

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

GOOGLE LLC,

Petitioner,

v.

HEADWATER RESEARCH LLC,

Patent Owner.

Case No. IPR2026-00137

U.S. Patent No. 9,647,918

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

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I. INTRODUCTION

The Director should reject Patent Owner’s request for discretionary denial (Paper 9, “DD Req.”), consider the Petition (Paper 1, “Pet.”) on the merits, and institute this IPR.¹ The Office has already found a reasonable likelihood that the claims of the ’918 patent are unpatentable based on the *same grounds* asserted in this Petition, showing that material error likely occurred during examination of the patent and defeating any alleged settled expectations. *See* EX1068, 5, 11-15.

Despite Patent Owner’s request, Patent Owner cannot credibly claim settled expectations in a patent where the Board previously found there to be a reasonable likelihood that the claims are unpatentable. The Board’s prior institution on April 1, 2025—based on the same grounds presented in this Petition—negates any settled expectations in the ’918 patent (to the extent it had any). While Patent Owner relies on the age of the ’918 patent, a litigation-driven license, and a strained allegation of notice, these considerations do not overcome the Board’s recent decision finding the

¹ Petitioner reserves the right to challenge the March 26, 2025 *Interim Processes for PTAB Workload Management*, including that document’s list of “relevant considerations,” at least because that document is legally invalid as it (1) exceeds the Director’s authority, (2) is arbitrary and capricious, and (3) was adopted without notice-and-comment rulemaking.

claims of the '918 patent likely unpatentable.

The *Fintiv* factors weigh strongly against denial. The district court's trial date is set at least five months after the latest possible final written decision, and there has been minimal investment in the parallel litigation. There is also no risk of overlapping issues between proceedings if instituted, and the Petition has strong merits that Patent Owner has not disputed here.

The Petition should be considered on the merits and instituted.

II. THE PETITION SHOULD BE INSTITUTED TO CORRECT MATERIAL ERRORS DURING EXAMINATION, WHICH IS AN APPROPRIATE USE OF THE OFFICE'S RESOURCES

The Board previously found the challenged claims likely unpatentable over the same prior art as in the Petition. The Examiner failed to conduct thorough searches, overlooking the prior art. The Office thus materially erred when it issued the '918 patent.

A. The Office Has Already Determined There Is a Reasonable Likelihood that the Claims of the '918 Patent Are Unpatentable

In IPR2024-01396, the Board found there is a reasonable likelihood that claims 1-19 of the '918 patent are unpatentable based on the combination of at least *Bennett* and *Vadde*—the same first ground in the present Petition. *Compare* Pet., with EX1068, 5, 11-15 (IPR2024-01396 DI). This demonstrates a likely error in issuing the '918 patent, which warrants correction via institution of the instant IPR.

The history of the prior IPR makes this clear. Samsung filed a petition in IPR2024-01396 challenging claims 1-19 of the '918 patent. EX1069 (IPR2024-01396 Petition). The Board rejected Patent Owner's pre-institution arguments and found there was a reasonable likelihood that these claims are unpatentable. EX1068, 5, 15 (IPR2024-01396 DI). Although the institution decision was later vacated on Director Review, that ruling was only based on procedural *Fintiv* considerations, not present here. *See* EX1070 (IPR2024-01396 Order Vacating DI). The merits of the Petition are compelling and support institution. Indeed, Patent Owner does not suggest that the Board erred in its prior merits determination, despite having the opportunity to do so under *Fintiv* Factor 6, which Patent Owner acknowledges "includ[es] the merits" of the Petition. *See* DD Req. 13-14 (citation omitted).

The Board's prior institution decision thus confirms there was material error in the Office issuing the '918 patent. The Director should allow the Office to correct its error and refer the Petition for a merits determination, which the Board has already found favors institution.

