litigation, the PTAB instituted Samsung’s petitions on

2 of the 3 asserted patents. SAMSUNG-1172; IPR2024-00010, -00341. The parties settled one of the instituted IPRs and Headwater dropped the patent corresponding to the settled IPR from the litigation. In Headwater's third lawsuit, the PTAB instituted Samsung's petitions on all 4 asserted patents, but the parties again reached a resolution in which they have already settled one of the instituted IPRs and Headwater dropped the corresponding patent from the litigation. SAMSUNG-1173; IPR2024-01051, -01337, -01407, -01396. All told, PTAB institution decisions on the merits have already contributed to resolution and settlement of the parties' disputes over more than half a dozen patents. This history demonstrates that the PTAB is working in this complex, multi-patent litigation and institution decisions on the merits are likely to help narrow issues in the co-pending litigation, ultimately conserving resources of the parties, the judiciary, and the Board.

B. Discretionary Denial is Not Warranted Under *Fintiv*

Headwater urges discretionary denial based on incomplete facts about the co-pending District Court litigation and a misguided application of the *Fintiv* factors. As explained below, a majority of the *Fintiv* factors weigh strongly against discretionary denial. *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 at 5-6 (PTAB Mar. 20, 2020) (precedential) ("*Fintiv I*").

1. Factor 1: No Stay Has Been Requested

Fintiv Factor 1 looks to "whether the court granted a stay or evidence exists

that one may be granted if a proceeding is instituted.” This factor is neutral given that no litigation stay has been requested and no evidence clearly establishes how the district court would resolve such a request even if a stay were requested upon institution.

As a starting point, neither party has requested a stay of the litigation. Headwater does not dispute this. DB, 7-12. Still, attempting to tilt this factor in its favor, Headwater starts by citing cases from the Eastern District of Texas where a motion to stay is filed in the co-pending litigation **prior to institution in the IPR** and the motion was denied. However, the critical inquiry under this factor is whether “evidence exists” that a stay will be “granted **if a proceeding is instituted.**” Indeed, none of Headwater’s cited cases categorically rule out stay motions being granted upon IPR institution in the Eastern District of Texas. *Luminati Networks Ltd. v. Teso LT, UAB*, No. 2:19-CV-00395-JRG, 2020 WL 6803255, at *1 (E.D. Tex. Oct. 30, 2020); *Trover Grp., Inc. v. Dedicated Micros USA*, No. 2:13-CV1047-WCB, 2015 WL 1069179, at *6 (E.D. Tex. Mar. 11, 2015) (Bryson, J.); *Viavi Sols. Inc. v. Zhejiang Crystal-Optech Co.*, No. 2:21-CV-00378-JRG, 2022 WL 16856099, at *5 (E.D. Tex. Nov. 10, 2022).

Headwater cites no case that precludes the possibility of a stay being granted in the Eastern District of Texas **after institution**. On the contrary, Headwater

acknowledges, as it must, that EDTX does not automatically deny stays ***after institution***, although Headwater still paints a misleading picture that the outcome of any stay requested after institution here would almost certainly be denied. Indeed, Headwater omits the fact that Judge Gilstrap and Magistrate Judge Payne have granted post-institution motions for stay where the defendant/petitioner has made a strong stipulation to be bound by IPR estoppel—exactly as Samsung has done here with a stipulation (SAMSUNG-1031) that is far broader than even the IPR estoppel provisions. *See e.g.*, SAMSUNG-1164; SAMSUNG-1165. Magistrate Judge Payne has found that stays in patent cases do not unduly prejudice Plaintiffs that do not produce a product (e.g., litigation entities like Headwater) as a “mere delay in collecting ... damages does not constitute undue prejudice.” SAMSUNG-1165 (*citing Uniloc USA, Inc. v. Acronis, Inc.*, No. 615-cv-1001-RWS-KNM, 2017 WL 2899690, at *2 (E.D. Tex. Feb. 9, 2017)). Headwater’s own data likewise shows an ***increase*** in the number of stays granted in the district over the last three years with at least twenty percent of cases stayed last year alone.⁵ DB, 9; EX-2001.

