UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

GOOGLE LLC,

Petitioner,

v.

HEADWATER RESEARCH LLC,

Patent Owner.

Case No. IPR2026-00050
U.S. Patent No. 8,631,102

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

TABLE OF CONTENTS

I. INTRODUCTION 1

II. INSTITUTION IS REQUIRED TO CORRECT MATERIAL ERRORS AND IS AN APPROPRIATE USE OF THE OFFICE'S RESOURCES 2

A. The Examiner Erred During Prosecution by Allowing the Applicant's Voluminous IDS Filings to Replace Substantive Searching and Examination 2

B. A Search Based on the Claim Language Would Have Found *Thomas* or Another Reference Showing Unpatentability 5

III. SETTLED EXPECTATIONS FAVOR A MERITS CONSIDERATION 8

A. The Age of the '102 Patent Does Not Overcome the Office's Material Error 9

B. Patent Owner's Licenses Do Not Create Settled Expectations 10

C. Petitioner Expeditiously Filed Its Petition Two Months After Being Sued 11

IV. THE *FINTIV* FACTORS WEIGH AGAINST DISCRETIONARY DENIAL 11

A. Factor 1: Is Neutral or Weighs Against Denial 12

B. Factor 2: Trial Is Set for Seven Months After the Latest Possible Final Written Decision, Which Weighs Strongly Against Denial 13

C. Factor 3: No Investment Has Occurred in the Parallel District Court Proceeding 14

D. Factor 4: There Is No Overlap Between Proceedings, and Petitioner's *Sotera* Stipulation Eliminates Any Potential Overlap 15

E. Factor 5: The Parties Are the Same.....16

F. Factor 6: Strong Merits Show the Office Erred and Weighs Against Denial.....16

V. CONCLUSION.....17

TABLE OF AUTHORITIES

Page(s)

Cases

Am. Airlines, Inc. v. Intell. Ventures I LLC,
IPR2025-00785, Paper 11 (Director Aug. 29, 2025).....13

Anthony Inc. v. ControlTec, LLC,
IPR2025-00559, Paper 12 (Director July 16, 2025)..... 7-8, 9

Apple Inc. v. Fintiv, Inc.,
IPR2020-00019, Paper 11 (Mar. 20, 2020) 11, 12

Celgene Corp. v. Peter,
931 F.3d 1342 (Fed. Cir. 2019) 8

FreightCar Am., Inc. v. Nat'l Steel Car Ltd.,
IPR2025-01046, Paper 20 (Director Oct. 10, 2025).....13

Innolux Corp. v. Phenix Longhorn LLC,
IPR2025-00043, Paper 10 (May 15, 2025).....16

Peter Pedersen v. Ziff Davis, Inc.,
No. 6:22-cv-00597-ADA-DTG, Dkt. 37 (W.D. Tex. Feb. 5, 2024) 12

Power2B, Inc. v. Samsung Elecs. Co.,
No. 6:20-cv-01183-ADA-DTG, Dkt. 100 (W.D. Tex. May 13, 2022) 12

Samsung Elecs. Co. v. SiOnyx, LLC,
IPR2024-01431, Paper 21 (Apr. 10, 2025).....17

SAP Am., Inc. v. Cyandia, Inc.,
IPR2024-01433, Paper 13 (Apr. 7, 2025).....14

Sotera Wireless, Inc. v. Masimo Corp.,
IPR2020-01019, Paper 12 (Dec. 1, 2020) 15

Xencor, Inc. v. Merus N.V.,
IPR2025-00604, Paper 12 (Director July 17, 2025).....8, 9

Statutes

5 U.S.C. § 706(2)(A).....8

35 U.S.C. § 112, ¶ 2 3

35 U.S.C. § 315(e) 16

Other Authorities

Interim Processes for PTAB Workload Management (Mar. 26, 2025) 1

M.P.E.P. § 904.02 .....1, 4, 5, 9

I. INTRODUCTION

The Director should reject Patent Owner's request for discretionary denial (Paper 8, "DD Req."), consider the Petition (Paper 1, "Pet.") on the merits, and institute this IPR.[1]

First, the Office erred when issuing the '102 patent. During prosecution, the Examiner effectively provided a first action allowance, issuing only a Restriction Requirement and an indefiniteness rejection before allowing the claims with a cursory explanation. But the file history shows that the Examiner failed to conduct the required independent search under M.P.E.P. § 904.02. Instead, it appears the Examiner, at most, performed broad classification searches without narrowing the searches to target the claims. As such, the Examiner failed to consider *Thomas*, which a search based on the claim language would have revealed. Such error warrants referral and institution.