B. The Examiner Additionally Erred During Prosecution by Overlooking Material Prior Art

The Examiner's material error stems from questionable search strategies and the volume of references the Applicant disclosed to the Office during prosecution.

The Examiner submitted two search strategy documents during prosecution.

EX1002, 48, 429-432. In both documents, the Examiner began with broad searches (e.g., “S1” – “application adj programming adj interface”) that reveal thousands of results. EX1002, 48, 429. The Examiner narrowed the results by limiting the searches to claims or abstracts within references and/or adding terms like “first,” “second,” “stack,” and “manager” (EX1002, 48, 429-430), but the Examiner did not search for claim terms like “media service,” “data,” “packet,” and “network.” This failed to reduce the results to a manageable number of references and excluded results by only searching within the claims/abstracts of references. When claim terms are added to the Examiner’s searches with appropriate connectors, more relevant prior art is identified, including Bennett:

Search String	Total Results	<i>Bennett</i> Result
(“application programming interface” or API) (first and second) stack (media with service with manage) (data near1 packet) (data near1 network) agent call proxy (APD/1/1/2000- >1/24/2011)	280	103
(“application programming interface” OR API) (first and second) stack (media with service with	252	69

Search String	Total Results	<i>Bennett</i> Result
manage) (data near1 packet) (data near1 network) agent call proxy (application with device) (APD/1/1/2000->1/24/2011)		
(“application programming interface” OR API) (first and second) (stack same application) (“network stack” or “protocol stack”) (media with service with manage) (media near1 service) (data near1 packet) (data near1 network) (use with agent) call proxy (application with device) (APD/1/1/2000->1/24/2011)	25	14

EX1075, 1 (Search 1); EX1076, 20 (Results 1); EX1077, 1 (Search 2); EX1078, 11 (Results 2); EX1079, 1 (Search 3); EX1080, 3 (Results 3). Had the searches focused on claim terms, the Examiner would have narrowed the search results and found at least Bennett.

The Examiner also overlooked Vadde by applying an incorrect priority date (January 28, 2009) when searching. Patent Owner previously stipulated that the priority date is January 24, 2011. Pet. 4; EX1086, 5-6. When the Examiner’s fifteenth search, which was not limited by any date, is reproduced on the USPTO’s

Patent Public Search, Vadde is present among hundreds of references. EX1002, 430 (S15). Because Vadde was filed November 8, 2010, but did not publish until May 10, 2012, Vadde would have been excluded when the Examiner performed additional searches with the January 28, 2009 date. The Examiner's search was therefore flawed and caused the Examiner to overlook the teachings of Bennett and Vadde, which resulted in an incorrect conclusion of patentability.

The Examiner was also confronted with an overwhelming volume of prior art from the Applicant. During prosecution, Applicant submitted seven Information Disclosure Statements that included well over 1,400 references (EX1002, 91-93, 119-128, 570-604, 607-636, 638-669, 671-687, 750-775), which buried asserted reference Hendrickson (EX1054, U.S. 6,754,470). EX1002, 414. Applicant's submission of an "extraordinarily large number of references cited on [] IDS[s]" further demonstrates discretionary denial under § 325(d) would be inappropriate. *Ecto World, LLC, et al v. Rai Strategic Holdings, Inc.*, IPR2024-01280, Paper 16, 8-15 (June 25, 2025). As in *Ecto World*, "[o]ther than initials on a lengthy IDS, nothing in the record indicates that the Examiner substantively considered" highly relevant prior art, such as Hendrickson. *Ecto World*, 13-14. Burdened with the volume of references, the Examiner could not have conducted a meaningful review of the disclosed art and, as a result, overlooked Hendrickson's data storage teachings, which are relevant to the patentability of the claims. *See, e.g.*, Pet. 87-95 (discussing

claims 7, 12, 18).