⁵ The Docket Navigator statistics presented in Headwater’s EX-2001 are also misleading insofar as they do not distinguish between stays requested before and after IPR institution, or even provide any indication that these stays were with respect to a co-pending IPR. Among decisions made in EDTX last year on motions to stay

Despite its denials, Headwater’s brief also wades into impermissible speculation on how “likely” it is for the District Court to grant a stay of the co-pending litigation. DB, 7-12. Motions to stay invoke fact- and case-specific considerations, and it would be highly prejudicial to Samsung for adverse inferences to be drawn from rulings on stay motions in different and unrelated cases. Indeed, for these reasons, the Board has repeatedly refused to “attempt to predict” how a District Court will rule on such stay motions. *See, e.g., Hulu, LLC v. SITO Mobile R&D IP, LLC*, IPR2021-00298, Paper 11 at 10-11 (May 19, 2021) (because “neither party has produced evidence that a stay has been requested[,]” “[w]e decline to infer, based on actions taken in a different case with different facts, how the District Court would rule should a stay be requested by the parties in the parallel case here.”) (partially quoting *Fintiv*); *Sand Revolution II, LLC v. Continental Intermodal Group-Trucking LLC*, IPR2019-01393, Paper 24 at 7 (June 16, 2020) (informative).

2. *Factor 2: The Court’s Trial Date is Speculative and the Trial will Not Address Patentability of a Majority of Claims Challenged in Samsung’s Diligently Filed Petition*

Fintiv Factor 2 looks to “proximity of the court’s trial date to the Board’s

that were brought ***after institution***, an even higher 28 percentage of these motions were granted (i.e., 7 of 25 cases). EX-1167. To date in 2025, EDTX has granted 37 percent of post-institution motions to stay (i.e., 6 of 16 cases). *Id.*

projected statutory deadline for a final written decision” as part of a holistic evaluation of fairness and efficiency, which includes considering which forum will assess the patentability of the challenged claims. *Fintiv I*, at 5-6; *see also Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 15 at 7-17 (PTAB May 13, 2020) (informative) (“*Fintiv II*”) (explaining that, in evaluating the *Fintiv* factors, the Board “takes a holistic view of whether efficiency and integrity of the system are best served by denying or instituting review”); *Illumina, Inc. v. Natera, Inc.*, IPR2019-01201, Paper 19 at 6 (PTAB Dec. 18, 2019) (“We have considered the positions of the parties and find that, on this record, considerations of efficiency, fairness, and the merits of the grounds in the Petition do not weigh in favor of denying the Petition.”). This factor weighs against discretionary denial or at worst, is neutral.

As a starting point, trial dates routinely change, as Headwater concedes. DB, 13. Further, such trial date changes are common in the Eastern District of Texas. Indeed, in two prior Headwater suits filed against Samsung, the actual trial occurred 3-5 months after the originally-scheduled trial date. SAMSUNG-1150; SAMSUNG-1151; SAMSUNG-1152; SAMSUNG-1153. The Office has likewise recognized that “scheduled trial dates are unreliable and often change.” SAMSUNG-1025, 8. Thus, while the District Court trial is currently scheduled (February 9, 2026) to occur before the Board’s expected deadline (August 26, 2026) to issue a Final Written Decision, that time difference is likely to be reduced significantly if

history is a guide. Moreover, the median time-to-trial for civil cases in EDTX has increased to 25.9 months according to current statistics, which would project trial to begin in June 2026—months after the currently scheduled date. SAMSUNG-1174, 35.

To be sure, the prospect of the currently scheduled trial date being delayed is significant given that Judge Gilstrap currently has **fifteen** trials simultaneously scheduled to start jury selection on February 9, 2026, all of which Headwater ignores. SAMSUNG-1162, 2-8; SAMSUNG-1165. Twelve of the fifteen cases involve complex patent disputes. *Id.* By advocating for discretionary denial based on the scheduled jury selection date, Headwater assumes without basis that Judge Gilstrap will prioritize the Headwater’s litigation over the **fourteen other** cases scheduled to begin jury selection on the same day. Even if no one of the fifteen cases were favored over the others, the likelihood that Headwater’s litigation would be the one selected to start jury selection on February 9, 2026 is small—less than 7% (i.e., 1/15).

Headwater also fails to acknowledge the significant amount of time required to reach a final judgment ripe for any appeal—after the resolution of post-trial motions. A recent analysis of cases before Judge Gilstrap shows that post-trial motions are not resolved on average for **6.9 months** after a jury trial. SAMSUNG-1163, 2. Even if jury selection for trial in the Headwater litigation did begin on February 9, 2026, the “final resolution” (if it occurs at all) would likely not occur until sometime

after September 2026. In the more likely event that trial in EDTX is delayed such that jury selection does not begin until well after February 9, 2026, ***the final resolution of the EDTX proceeding likely will not occur until after the Board's Final Written Decision*** that is expected to issue by August 26, 2026.

Contrary to Headwater's assertion, Samsung was diligent in filing its petition challenging all thirteen claims of this patent about two months before the statutory one-year deadline—despite the fact that Samsung is simultaneously managing multiple district court cases and ten other IPRs concerning various patents asserted by Headwater. IPR2025-00963, -00962, -00484, -00483, -00482, -00426; IPR2024-01396, -01407, -01337, -00341.