Second, Patent Owner's alleged expectations related to the age of the '102

[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 (1) exceeding the Director's authority, (2) arbitrary and capricious, and (3) adopted without notice-and-comment rulemaking.

patent and purported licenses do not overcome the Office's need to correct its prior error in issuance. The Director has declined to discretionarily deny institution, even for patents older than the '102 patent, when the petitioner shows a material error in issuance, as here. Patent Owner's litigation settlements do not support settled expectations as they are generally contemporaneous with when Petitioner filed this Petition.

Third, the *Fintiv* factors weigh strongly against denial because the district court's trial date is set seven months after the latest possible final written decision, there has been almost no investment in the parallel litigation, there is no overlap in issues between proceedings, and the Petition has strong merits that Patent Owner has not disputed.

The Petition should be considered on the merits and instituted.

II. INSTITUTION IS REQUIRED TO CORRECT MATERIAL ERRORS AND IS AN APPROPRIATE USE OF THE OFFICE'S RESOURCES

The Office materially erred when it allowed the '102 patent to issue.

A. The Examiner Erred During Prosecution by Allowing the Applicant's Voluminous IDS Filings to Replace Substantive Searching and Examination

During prosecution, the Examiner effectively issued a first action allowance without ever rejecting the claims based on prior art, despite the field being crowded with prior art. *See* EX1002, 158-166, 191-194. A review of the prosecution history

reveals why: the Applicant submitted voluminous Information Disclosure Statements ("IDSs") and the Examiner failed to supplement the Applicant's voluminous and duplicative submissions with a proper search of his own.

During prosecution, the Examiner issued a Restriction Requirement. EX1002, 533-537. After the Applicant elected the system claims in response to the restriction, the Examiner issued a Non-final Office Action rejecting all pending claims as being indefinite under 35 U.S.C. § 112, ¶ 2. EX1002, 191-194, 345. The Examiner explained that "assisting the end-user device … or a combination of these" in claim 1 was "not clear in juxtaposition to the drawing figures and descriptive portion of the specification." EX1002, 193. The Office Action otherwise noted that "Applicant's seven [IDSs] have been reviewed," and the Examiner marked them considered. EX1002, 194-251.

In response to the Office Action, the Applicant identified portions of the specification that Applicant stated support the claims, but provided no explanation for how or why that was the case. EX1002, 187.

The Examiner then issued a generic Notice of Allowance, stating in conclusory fashion that "[t]he prior art of record, either alone or in combination, does not disclose, or suggest, Applicant's claim language," and marking the Applicant's additional IDS filing as considered. EX1002, 164-165, 169-178, 264-273.

Even if the Examiner did consider the Applicant's over 420 cumulative prior art references submitted in the IDSs, the Examiner erred by failing to supplement the Applicant's prior art submissions with his own reasonable search, as required under M.P.E.P. § 904.02 ("In the examination of an application for patent, ***an examiner must conduct a thorough and complete search of the prior art***. A search is considered thorough when all areas with the highest probability of finding prior art relevant to the invention as it is claimed and described in the specification are identified for search." (emphasis added)). But there is no evidence that the Examiner conducted this required search.

To the contrary, the Examiner's "Search Notes (Including Search Strategy)" confirm the Examiner primarily searched for prior art already associated with the patent family or the inventors:

SEARCH NOTES (INCLUDING SEARCH STRATEGY)		
	DATE	EXMR
Continuity data reviewed.	9/6/2013	AJR
Inventor name search conducted.	9/6/2013	AJR
Bibliographic data updated.	9/6/2013	AJR

EX1002, 253; *see also* EX1002, 167-168.

The Examiner's limited classification-based-search strategy and lack of explanation as to how he found the minimal references cited show the Office's error in examination. EX1002, 167-168, 253; *see generally* EX1002. The Examiner, at most, conducted broad classification-based searches and does not appear to have supplemented those searches based on claim language or other criteria to conduct the thorough search required by M.P.E.P. § 904.02.

B. A Search Based on the Claim Language Would Have Found *Thomas* or Another Reference Showing Unpatentability

Thomas is not listed among the voluminous IDS filings, but a reasonable search would have quickly revealed it as an anticipatory reference. Had the

Examiner used the claim language to craft his prior art searches, he would have found *Thomas* or another reference that renders the claim unpatentable.

For example, searching for U.S. patents and publications before January 28, 2009 (the earliest claimed priority date of the '102 patent), having (i) "modem" within 15 words of "wireless," (ii) "enable" within 15 words of "service," (iii) "forward" within 15 words of "access," and (iv) the words "network," "memory," "authorization," and either "policy" or "plan," yields 122 results, with *Thomas* being the 8th result. EX1016, 1 (Search 1); EX1017, 1-2 (Results 1). Narrowing the relational terms to within 5 words, instead of 15 words, returns 19 results, with *Thomas* being the second. EX1018, 1 (Search 2); EX1019, 1 (Results 2). And a broader search still yields *Thomas* as one of the most relevant results. Still limiting within 5 words, but removing "network," "memory," and "authorization," yields only 26 results, with *Thomas* being the 12th. EX1020, 1 (Search 3); EX1021, 1-2 (Results 3).

