

**UNITED STATES PATENT AND TRADEMARK OFFICE**

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**BEFORE THE PATENT TRIAL AND APPEAL BOARD**

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SAMSUNG ELECTRONICS CO., LTD.,  
Petitioner,

v.

NETLIST, INC.,  
Patent Owner.

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Case No. IPR2022-00615  
Patent No. 7,619,912

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**PATENT OWNER'S REQUEST FOR  
REHEARING PURSUANT TO 37 C.F.R. § 42.71(d)  
AND PRECEDENTIAL OPINION PANEL REVIEW**

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Patent Trial and Appeal Board  
U.S. Patent and Trademark Office  
P.O. Box 1450  
Alexandria, VA 22313-1450

## I. INTRODUCTION

Patent Owner Netlist requests rehearing and Precedential Opinion Panel review of the Board’s Institution Decision (Paper 20, “ID”) to consider the following issues of precedential importance that underpin the Board’s decision.

First, the Board should confirm that prior *inter partes* reexamination proceedings should be considered as part of the § 314(a) *General Plastic* analysis. The Federal Circuit recently reminded the Office that it should police abusive serial challenges of all stripes by rejecting the Office’s attempt to distinguish a subsequent reexamination request from a subsequent IPR petition. The Board’s attempt to distinguish a prior reexamination request from a prior IPR petition cannot be squared with this controlling Federal Circuit precedent. The Board should clarify the reach of *General Plastic*, apply the discretionary denial framework of § 314(a), and reverse the Institution Decision premised on Samsung’s improper serial challenge.

Second, the Board should hold that—especially in a time-barred, real-party-in-interest (“RPI”) analysis: (a) it is improper for the Board to draw inferences in favor of a petitioner based on evidence not in record and withheld by that petitioner, especially given that it is the petitioner’s burden to establish that an RPI has no interest in the IPR; and (b) it is improper for the Board to hold that an indemnitee is not an RPI because the indemnitor may (allegedly) eventually assume the liability, because RPI is assessed at the time of the institution.

It is undisputed that Google is time-barred under § 315(b). Since it was first sued in 2009, Google has been challenging the validity of the '912 Patent, including partnering with a Samsung chip supplier (Inphi Corporation), who supplied chips in the accused Samsung products in the relevant period, to litigate multiple *inter partes* reexaminations and a Federal Circuit appeal spanning 10 years. The Federal Circuit ultimately confirmed the patentability of claim 16—with no amendments—while the district court case against Google remained paused. Google faces an infringement suit on claim 16 of the '912 Patent based on memory modules supplied by Samsung, and Samsung does not deny that it brought a declaratory judgment suit and filed this IPR Petition following Google's request for indemnification. Further, Samsung attacks only claim 16—the single claim in the Google case not subject to intervening rights. Google benefits directly from this narrowly focused IPR.

## II. ARGUMENT

### A. The Board Incorrectly Excluded *Inter Partes* Reexaminations from the *General Plastic* Analysis Under Section 314(a)

The Board should not disregard prior *inter partes* reexamination proceedings when determining whether to deny an IPR petition under § 314(a). Where, as here, related parties filed challenges to the same claim of the same patent, the Board should consider those proceedings as possible bases for discretionary denial of an improper serial challenge. The Board refused to address Patent Owner's arguments regarding the *General Plastic* factors, and instead summarily held that *General*

*Plastic* “is not applicable.” ID at 21-22.

The Board’s approach here runs counter to several precedential decisions. In 2017, the Board recognized that “[m]ultiple, staggered petitions challenging the same patent and same claims raise the potential for abuse,” and outlined non-exhaustive factors designed “to take undue inequities and prejudices to Patent Owner into account.” *Gen. Plastic Indus. Co. v. Canon Kabushiki Kaisha*, IPR2016-01357, Paper 19, at 17 (PTAB Sept. 6, 2017) (precedential as to § II.B.4.i). In 2019, the Board clarified that abusive petition concerns are not limited to serial challenges by the same entity, and that the Board will “consider any relationship between . . . petitioners when weighing the *General Plastic* factors.” *Valve Corp. v. Elec. Scripting Prods., Inc.*, IPR2019-00062, Paper 11, at 2 (PTAB Apr. 2, 2019) (precedential). Most recently, in 2021, the Federal Circuit rejected the Office’s attempt to distinguish between an *ex parte* reexamination request and an IPR petition when considering abusive patent challenges. *In re Vivint, Inc.*, 14 F.4th 1342, 1353 (Fed. Cir. 2021). Collectively, these decision hold that the Office must consider prior patentability challenges, regardless of their statutory bases, when deciding whether to allow another attack.