Headwater also argues, incorrectly, that the earlier district trial date (even assuming *arguendo* that date does not change) means “the question of patentability of [*sic*] will already be resolved by the District Court” prior to the Final Written Decision. DB, 14. Not true. The District Court will never resolve the patentability of a majority of the claims of the '055 patent. Indeed, as Headwater is aware, the District Court has limited Headwater to only assert ***five*** claims. In other words, while Headwater initially asserted all claims against Samsung, the District Court's trial will at most only address the validity of the selected (e.g., five or fewer) claims.

July 15, 2025	N/A	Secondary Election of Asserted Claims Plaintiff shall serve a Secondary Election of Asserted Claims, identifying no more than 5 claims per asserted patent.
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EX-2002, 5. Further, the above-referenced order also does not foreclose Headwater from asserting the other claims in a future litigation against Samsung (at which time, Samsung will no longer have the ability to file an IPR). Thus, efficiency dictates a resolution of the patentability as to all claims, which is possible at the PTAB through consideration of Samsung’s petition.

In summary, *Fintiv* factor 2 weighs against discretionary denial because the District Court’s trial date is speculative and because the District Court will not address the patentability of a majority of the ’055 Patent’s claims, which Samsung challenged in the petition that it diligently filed months ahead of the one-year statutory deadline.

3. *Factor 3: Limited Resources Would Have Been Expended by the Time of the Decision on Institution*

Fintiv factor 3—which considers 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”—also favors institution.

As of the Petition’s filing, the parties had only exchanged infringement and invalidity contentions. *See* SAMSUNG-1027; EX-2002. As of the filing of this

paper, the case has not advanced much since the filing of the petition, e.g., no depositions have been scheduled or have occurred. Moreover, Headwater's assertions of the "significant resources" that would be invested in the District Court as of the Decision on Institution are misleading. DB, 14-17. For example, while claim construction briefing will have completed and the claim construction hearing will have occurred before the decision on institution (expected around mid-to-late August)⁶, expert discovery and dispositive motion briefing will not yet have concluded.

⁶ As noted above, the Petition was filed on February 26, 2025, although the Board's Notice According a Filing Date (NAFD) to the Petition was not received for **close to two months** (April 16, 2025). See Paper 3. This is markedly longer than the average time between Petition filing and issuance of the NAFD, although the parties have no control over when the NAFD issues. Had the NAFD issued earlier, the institution decision would be expected around the same time as the claim construction hearing in the EDTX proceeding, before most depositions would have occurred during fact discovery, and before any expert reports would have been due in the litigation. The Court's Order does not specify when the claim construction order will be issued. SAMSUNG-1166; EX-2002. Samsung should not be held accountable for additional investment in the litigation resulting from the unusually long pendency of this Petition before the NAFD issued.

SAMSUNG-1027, 3; EX-2002, 3. Moreover, Headwater has recently requested an extension of deadlines in the litigation, thus leaving the actual dates that these deadlines will fall uncertain at best and likely to be delayed further. SAMSUNG-1170.

By the time a Decision on Institution is entered in this proceeding, far more investment will remain in the litigation. This further counsels against discretionary denial, or at worst, renders Factor 3 neutral.

4. *Factor 4: No Overlap Between This IPR and the District Court Proceeding*

Fintiv factor 4—which considers overlap between issues raised in the petition and in the parallel proceeding—strongly favors institution. As described above, the grounds raised in the Petition cover claims that will not be adjudicated in the co-pending litigation, and Samsung’s broad stipulation—even more sweeping than *Sotera*—further eliminates any potential overlap between the proceedings relating to the minority subset of the claims that Headwater may assert at trial.

In more detail, Headwater’s contention that complete overlap exists between the claims asserted in District Court and the claims challenged in Samsung’s petitions is false. DB, 17. As explained above, the District Court will limit Headwater to assert **five** claims (notwithstanding Headwater’s initial assertion of all claims of the patent). SAMSUNG-1027, 3; EX-2002, 5 (“no more than 5 claims”).

Thus, the extent of any perceived overlap is limited to at most five of the 13

claims in the '055 patent—and not all claims, as Headwater suggests. In other words, at least eight of the patent's claims will go unaddressed in the District Court, particularly as the case advances through discovery and to trial. Therefore, Headwater's statement—"if the Board were to grant institution in this proceeding, it would be considering the **same claims** of the '055 patent whose validity would have been previously tried before the District Court"—is untrue insofar as it fails to acknowledge that ***the majority of the claims challenged in Samsung's IPR of the '055 Patent ultimately will not be adjudicated in District Court.*** DB, 22 (emphasis added).