The Director should afford an opportunity to correct this error by declining to discretionarily deny this Petition. *Xencor, Inc. v. Merus N.V.*, IPR2025-00604, Paper 12 at 3-4 (Director July 17, 2025) (declining to discretionarily deny petition where petitioner showed material error because prior art—one reference cited in an IDS and another not—disclosed an allegedly novel claim limitation).

III. SETTLED EXPECTATIONS FAVOR A MERITS CONSIDERATION

Patent Owner argues three bases for settled expectations. *See* DD Req. 2-5. None support discretionary denial nor overcome the Board’s finding on April 1, 2025, that there was a reasonable likelihood that these claims are unpatentable.² EX1068, 5, 11-15 (IPR2024-01396 DI).

A. The Age of the ’918 Patent Does Not Overcome the Office’s Material Error

Patent Owner argues that the ’918 patent “has been in effect for approximately

² The Director’s application of “settled expectations” exceeds the Director’s authority under the APA and is barred by judicial estoppel based on the Office repeatedly advancing the position that patentees lack an expectation that their patents will not be challenged. *See Celgene Corp. v. Peter*, 931 F.3d 1342, 1361-62 (Fed. Cir. 2019); *see also* 5 U.S.C. § 706(2)(A).

nine years” and that this supports settled expectations. DD Req. 2. But the Office’s error in issuing the patent outweighs its age.

As an initial matter, the Director recently instituted review of a petition challenging U.S. 9,179,359 (“the ’359 patent”)—another one of Patent Owner’s patents—under similar circumstances in IPR2026-00049. EX1082. The ’359 patent issued *before* the ’918 patent. The ’359 patent was also subject to a prior institution decision, where the Board determined there was a reasonable likelihood that the challenged claim was unpatentable, but was later vacated under *Fintiv*. EX1083; EX1084. The Director should refer the instant Petition for the same reasons.

The age of the ’918 patent is also not dispositive as the Director has previously referred petitions challenging patents issuing earlier than the ’918 patent in view of examiner error. *See Anthony Inc. v. ControlTec, LLC*, IPR2025-00559, Paper 12 at 2-3 (Director July 16, 2025) (referring seventeen and eighteen-year-old patents). The Director similarly declined to discretionarily deny institution when the age of the patent was nine years, like the ’918 patent. *Xencor*, IPR2025-00604, Paper 12 at 2-4 (finding the examiner overlooked material teachings of a reference).

Because the Examiner in this case erred and the Board found a reasonable likelihood the claims are unpatentable, the Director should refer the Petition. EX1068, 5, 11-15 (IPR2024-01396 DI). Indeed, despite the number of years since the patent issued, Patent Owner and the public—including Google—have

understood that there was a reasonable likelihood that the claims were unpatentable since the Board's previous institution decision. *See supra* Section II.

B. Patent Owner's License Does Not Create Settled Expectations

Patent Owner's settlement-based license (EX2001) does not favor discretionary denial. DD Req. 2-3. One confidential license does not evidence "significant licensing success" based on purported investment in "litigating its patent portfolio (including the '918 patent)." DD Req. 2-3. While Patent Owner alleges that "Ex. 2001 is just one of several licenses to the Headwater portfolio," Patent Owner provides no such evidence. DD Req. 2.³ And the prior finding of a reasonable likelihood of unpatentability has undoubtedly cast a cloud of uncertainty over future licensing efforts for the '918 patent.

This one license does not undo the expectation that there is a reasonable likelihood that the claims of the '918 patent are unpatentable. Indeed, the '918 patent is but one patent identified in a *sixteen page* listing of other licensed patents,

³ Without such evidence, Patent Owner's claims are unsupported and its arguments should be given no weight. Any request by Patent Owner to supplement its limited argument should be denied. Patent Owner's DD Request was less than fourteen full pages, leaving ample space if it had any further argument regarding the licensing of the '918 patent.

including foreign and domestic patents and patent applications. *See* EX2001, 31-47. Patent Owner identifies no reasoning and no precedent supporting the contention that a license to a broad portfolio of patents outweighs the Board’s determination that the specific disputed patent-at-issue is likely unpatentable. That finding remains undisturbed in this proceeding.