Here, the Board declined to consider the substance of Netlist’s discretionary denial arguments under § 314(a) because there was “no authority *General Plastic* ha[d] ever been applied to deny institution of a petition based on a prior

reexamination.” ID at 21. The Board cited no authority undermining the clear intent of *in re Vivint*. Samsung’s single inapposite, non-precedential panel decision predated both *Valve* and *Vivint* and involved a reexamination request by an ***unrelated third party***. See Paper 14, at 4; *Toshiba Memory Corp. v. Anza Tech., Inc.*, IPR2018-01597, Paper 12, at 45 (PTAB Mar. 12, 2019). Here, Netlist offered a complete analysis and rationale for applying *General Plastic*, and Google is far from an unrelated third party. See Paper 7, at 16-25; Paper 15, at 4-5. Moreover, the reexamination in *Toshiba* terminated due to settlement, whereas the reexaminations here culminated in multiple decisions confirming the patentability of claim 16. Importantly, Samsung ***does not deny*** that it used those proceedings as a roadmap for the present Petition. The issue of whether prior reexamination proceedings can serve as a basis for applying *General Plastic* therefore remains an open question of precedential importance.

The Federal Circuit’s decision in *Vivint* is binding on the Board. The Court held that the Office “cannot deny institution of IPR based on abusive filing practices then grant a nearly identical reexamination request that is even more abusive,” finding “no difference between the IPR and *ex parte* reexamination processes that would justify such conduct” and remanding for termination. *Vivint*, 14 F.4th at 1354. Although that case involved § 325(d), the Board did not rely on this distinction, and in any event the discretion afforded the Director under § 314(a) is broad enough to

apply the court's approach.

The Board provided no explanation or analysis as to why the Federal Circuit's reasoning would not similarly apply in full force to the situation here, where an IPR followed decade-long reexaminations, rather than the other way around. The Board found that *Vivint* was distinguishable because in that case some of the reexamination grounds were the same grounds raised in the IPR. ID at 21-22. In actuality, the Federal Circuit explicitly held there that *all* of the grounds were considered new. *Vivint*, 14 F.4th at 1350. Importantly, the court held that discretionary denial may be warranted "[e]ven when a request presents a substantial new question of patentability." *Id.* at 1349. In any event, the Board should clarify that reexamination proceedings cannot be ignored simply "because IPR and *ex parte* reexamination involve different procedures and policies." *Id.* at 1353.

Moreover, refusing to institute an IPR petition that uses an earlier, related-party's *inter partes* reexamination as a roadmap would align with the congressional intent of curbing abuse from improper serial challenges. In *General Plastic*, the Board recognized "the potential for abuse of the review process by repeated attacks on patents" and the danger of allowing "petitioners the opportunity to strategically stage their prior art and arguments in multiple petitions, using our decisions as a roadmap." IPR2016-01357, Paper 19, at 16-17 (citing H.R. Rep. No. 112-98, pt. 1, at 48 (2011) (IPRs are not "tools for harassment or . . . repeated litigation and

administrative attacks on the validity of a patent,” which “would frustrate the purpose of the [AIA]”). That abuse is happening here. Samsung and Google have teamed up to use the IPR process as a tool for subjecting Netlist to repeated attacks.

Rehearing is warranted to clarify the scope of *General Plastic* in view of *Valve* and *Vivint* and to conduct an actual § 314(a) analysis. Google is a related party and previously joined Inphi, who supplied the chips used in the accused Samsung products in the prior reexamination proceedings challenging the same claim of the same patent; Samsung knew of the challenge and the asserted prior art; Samsung has not denied using the prior proceeding as a roadmap; and Samsung—contrary to its recent misleading statements—was not under license during Google’s earlier reexamination attack. *See* Paper 7, at 16-25; Paper 15, at 4-5.

**B. The Board Inappropriately Shifted the Burden to Netlist to Disprove Samsung’s Unsupported Attorney Argument That Google Is Not an RPI or Privy of Samsung**

The Board does not appear to dispute that Netlist more than met its initial burden of producing “*some* evidence that tends to show that a particular third party should be named a real party in interest,” which shifted the burden of persuasion to Samsung to demonstrate that its Petition is not time-barred. *Worlds Inc. v. Bungie, Inc.*, 903 F.3d 1237, 1241-42, 1244 (Fed. Cir. 2018); *RPX Corp. v. Applications in Internet Time, LLC*, IPR2015-01750, Paper 128, at 7 (PTAB Oct. 2, 2020) (precedential). The Board noted the standard, ID at 12, but then overlooked

Samsung's failure to proffer any countervailing evidence on the matter. Instead, it applied a series of incorrect legal standards for the RPI and privity analysis, including applying impermissibly high evidentiary standards, drawing inferences in Samsung's favor in the absence of any evidence presented by Samsung, and holding that the presence of competition in an unrelated market can vitiate evidence of collaboration as to the specific product accused of infringement. In so doing, the Board undermined the dual purposes of the RPI requirement: 1) enforcing estoppel and precluding parties from getting two bites at the apple, and 2) safeguarding patent owners from belated serial attacks by related parties. *See* RPX, Paper 128, at 2.