Additionally, to eliminate any possible perception of overlap between the PTAB and District Court, Samsung filed an updated stipulation (SAMSUNG-1031) stating that if the PTAB institutes review in this proceeding, Samsung will not pursue in District Court litigation:

- the specific grounds asserted in *inter partes* review in this proceeding, or any other ground that could have been reasonably raised in this proceeding (i.e., any ground that could have been raised under §§102 or 103 on the basis of prior art patents or printed publications) (*Sotera Wireless, Inc. v. Masimo Corporation*, IPR2020-01019, Paper 12 (PTAB Dec. 1, 2020)); and

- combinations of the prior art asserted in this proceeding with unpublished system prior art (or any other type of prior art) (*Motorola Solutions, Inc. v. Stellar, LLC*, IPR2024-01205, IPR2024-01206, IPR2024-01207 & IPR2024-01208, Paper 19 (PTAB Mar. 28, 2025)).

Headwater's attempt to dismiss Samsung's stipulation as a mere "*Sotera*-type" stipulation that "is no longer sufficient to determine that *Fintiv* Factor 4 weighs in favor of institution" misrepresents the scope of Samsung's stipulation. DB, 21. Samsung's stipulation here is far **more sweeping** than a traditional *Sotera* stipulation and goes further to allay the concerns raised in the Director's *Motorola* decision (see *id.*) by additionally precluding Samsung's reliance (upon institution) on combinations of art asserted in the proceeding with unpublished system art or any other type of prior art for that matter.⁷

To be clear, Samsung's stipulation here is likewise more robust than the *Sotera* stipulation addressed in *Motorola*. Samsung's stipulation guarantees that, if

⁷ Headwater also argues that Samsung's stipulation permits a subsequent *ex parte* reexamination on grounds that could have been raised in the Petition. DB, 12-13. This argument is speculative and also incorrect because, if an IPR is instituted here and proceeds to a Final Written Decision, Samsung would be estopped from using the grounds used in the Petition in a subsequently-filed *ex parte* reexamination.

instituted, none of the prior art asserted in the Petition will be used in the District Court proceeding—even in combination with unpublished system art. For example, Samsung’s Petition relies on Jheng (SAMSUNG-1005) as the primary prior art reference to address a majority of limitations in independent claim 1 of the ’055 Patent. If the Petition is instituted, Samsung has agreed through its stipulation to forego reliance on Jheng in the EDTX litigation altogether, whether on its own, in combination with other patents or printed publications that could have been reasonably raised in IPR, or even in combination with unpublished system art that could not have been raised in IPR in the first instance. Samsung’s stipulation thus addresses the specific concern expressed in *Motorola* that “Petitioner’s invalidity arguments in the district court ... include combinations of the prior art asserted in these proceedings with unpublished system art.” *Motorola*, 4.

Finally, Headwater’s argument that the Director should exercise discretion to deny institution because “Petitioner’s stipulation still permits subsequent *ex parte* reexamination petitions on grounds that could have been raised in the Petition” has no merit. DB, 21-22. As an initial matter, Factor 4 concerns overlap between the IPR and ***a parallel proceeding***, but no parallel *ex parte* reexamination even exists in this case. This is because Samsung has never filed a request for *ex parte* reexamination on the ’055 Patent. Headwater’s objection is thus speculative at best. Head-

water's concerns are also drastically overlapped because if IPR is instituted and proceeds to a Final Written Decision, Samsung would be estopped from using the Petition grounds, or any other grounds that could have been reasonably raised in an IPR, in an *ex parte* reexamination. 35 U.S.C. § 315(e)(1). Moreover, the Office already enforces various other policies to protect patent owners against abusive reexamination filings. For example, if another proceeding is filed at the Office during pendency of an IPR, the Director (or the Board by delegation) "determine[s] the manner in which the [IPR] or other proceeding or matter may proceed, including providing for stay, transfer, consolidation, or termination of any such matter or proceeding." 35 U.S.C. § 315(d). The Office has also dismissed *ex parte* reexamination requests that were deemed abusive or that were otherwise based on substantially the same prior art or arguments previously presented to the Office under § 325(d). See 35 U.S.C. § 325(d); *In re Vivint, Inc.*, 14 F.4th 1342 (Fed. Cir. 2021).

In sum, there will be virtually no overlap between this proceeding and the parallel District Court litigation if IPR is instituted. The District Court will not address the majority of the claims challenged in Samsung's petition, Samsung's petition is based on prior art that can never be used in District Court (even in combination with other art), and Samsung's stipulation is even more expansive than *Sotera* thus ensuring that the Office's goals of "efficiency and integrity" will be achieved by "not duplicating efforts" and "resolving materially different patentability issues."