C. Petitioner Expeditiously Filed Its Petition

Petitioner filed its Petition on January 15, less than 5 months after being sued. *Compare* Pet. (filed Jan. 15, 2025), *with* EX1071 (Complaint filed Aug. 27, 2025). Patent Owner’s contention that Google “waited years to file an IPR petition on the ’918 patent” is thus demonstrably false. DD Req. 2-3.

Patent Owner’s remaining arguments related to Google’s purported knowledge of the ’918 patent are based on assumptions and inconsistent statements about the relationship between Samsung and Google’s products. In Patent Owner’s own words, it conducted a “litigation campaign against Samsung” and not Google starting in 2023.⁴ Rather, Patent Owner appears to have waited until it was settling with Samsung to file suit against Google—which was notably *after* the Board

⁴ Patent Owner suggestion that an overlap in counsel provides a party with notice of alleged infringement is baseless and should be rejected. DD Req. 3.

determined that there was a reasonable likelihood that the challenged claims are unpatentable. EX1068, 5, 11-15.

Indeed, to the extent the Director's policies encourage early challenges, such policies should equally weigh late or piecemeal assertion of patents. Such litigation tactics create uncertainty about whether a patent will be enforced. Accordingly, the timing of Google's Petition does not weigh in favor of discretionary denial.

IV. GOOGLE'S U.S.-BASED INVESTMENTS AND PRODUCT DEVELOPMENT SUPPORT INSTITUTION

Google is an American company that has made significant investments in U.S.-based infrastructure and product development. Indeed, Google primarily designed and developed the accused instrumentalities in the parties' litigation—Android functionality—in the United States. EX1072, 9-10 (Mot. to Transfer Venue 7:25-cv-00374-31). Patent Owner, on the other hand, is a nonpracticing entity that makes no products. Notably absent from Patent Owner's request for discretionary denial is any discussion of its own investments in the U.S.—it has none. *See* DD Req. 6-8. For these reasons, the Director should find Google's domestic product

development supports institution in this case, or at most the Director should find this factor is neutral.⁵

V. THE *FINTIV* FACTORS WEIGH AGAINST DISCRETIONARY DENIAL

The *Fintiv* factors weigh strongly against discretionary denial. *See Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 at 5-6 (Mar. 20, 2020) (precedential). Factors 2, 3, 4, and 6 weigh strongly against denial and Factor 1 weighs against denial or is, at worst, neutral. Factor 5 is neutral.

A. Factor 1: The Likelihood of a Stay Is Neutral or Weighs Against Denial

Patent Owner acknowledges that the Board will not speculate on any stay, rendering Factor 1 at worst neutral. DD Req. 9.

There is no support for Patent Owner’s suggestion that Factor 1 might “favor ... discretionary denial.” DD Req. 9. Based on the Office’s precedential guidance in *Fintiv*, if this factor is not neutral in this case, it weighs against denial. This proceeding is *pre*-institution, leaving the possibility for a post-institution stay, which weighs against discretionary denial. *See Fintiv*, IPR2020-00019, Paper 11 at

⁵ Patent Owner confusingly does not disagree and instead asserts that “Headwater believes that such investments should . . . should weigh *against* discretionary denial.” *See* DD Req. 8 (emphasis in original).