**1. The Board Blamed Netlist for Samsung's Failure to Produce Evidence Refuting Google's Interest in the Petition**

When the burden shifted back to Samsung to show that Google was not an RPI, the Board not only overlooked Samsung's complete lack of evidentiary support for its position, but ultimately required Netlist to present evidence solely in Samsung's possession. For example, Netlist cited federal court filings where Samsung's pleadings demonstrate that it challenged the '912 Patent in direct response to demands for indemnification from Google. *See* Paper 7, at 5-6, 10; Ex. 1049, ¶ 11; Ex. 1051, ¶ 14. In response, Samsung did not deny that it filed this Petition because of the indemnification request from Google. Nor did it deny that Google influenced its decision to file this Petition. Nor did it produce any documents that contradict the evidence presented by Netlist or shed light on the relationship



with Google with respect to the '912 Patent or the accused products.

The Board disregarded Samsung's failure to respond, noting instead that the record "does not show the language of Google's indemnification request or demand, nor does it show what the relevant agreements were." ID at 14. The agreements and correspondence are in the sole possession of Samsung. It was not Netlist's burden to prove that Google is an RPI, but Samsung's burden to prove that Google is not an RPI. If certain documents relevant to disproving RPI are absent, the adverse inference should be drawn against Samsung, not against Netlist. *See Volkswagen Grp. of Am., Inc. v. Arigna Tech. Ltd.*, IPR2021-01263, Paper 16, at 10 n.4 (PTAB Jan. 21, 2022). As a result, the Board's finding that, "[w]hatever their terms," ID at 14, these agreements and correspondence favor a finding of no RPI is improper. Furthermore, the Board ignored Netlist's request that the Board order discovery into Samsung's agreements and correspondence with Google. *See* Paper 15, at 3 n.2.

Netlist also provided publicly available documents showing the relationship between Samsung and Google. *See* Paper 7, at 12-14. But as with the indemnity agreements, Samsung provided no evidence establishing the contours of its relationship with Google, and instead rested solely on the attorney argument downplaying Netlist's exhibits as "merely show[ing] arms-length transactions," Paper 14 at 3, and relying solely on case law where the petitioners *did* in fact submit sufficient exculpatory evidence. *See* Paper 15, at 3 (citing cases).

Moreover, the Board found that “[w]hatever aligned interest Petitioner and Google may have is not tied in any *significant way* to the particular type of memory modules claimed in the ’912 patent,” ID at 18 (emphasis added), despite Netlist introducing evidence that Samsung and Google have both *admitted on the record* that they are focused on attacking the ’912 Patent *because of the same accused product*, which Samsung sells to its customer Google. See Paper 7, at 15-16.

Furthermore, the Board relied on Samsung’s “[supposedly] compelling authority that a customer relationship alone does not trigger privity,” ID at 20, but in those cases the petitioner affirmatively met its burden by disproving the existence of an RPI relationship *through the submission of actual factual evidence*. ID at 20; see *Wi-Fi One, LLC v. Broadcom Corp.*, 887 F.3d 1329, 1341 (Fed. Cir. 2018) (noting that Broadcom introduced evidence); *WesternGeco LLC v. ION Geophysical Corp.*, 889 F.3d 1308, 1321 (Fed. Cir. 2018) (noting that “the Board reviewed the purchase agreements as well as relevant business correspondence”). That never happened here. While the Board also noted that the “record does not show that any exclusive relationship exists between Petitioner and Google,” ID at 17, this too flows directly from Samsung’s failure to produce evidence illuminating the nature of its relationship with Google. Samsung should not benefit from this.

## **2. The Board Applied Improper Legal Standards Requiring a Single Interested Party Exerting Control over the IPR**

The Board improperly applied previously rejected § 315(b) standards by

requiring an RPI to exert control and disregarding the fact that multiple parties can have an interest in an IPR proceeding.