Apple, Inc. v. SEVEN Networks, LLC, IPR2020-00156, Paper 10, 19 (June 15, 2020); *Sand Revolution II, LLC v. Continental Intermodal Group-Trucking LLC*, IPR2019-01393, Paper 24, 12 (June 16, 2020); *Google LLC v. Flypsi, Inc.*, IPR2023-00360, Paper 9, 36-39 (August 2, 2023). Therefore, *Fintiv* factor 4 strongly favors institution.

5. *Factor 5: The Same Parties are in the Co-Pending Litigation*

Fintiv Factor 5—The parties are in this IPR are also parties in the co-pending Texas litigation.

6. *Factor 6: Headwater’s Identified “Other Circumstances” Lack Merit and Do Not Weigh in Favor of Discretionary Denial*

As explained below, Headwater’s arguments regarding “other circumstances that impact the Board’s exercise of discretion” lack merit and also do not counsel in favor of discretionary denial.

First, Headwater asserts that “Petitioner waited nearly an entire year to file its Petition, all but ensuring that the validity of the ’055 patent claims would be decided in the District Court litigation months prior to any Final Written Decision in these proceedings.” DB, 23. This assertion fails for at least two reasons: (i) the Petition was filed nearly two months ahead of the one-year statutory deadline, not “nearly an entire year,” as Headwater contends, and (ii) as described above, the District Court will not consider the patentability of a majority of the ’055 Patent’s claims.

Second, Headwater makes a baseless assertion that “the Petition fails to present any compelling merits of unpatentability.” DB, 23. Tellingly, however, Headwater was unable to identify, let alone allege, even a single deficiency in the Petition’s analysis of the prior art grounds or their relevance to the ’055 Patent claims. Headwater’s argument is entirely superficial and based on: (i) a meaningless observation that the Petition does not present any anticipation grounds; and (ii) the Petition purportedly fails to render the claims obvious “for reasons that Patent Owner will highlight in its POPR merit-based briefing.” See DB, 23-24. Neither reason supports discretionary denial.

Headwater’s first assertion ignores that obviousness has long been recognized as a basis for unpatentability and was expressly identified by Congress as a statutory basis for IPRs. *Graham v. John Deere Co. of Kan. City*, 383 U.S. 1, 3-4 (1966) (obviousness “was intended to codify judicial precedents embracing the principle long ago announced by this Court in *Hotchkiss v. Greenwood*, 52 U.S. 248 (1850)”); 35 U.S.C. §311(b). The Board has consistently instituted IPRs on obviousness grounds, and Headwater has failed to identify a single instance in which the Board found that reliance on obviousness alone undermined the merits of a petition. Headwater also cannot seriously urge discretionary denial based on merits considerations when Headwater either could not or would not identify any substantive deficiency in the Petition at all.

Third, Headwater also asserts that “‘additional conditions’ weigh in favor of discretionary denial, including the Petition’s over-reliance on expert testimony to gap-fill holes in the prior art, as well as the length of time the challenged claims have been in effect.” DB, 24. This argument lacks merit. The cited expert testimony is not used to “gap-fill holes in the prior art,” and tellingly, Headwater did not identify a single example of such alleged gap filling. *See generally* DB.

Headwater also makes much of the fact that the exhibit containing Dr. Traynor’s expert declaration is 111 pages in length. But Headwater fails to acknowledge that this page count includes at least 14 pages of preliminary testimony (e.g., an introduction, an overview of Dr. Traynor’s background/qualifications, list of materials considered, and applied legal standards). Petitioner addresses the expert declaration in further detail below in Section II.C.

In summary, a holistic evaluation of the *Fintiv* factors strongly counsel against discretionary denial at least because this PTAB proceeding will allow a just and efficient resolution of the patentability of **all** claims of the ’055 patent (unlike the District Court litigation), while significantly ameliorating overlapping or duplicative functions being performed in the co-pending litigation.

C. Additional Considerations in the Stewart Memorandum Also Counsel Against Discretionary Denial

The Stewart Memorandum dated March 26, 2025, titled “Interim Process for PTAB Workload Management,” identified additional considerations that may be

evaluated when addressing discretionary issues. SAMSUNG-1042. These considerations include:

1. Whether the PTAB or another forum has already adjudicated the validity or patentability of the challenged patent claims;
2. Whether there have been changes in the law or new judicial precedent issued since issuance of the claims that may affect patentability;
3. The strength of the unpatentability challenge;
4. The extent of the petition's reliance on expert testimony;
5. Settled expectations of the parties, such as the length of time the claims have been in force;
6. Compelling economic, public health, or national security interests; and
7. Any other considerations bearing on the Director's discretion.