6-7 (finding the availability of a post-institution stay “has usually weighed against exercising authority to deny institution under *NHK*”). This is particularly true where the record suggests the district court may entertain a post-institution motion to stay. *See, e.g., Peter Pedersen v. Ziff Davis, Inc.*, No. 6:22-cv-00597-ADA-DTG, Dkt. 37 (W.D. Tex. Feb. 5, 2024) (granting post-institution stay when plaintiff was a nonpracticing entity and discovery had not started); *Power2B, Inc. v. Samsung Elecs. Co.*, No. 6:20-cv-01183-ADA-DTG, Dkt. 100 (W.D. Tex. May 13, 2022) (granting post-institution stay when fact discovery was in early stages and expert discovery had not begun). Here, Patent Owner fails to identify anything that suggests the district court will not entertain a motion for a stay post-institution, particularly given the district court trial date is scheduled five months after a final written decision deadline in this proceeding. *See infra* Section V.B. Thus, this factor weighs against denial or is, at worst, neutral.

B. Factor 2: Trial Is Set for Five Months After the Deadline for a Final Written Decision, Which Weighs Strongly Against Denial

Factor 2 weighs strongly against discretionary denial. As Patent Owner acknowledges, the district court issued a scheduling order setting jury selection and trial for December 6, 2027. *See* EX1073 (Case No. 7:25-cv-00374 Scheduling Order). A final written decision must issue no later than one year from institution, or July 22, 2027, which is five months *before* the scheduled district court trial. This

weighs strongly against discretionary denial. *FreightCar Am., Inc. v. Nat'l Steel Car Ltd.*, IPR2025-01046, Paper 20 at 2 (Director Oct. 10, 2025); *Am. Airlines, Inc. v. Intell. Ventures I LLC*, IPR2025-00785, Paper 11 at 2-3 (Director Aug. 29, 2025).

The time-to-trial data suggests that the trial will be delayed further. The median time-to-trial for civil cases in the Western District of Texas is 32.0 months. EX1074, 37 (Sep. 2025 Statistics). Patent Owner filed its Complaint asserting the '918 patent on August 27, 2025, placing the median time-to-trial date at April 27, 2028. That is nearly four months after the current trial schedule, which would be more than *nine months after* the latest possible final written decision date. EX1072 (Case No. 7:25-cv-00374 Complaint). Moreover, the trial is one of at least 4 scheduled for the court on the same day. EX1073; EX1085 (Case No. 7:25-cv-00518 Scheduling Order). Patent Owner fails to acknowledge this fact or the lack of evidence suggesting which trial, if any at all, will proceed on that date.

Because the Board will reach a final written decision months before trial in the parallel proceeding, Factor 2 weighs strongly against discretionary denial.

C. Factor 3: Minimal Investments Have Occurred in the Parallel District Court Proceeding

Factor 3 weighs strongly against discretionary denial. Patent Owner's argument acknowledges that minimal investments have been made in the district court proceeding. DD Req. 10.

According to the scheduling order, at institution, the parties will have, at most, served initial infringement, invalidity contentions, and exchanged terms for claim construction. EX1073, 2-4 (7:25-cv-00374 Scheduling Order). A *Markman* hearing may occur and fact discovery may open within a week or two of institution. *Id.* Beyond that, fact discovery will not close for another year (February 2027), followed by expert reports (March 2027), the final pretrial conference (November 2027), and jury selection (December 6, 2027). *See* EX1029, 4-5 (7:25-cv-00374 Scheduling Order). As such, at the time of institution, most of the litigation milestones will remain ahead, weighing strongly against discretionary denial. *SAP Am., Inc. v. Cyandia, Inc.*, IPR2024-01433, Paper 13 at 10-11 (Apr. 7, 2025).

D. Factor 4: There Is No Overlap Between Proceedings, and Petitioner’s *Sotera* Stipulation Eliminates Any Potential Overlap

Factor 4 weighs strongly against discretionary denial because there is minimal overlap between the proceedings. Patent Owner has not identified any specific overlap between the proceedings aside from the challenged claims. *See* DD Req. 10-13. Patent Owner at most asserts that the relied-on references *may* be combined with system art. DD Req. 10-13. This speculation obfuscates the most important point: Petitioner’s *Sotera* stipulation, which precludes duplicative invalidity challenges “based on” the same grounds. *See* Paper 6. Thus, contrary to Patent Owner’s conjecture, Petitioner’s stipulation “ensures that an [IPR] is a ‘true alternative’ to the

district court proceeding” and “weighs strongly in favor of not exercising discretion to deny institution.” *Sotera Wireless, Inc. v. Masimo Corp.*, IPR2020-01019, Paper 12 at 18-19 (Dec. 1, 2020) (precedential). Thus, Factor 4 weighs against discretionary denial because there are not, and will not be, any overlapping issues between the proceedings.