Exemplary searches returning *Thomas* are below:

Search String	**Total Results**	***Thomas* Result**
(APD/20010101->20090128) AND (modem ADJ15 wireless) AND (network) AND (memory) AND	122	8

Search String	Total Results	*Thomas* Result
(forward ADJ15 access) AND (policy OR plan) and (authorization) and (enable ADJ15 service)		
(APD/20010101->20090128) AND (modem ADJ5 wireless) AND (network) AND (memory) AND (forward ADJ5 access) AND (policy OR plan) and (authorization) and (enable ADJ5 service)	19	2
(APD/20010101->20090128) AND (modem ADJ5 wireless) AND (forward ADJ5 access) AND (policy OR plan) and (enable ADJ5 service)	26	12

Had the Examiner conducted a claim-language-based search, he would have found *Thomas* or another piece of prior art that renders the claims unpatentable. Because the Examiner's search was flawed, he did not have these teachings and thus erred in his conclusion of patentability. The Office therefore issued the '102 patent in error and should use this IPR to correct that error. *See Anthony Inc. v. ControlTec,*

LLC, IPR2025-00559, Paper 12 at 2-3 (Director July 16, 2025) (declining to discretionarily deny petition when petitioner showed material error where examiner issued notice of allowance without substantive office action and, in doing so, overlooked relevant prior art teachings); *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 references—one not cited in prosecution and one cited in an IDS—disclosed the allegedly novel claim limitation).

The Director should allow the Board an opportunity to correct this error by declining to discretionarily deny this IPR.

III. SETTLED EXPECTATIONS FAVOR A MERITS CONSIDERATION

Patent Owner argues two bases for settled expectations, but neither supports discretionary denial here.[2] First, Patent Owner argues that the '102 patent "has been

[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).

in effect for almost twelve years." DD Req. 2. Second, Patent Owner provides a handful of litigation settlements as evidence of licensing. These do not favor denial.

A. The Age of the '102 Patent Does Not Overcome the Office's Material Error

Patent Owner argues that the '102 patent "has been in effect for almost twelve years" and that this supports settled expectations. DD Req. 2. But the Director has found that showings of the Office's prior error outweigh the age of a patent. For example, the Director has referred petitions challenging patents that issued 17 and 18 years earlier where the examiner overlooked teachings in the prior art. *See Anthony*, IPR2025-00559, Paper 12 at 2-3. Similarly, the Director has referred a petition when the examiner overlooked material teachings of a reference, even though the patent issued nine years earlier. *Xencor*, IPR2025-00604, Paper 12 at 3-4.

That is the case here. As explained above, the Examiner failed to conduct a proper search under M.P.E.P. § 904.02 and in doing so overlooked relevant prior art, including *Thomas*, thereby erroneously issuing the '102 patent. This led to the Office's error in issuing the '102 patent. *See supra* Section II. The '102 patent's age—which is 5-6 years less than the referred petitions in *Anthony*—does not prevent the Office from correcting its prior error here.

B. Patent Owner's Licenses Do Not Create Settled Expectations

Patent Owner's settlement-based licenses (EX2001-EX2005) do not favor denial. DD Req. 2-3. Each of these settlements occurred around the time Petitioner filed its Petition. *Compare* Pet. (filed October 31, 2025), *with* EX2001, 1 (settlement entered October 28, 2025; notice provided November 18, 2025); EX2002, 1 (Motion to Dismiss filed October 30, 2025); EX2003, 1 (Motion to Dismiss filed September 11, 2025); EX2004, 1-2 (dismissing case November 13, 2025); EX2005, 1-2 (dismissing case November 13, 2025). Such contemporaneous settlements cannot demonstrate any settled expectations. Otherwise, a patent owner could manufacture "settled expectations" by asserting its patent and settling the case anytime a petition was filed.

Patent Owner also fails to show that these licenses relate to the '102 patent. For example, in *Headwater Research LLC v. AT&T Services, Inc.*, No. 2:23-cv-00397-JRG-RSP (E.D. Tex.), Patent Owner only asserted U.S. Patent Nos. 8,589,541 and 9,215,613. Settling that case does not demonstrate licensing of the '102 patent.[3]

[3] Any request by Patent Owner to supplement its limited argument should be denied. Patent Owner's DD Request was less than 9 pages, leaving ample space (11 pages) if it had any further argument regarding the licensing of the '102 patent. *See* DD Req.

Patent Owner relies on alleged confidentiality to shield its licenses from scrutiny by the Board. The licenses may show that Patent Owner's activities are merely an attempt to extract litigation settlements, rather than the licensee's desire to practice the patents. Without the ability to determine whether Patent Owner's licenses are merits-driven or nuisance-driven, the Director should not give Patent Owner's settlement-based licenses any weight in favor of discretionary denial.