Headwater's briefing only addresses considerations numbered 2–4 above. DB, 25-26. As explained below, a proper consideration of these considerations confirms that discretionary denial is not warranted and that is only further amplified when considering the other considerations recited in the Stewart Memorandum that Headwater omitted from its analysis.

1. *Whether the PTAB or another forum has already adjudicated the validity or patentability of the challenged patent claims*

No other forum has already adjudicated the validity of the challenged claims.

And, as explained in §II.A *supra*, the District Court will not address the validity of

a majority of the '055 Patent's claims and will not consider overlapping prior art if institution is granted, leaving the PTAB as the only forum to resolve these issues.

2. *Whether there have been changes in the law or new judicial precedent issued since issuance of the claims that may affect patentability*

As explained in the Petition and as further confirmed by this brief, the strong merits of the Petition demonstrate that the '055 Patent's claims are unpatentable in view of the advanced grounds of invalidity—which were not previously before the Patent Office. There has been no change in law or judicial precedent, particularly as it relates to obviousness under Section 103, that would alter a determination of unpatentability of these claims. Headwater identifies nothing to the contrary.

3. *The strength of the unpatentability challenge*

The Petition's unpatentability grounds are based on invalidity grounds that have never been presented or considered by the Office and are particularly strong on the merits. Indeed, Headwater's request fails to identify any specific weaknesses in the petition's mappings, and instead broadly asserts that the petition includes "unreliable expert testimony" used to "gap-fill holes in the prior art." DB, 25-26. Despite having 14,000 words at their disposal, Headwater fails to identify any specific instances of these alleged "holes" in the petition's invalidity grounds. *Id.* Headwater also fails to provide any specific examples of where Dr. Traynor's conclusions are incorrect or unsupported. *Id.* The failure to produce even one

specific example to corroborate the allegation of conclusory expert testimony only confirms the veracity of Dr. Traynor’s testimony and the petition’s strength. *Id.*

4. *The extent of the petition’s reliance on expert testimony*

The Petition is supported by the expert declaration of Dr. Patrick Traynor. *See generally* SAMSUNG-1003. As explained below, Dr. Traynor’s declaration includes testimony, which is not only guided by years of education and experience, but is further corroborated by ample documentary evidence that confirms and amplifies the positions and unpatentability arguments advanced in the Petition.

Headwater notes the expert declaration is 111 pages. DB, 26.⁸ As the PTAB further clarified in its “FAQs for Interim Processes for PTAB Workload Management,” “[i]t is most helpful if an expert is providing focused testimony, for example to provide helpful context or to explain terms of art.” SAMSUNG-1161, 6. Consistent with this guidance, Dr. Traynor’s expert declaration provides such context and explanations. For example, Dr. Traynor provides testimony—that is heavily corroborated by documentary evidence—demonstrating obviousness of the presented combinations, including providing motivations for why and how a POSITA would have combined the teachings of the references, and detailing the reasonable

⁸ In its page count, Headwater misleadingly includes Dr. Traynor’s experiences, POSITA definition, and understanding of legal standards.

expectation of success underpinning such combinations. SAMSUNG-1003, ¶¶38-57, 117-124, 130-136, 139-142, 146-152, 155-161. Dr. Traynor’s robust testimony is confirmed and corroborated by over 20 different references. *See generally* SAMSUNG-1003, ¶15.

In summary, the Petition advances strong and meritorious grounds that are supported by Dr. Traynor’s testimony, which provides detailed context and explanations for the presented grounds and which are supported by numerous corroborating references—which Headwater does not contest or take issue with.

5. *Settled expectations of the parties, such as the length of time the claims have been in force*

Samsung’s settled expectations far outweigh Headwater’s in this case. The ’055 Patent issued approximately five years ago but Headwater submitted no evidence that the claimed technology was ever previously “commercialized, asserted, marked, licensed, or otherwise applied in a petitioner’s particular technology space.” *Intel Corp. v. Proxense LLC*, IPR2025-00327, Paper 12, pp. 2-3. This is unsurprising as Headwater is a patent assertion entity that does not produce any real products. Indeed, the ’055 Patent is but one of twenty-one different patents that Headwater has asserted against Samsung across multiple litigations in recent years. This fact alone counsels against discretionary denial.

Moreover, Headwater has only recently become litigious. Its first patent lawsuit was not brought until October 2022—after the ’055 Patent issued in 2021. *See*

SAMSUNG-1168. It has since filed some 39 district court complaints against defendants across the industry including not just Samsung but also Verizon Wireless, T-Mobile, AT&T, Amazon, Google, Sprint, and Motorola. SAMSUNG-1169. The parallel litigation at issue here is the first and currently only suit involving the '055 Patent. Samsung could not have been expected to challenge the '055 Patent even earlier under these circumstances.