Patent Owner’s hypothetical reexamination is just that. DD Req. 7. No parallel reexamination exists, nor would Petitioner have reason to file one if this IPR is instituted. Moreover, Petitioner is unaware of any decision where the Board or Director required a petitioner to stipulate away reexaminations. Nor is there any reason to do so because the Office can stay any reexamination pending the outcome of the IPR to avoid any duplication.

Patent Owner’s contention that Petitioner’s *Sotera* stipulation “leaves open the possibility of duplicative proceedings” is incorrect. DD Req. 12. Petitioner’s stipulation, the statutory estoppel under Section 315(e), and the Board’s ability to stay any reexamination make duplication at the district court or the Office impossible on the unpatentability grounds presented in this IPR.

Factor 4 therefore weighs strongly against discretionary denial.

E. Factor 5: The Parties Are the Same

Recent decisions have indicated this same-party factor is neutral or only slightly favors denial. *Innolux Corp. v. Phenix Longhorn LLC*, IPR2025-00043,

Paper 10 at 13 (May 15, 2025).

F. Factor 6: The Petition’s Strong Merits Show that the Office Erred and Weigh Against Denial

Factor 6 also weighs against discretionary denial. DD Req. 13-14. Patent Owner does not provide any meaningful argument under Factor 6, and does not dispute the merits of the Petition or its showing that the claims are unpatentable based on the proposed grounds. *See generally* DD Req. As discussed, the Board previously instituted review and found the proposed grounds demonstrate a reasonable likelihood of unpatentability. *See supra* Sections II.A, III.A. Patent Owner’s failure to dispute the Petition’s merits weighs against denial.⁶ *E.g.*, *Samsung Elecs. Co. v. SiOnyx, LLC*, IPR2024-01431, Paper 21 at 17 (Apr. 10, 2025) (granting institution when “Patent Owner provides very little argument, on the merits ...”). Factor 6 “includ[es] the merits” of the Petition, and the Board has previously rejected Patent Owner’s merits-based arguments in the prior IPR. *See supra* Section II.A.

Patent Owner argues that “[t]he Petition does not allege anticipation under

⁶ Any request by Patent Owner to dispute the merits in a Pre-Institution Reply should be denied. Patent Owner’s DD Request was 14 pages, leaving ample space (6 pages) if it had any credible merits argument. *See* DD Req.

§102, and instead relies solely on obviousness under §103.” DD Req. 13.⁷ That is irrelevant—both obviousness and anticipation challenges are meritorious. *See KSR Int’l Co. v. Teleflex Inc.*, 550 U.S. 398, 419 (2007) (“If the claim extends to what is obvious, it is invalid under § 103.”). Factor 6 therefore weighs against discretionary denial.

VI. CONCLUSION

Petitioner respectfully requests that the Director decline to exercise discretion to deny institution and requests merits consideration and institution of this Petition.

Date: April 22, 2026

Respectfully submitted,

/Erika H. Arner/

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⁷ Patent Owner also repeats the age of the ’918 patent, which does not favor denial, as explained above. DD Req. 14.

CERTIFICATE OF SERVICE

The undersigned certifies that a copy of the foregoing **Petitioner's Opposition to Patent Owner's Request for Discretionary Denial of Institution** was served on April 22, 2026, via email directed to counsel of record for the Patent Owner at the following:

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Dated: April 22, 2026

By: /Lisa C. Hines/
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