Finally, Patent Owner also has not shown licensing activity of ***any patent*** other than litigation-driven settlements. Patent Owner's argument and evidence therefore do not favor discretionary denial of the Petition.

C. Petitioner Expeditiously Filed Its Petition Two Months After Being Sued

Petitioner filed its Petition on October 31, two months after being sued. *Compare* Pet. (filed Oct. 31, 2025), *with* EX1022 (Complaint filed Aug. 27, 2025). That expeditiousness favors referral to a merits panel.

IV. 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.

A. Factor 1: Is Neutral or Weighs Against Denial

Patent Owner acknowledges that the Board will not speculate on any stay, rendering Factor 1 neutral. DD Req. 5.

There is no support for Patent Owner's suggestion that Factor 1 might "favor … discretionary denial." DD Req. 5. Based on the Office's precedential guidance in *Fintiv*, if this factor is not neutral, it weighs against denial. This proceeding is ***pre***-institution, but the Factor 1 analysis must also consider the likelihood of a ***post***-institution stay. As *Fintiv* explains, leaving the possibility open for a post-institution stay weighs against discretionary denial, even in cases that were not stayed pre-institution. *See Fintiv*, IPR2020-00019, Paper 11 at 6-7 (denial of pre-institution stay without prejudice "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. Nov. 18, 2025) (granting post-institution stay when fact discovery was in early stages and expert discovery had not begun). Here, Patent Owner points to nothing that suggests the district court would not entertain such a motion, particularly given that the district court trial is scheduled

seven months after a final written decision would be due in this proceeding. *See infra* Section IV.B. Thus, this factor weighs against denial or is, at worst, neutral.

B. Factor 2: Trial Is Set for Seven Months After the Latest Possible Final Written Decision, Which Weighs Strongly Against Denial

Factor 2 weighs strongly against discretionary denial. Although Patent Owner states that "a trial date has not yet been set" (DD Req. 5), on January 8, 2026, the district court issued a scheduling order setting jury selection for October 4, 2027. *See* EX1023, 5 (7:25-cv-00376 Scheduling Order). A final written decision must issue no later than March 7, 2027—seven months ***before*** the scheduled district court trial begins. 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. EX1024, 37 (Sep. 2025 Statistics). Patent Owner filed its Complaint asserting the '102 patent on August 27, 2025, placing the median time-to-trial date at April 27, 2028. That is nearly six months after the current trial schedule, which would be more than ***thirteen months after*** the latest possible final written decision date. EX1022 (Complaint in 7:25-cv-00376).

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: No Investment Has Occurred in the Parallel District Court Proceeding

Factor 3 weighs strongly against discretionary denial. Patent Owner admits that "the [district court] case is still in its relatively early stages." DD Req. 5. Patent Owner has not identified any actions that favor discretionary denial. *See generally* DD Req.

According to the scheduling order, at institution, Patent Owner will have, at most, served infringement contentions and Petitioner may have served invalidity contentions. EX1023, 1-2 (7:25-cv-00376 Scheduling Order). But claim construction will not have begun, the *Markman* hearing will be almost four months away, and fact discovery will not even open until after the *Markman* hearing in June 2026. EX1023, 2-3 (7:25-cv-00376 Scheduling Order). Beyond that, fact discovery will not close for almost another year, opening expert reports are set for exchange a year after institution in late February 2027, the final pretrial conference is not set until September 2027, and jury selection is not set until October 4, 2027. *See* EX1023, 3-5 (7:25-cv-00376 Scheduling Order). As such, at institution, substantially all of the litigation 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 no overlap between the proceedings. Patent Owner speculates about hypothetical overlap, but it has not identified any ***actual*** overlap between the proceedings. *See* DD Req. 6-8. This speculation obfuscates the most important points: (1) there is ***no overlap*** because invalidity contentions have not been served and may not be served by institution, and (2) Petitioner's *Sotera* stipulation (which would take effect upon institution before invalidity contentions are due in the parallel proceeding) "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. 7-8. 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. 7-8. 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 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: Strong Merits Show the Office Erred and Weighs Against Denial

Factor 6 also weighs against discretionary denial. As explained above, the Examiner erred. 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. Patent

Owner's failure to dispute the Petition's merits weighs against denial.[4] *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 …").

V. CONCLUSION

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

Date: February 9, 2026

Respectfully submitted,

/Erika H. Arner/
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[4] Any request by Patent Owner to dispute the merits in a Pre-Institution Reply should be denied. Patent Owner's DD Request was less than 9 pages, leaving ample space (11 pages) if it had any credible merits argument. *See* DD Req.

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 February 9, 2026, via email directed to counsel of record for the Patent Owner at the following:

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