Further, Headwater provided no notice to Samsung about the '055 Patent before it launched its litigation action in the Eastern District of Texas in April 2024. There was no reason to expect that Headwater would assert the '055 Patent at that time given that a year and a half had already passed since Headwater had initiated its suit against Samsung in October 2022. But even if *arguendo* Samsung had been made aware of the '055 Patent at an earlier time, Samsung would have had no reasonable basis to perceive the patent as a threat to its products—and certainly not a threat meriting the substantial expense and resources needed to prepare and file an earlier IPR or PGR. This is because the claims of the '055 Patent prominently recite limitations directed to an “adaptive service policy control agent,” even though the term “adaptive service policy control agent” is never once mentioned in the background, the drawings, the brief description of the drawings, or the detailed description of the '055 Patent. *See generally* SAMSUNG-1001. For example, limitation [1.5] refers to a “at least one adaptive service policy control agent to enforce network

service policies,” claim 8 describes that the adaptive service policy control agent “applies network service policies from a superset profile,” and claim 9 describes that the adaptive service policy control agent “detects network connection changes from the first wireless network to the second wireless network, and in response enforces the second set of network service policies.” Pet., v-vii.

Despite the purported significance of an “adaptive service policy control agent” to the techniques claimed in the ’055 Patent, Headwater provided no notice to the public of what a “adaptive service policy control agent” actually is. Headwater instead chose to claim using terms that find no support in the specification while also providing no clear indication of the metes and bounds of this term, claimed as performing multiple different functions (e.g., “appl[ying] network service policies from a superset profile,” and “detect[ing] network connection changes from the first wireless network to the second wireless network, and in response enforces the second set of network service policies”). Samsung and the public could only speculate how Headwater might interpret the term “adaptive service policy control agent.” Given the absence of any specific guidance as to the scope of “adaptive service policy control agent” in the specification of the ’055 Patent, Samsung could not reasonably have expected the claims of the ’055 Patent to be relevant to Samsung products. Headwater’s confusing claim strategy—including its choice to use one set of terms in the specification and another in the claims—deprived Samsung and the public of

any reasonable basis to understand how the claims would possibly be relevant to eSim technology or the accused products. Headwater should not be rewarded for such tactics.

This lack of clarity in the claims is compounded by the fact that many aspects of the disclosure of the '055 Patent have been known for decades and are hardly novel. Claim 1 recites a device with “a secure memory to store a first service profile associated with a first service plan” and “a second service profile associated with a second service plan,” which as explained in the Petition, encompass a dual-SIM phone. *See e.g.*, Pet., 7-14. Dual-SIM phones (phones with multiple SIMs, each SIM defining a profile) have existed since at least the early 2000s. SAMSUNG-1176 (user manual for the first dual-SIM phone, the Benefon Twin); SAMSUNG-1001, 36:53-37:9. Given the relationship to what was clearly legacy technology, one could only reasonably assume the disclosure of the '055 Patent had long been public knowledge.

Against this background, it is also notable that Headwater also offers no explanation why it could not have brought its lawsuit against Samsung years sooner (when the patent would have been even younger), especially as Headwater was in the best position—not Samsung—to understand how it might interpret terms like “adaptive service policy control agent” that are never described in the '055 Patent.

The fact that Headwater did not bring its suit earlier would only reinforce settled expectations that the '055 Patent was not relevant to Samsung's products.

If anything, Headwater intentionally delayed asserting the '055 Patent to maximize litigation pressure on Samsung. Indeed, **three separate actions** were filed and **20 separate patents** asserted by Headwater against Samsung before the '055 Patent was ultimately asserted—each action an opportunity to assert the '055 Patent. SAMSUNG-1158; SAMSUNG-1168; SAMSUNG-1169; SAMSUNG-1172, SAMSUNG-1173. Despite multiple opportunities, Headwater inexplicably waited to assert the '055 Patent, timing the suit to maximize litigation costs and pressure on Samsung. This reeks of gamesmanship—tactics that should not be rewarded with discretionary denial at the PTAB.

Finally, Headwater understandably fails to explain how or why the “length of time the challenged claims have been in effect” because the facts do not favor discretionary denial. DB, 24. The application for the '055 patent was allowed less than five years before the Petition was filed. *See generally*, SAMSUNG-1002. The limited scrutiny encountered by the claims during prosecution and the short time that the claims have been in issuance strongly counsel in favor of a merits-based assessment to properly evaluate the quality of this patent. SAMSUNG-1159, 30-40, 47-48 (explaining that post grant proceedings were designed to serve the goal of improving patent quality by enabling efficient challenges to patents that should not

have been issued in the first instance). Thus, these considerations counsel against—rather than in favor of—discretionary denial.

The PTAB’s very “purpose and design,” as reiterated by the Supreme Court, is fulfilled by addressing the merits of the prior art here, not by shunning this much-needed review before it starts. *Thryv, Inc. v. Click-To-Call Techs., LP*, 590 U.S. 45, 54 (2020) (“By providing for *inter partes* review, Congress, concerned about over-patenting and its diminishment of competition, sought to weed out bad patent claims efficiently”); *Cuozzo Speed Techs., LLC v. Lee*, 579 U.S. 261, 279-80 (2016) (describing the PTAB’s basic “purpose” and the public’s “paramount interest in seeing that patent monopolies ... are kept within their legitimate scope”). Headwater’s attempt to evade review based solely on the (still relatively young) age of the patent should not be condoned, especially where this age is the result of Headwater’s own actions in (i) obfuscating the claimed subject matter through claim terms never described in the specification, (ii) delaying assertion of the ’055 Patent for years after issuance (and even delaying for a year and a half after Headwater filed its first suit against Samsung in October 2022) while the public was still deprived of any clear basis for understanding key claim terms such as “adaptive service policy control agent,” and (iii) delaying the asserting of the ’055 Patent as part of a litigation strategy. Moreover, as was the case in *Tesla*, the “complex and diverse litigation” between the parties—involving Headwater’s assertion of 21 patents against Samsung

over the last 2.5 years and Samsung’s 11 pending IPRs—further “tip[s] the balance against discretionary denial” even if the age of the patent (8 years) were a concern. *See Tesla*, IPR2025-00219, -00222, 00339, Paper 9 (PTAB June 13, 2025) (denying requests for discretionary denial based on patents aged 8, 9, and 14 years, respectively); *supra*, §II.A.

6. *Compelling economic, public health, or national security interests*

Samsung is responsible for substantial and sustained investments and economic activity in the United States. For example, Samsung’s investment in the US totals **\$47 billion** since 1978 (SAMSUNG-1154), and Samsung proposes **\$191 billion** in further investment, largely in Texas. SAMSUNG-1155. Further, “[s]ince 1996, Samsung Semiconductor has invested **\$18 billion** in operating two fabs at its Austin, Texas, campus—making it **one of the largest direct foreign investments in United States history**.” SAMSUNG-1156 (emphasis added). Additionally, Samsung’s investment is ongoing, with “President Trump Say[ing] Samsung Is Planning a ‘Massive Investment’ In The US.” SAMSUNG-1157. Thus, Samsung’s massive and ongoing investment presents a compelling economic interest, and Samsung’s investment (e.g., in US-made semiconductors) supports the US’s national security interests.

Such considerations weigh heavily against discretionary denial and Samsung

respectfully requests an opportunity for the strong grounds presented in its diligently-filed petition to be considered at the PTAB. In this regard, Samsung seeks efficient resolution at the PTAB of the patentability of the challenged claims of yet another patent asserted against it by a highly-litigious and non-practicing entity that is actively pursuing multi-patent litigation campaigns against Samsung, and other entities. SAMSUNG-1158, 2-4 (over 5 different suits, Headwater has asserted 21 patents against Samsung); SAMSUNG-1158, 1-7 (Headwater has sued multiple other entities, including Verizon, T-Mobile, Google, and AT&T, over claims of infringement of over 70 patents).

III. CONCLUSION

For the foregoing reasons, a holistic evaluation of the *Fintiv* factors and the additional considerations laid out in the Stewart Memorandum strongly weigh against discretionary denial. Petitioner therefore respectfully requests that this case proceed to an institution determination on the merits.

Respectfully submitted,

Dated July 16, 2025

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CERTIFICATION UNDER 37 CFR §42.24

Under the provisions of 37 CFR § 42.24(d), the undersigned hereby certifies that the word count for the foregoing Petitioner's Opposition to Patent Owner's Discretionary Denial Brief totals 8,426 words, which is less than the 14,000 words allowed under 37 CFR § 42.24.

Respectfully submitted,

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CERTIFICATE OF SERVICE

Pursuant to 37 CFR §§ 42.6(e)(4) and 42.205(b), the undersigned certifies that on July 16, 2025, a complete and entire copy of this Petitioner's Opposition to Patent Owner's Request for Discretionary Denial of Institution and Accompanying Exhibits were provided by email to the Patent Owner by serving the correspondence email address of record as follows:

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