For example, the Board applied an impermissibly high standard for when an entity qualifies as an RPI, essentially requiring Netlist to affirmatively prove that Google was *directly funding or controlling this proceeding*. See ID at 14 (citing Samsung’s unsupported attorney statement that “Google did not pay Petitioner to reduce its exposure” and speculating that it is “unlikely that Google is funding or controlling this proceeding”). While a third party funding or controlling an IPR is one example of an RPI, it is not a requirement. The analysis “demands a flexible approach that takes into account both equitable and practical considerations, with an eye toward determining whether the non-party is a clear beneficiary that has a preexisting, established relationship with the petitioner.” *Applications in Internet Time, LLC v. RPX Corp.*, 897 F.3d 1336, 1351 (Fed. Cir. 2018). The Board purported to recognize this point, ID at 11-12, and yet disregarded *every* benefit Google receives from Samsung’s IPR. For example, the Board acknowledged that Google used this proceeding to seek a stay in district court, but downplayed this delay as “a minor ancillary benefit.” *Id.* at 14. And despite the lack of evidence—and in many cases even a lack of disagreement—from Samsung, the Board inexplicably made definitive and unsupported statements favoring Samsung. For example, the Board stated that the “record shows” Samsung was not motivated to file this Petition based

on “any interest of benefit that would accrue to Google,” citing only Samsung’s *unsubstantiated attorney assertions* for support. ID at 15; *see also id.* at 16 (concluding that Samsung has “shown sufficiently” that it is representing “solely its own interest in this proceeding”). That is improper.

Another legal error relates to the Board’s repeated and sometimes implicit conclusion that, because Samsung may benefit from the IPR, Google cannot qualify as an RPI. *See, e.g.*, ID at 15 (citing Samsung’s attorney argument that “Petitioner is the party with the apparent risk of infringement liability, not Google”). Such an approach is incorrect; the law is clear that multiple parties can qualify as RPIs. *E.g.*, *RPX*, 897 F.3d at 1347, 1353. Yet the Board appears to have required Netlist to demonstrate that “Google is the only party with legal exposure,” ID at 13, despite Netlist not bearing the burden, and despite this not being the standard for establishing an RPI. Turning this into an “either/or” analysis was legally incorrect.

The Board also concluded that Google cannot be an RPI because of the principle that a patent owner cannot procure a double recovery by receiving actual damages from both a manufacture and its customers. ID at 15-16. However, predicting damages recovery is highly speculative, particularly at this juncture, and even if Netlist recovers actual damages from Samsung, its customers—including Google—may still face liability for importing products manufactured by Samsung outside of the United States. *See Paper 7*, at 12-13 (citing Ex. 2006, at 13). The

possibility that Netlist, if successful against Samsung, may in the future be precluded from recovering from Google *in part* does not extinguish Google’s interest in the IPR. Such a broad conclusion would categorically exclude all customers as potential RPIs with respect to petitions brought by a manufacturer.

The Board incorrectly accepted Samsung’s argument that it “is the party with the apparent risk of infringement liability, not Google,” ID at 15, ignoring the fact that *both* currently have infringement liability, giving *both* a strong vested interest in the outcome of this proceeding, thus making *both* RPIs. The law on the matter is clearly at odds with the Board’s approach. “[Samsung’s] repeated arguments that [Samsung] had its own reasons for filing this action . . . misses the point,” and “does not address whether [Google] is a real party in interest—‘it is not an either-or proposition.’” *Ventex Co., Ltd. v. Columbia Sportswear N. Am.*, IPR2017-00651, Paper 148, at 9 (Jan. 24, 2019) (precedential) (quoting *RPX*, 897 F.3d at 1353); *see also* *RPX*, 897 F.3d at 1347 (“Congress . . . chose language that bars petitions where proxies or privies would benefit from an instituted IPR, even where the petitioning party might separately have its own interest in instituting an IPR.”). The Board’s focus on Samsung’s *potential* liability misses the mark.

**3. The Board Improperly Viewed the “Facts” Through a Lens Most Favorable to Samsung and Downplayed the Relationship Between Google and Samsung**

The Board also made numerous unwarranted and incorrect assumptions to fill

in the obvious gaps in Samsung's arguments, while downplaying how much Google benefits from this Petition. For example, the Board focused heavily on statements in a recent district court decision denying Google's motion to strike Netlist's amended infringement contentions. Samsung misleadingly cited the district court as finding that "Netlist's infringement theory against Google is flimsy." Paper 14, at 1-2 (citing Ex. 1053, at 11). The district court actually stated "the determination as to whether [the accused products] infringe claim 16 is beyond the scope of the instant motion." Ex. 1053, at 11-12 (noting that disputes about infringement contentions are not meant for resolving the merits of infringement claims). Yet, the Board overextended its analysis again, and took this quote as *evidence* proving that "Google may have little if anything to gain by this proceeding." ID at 13.

The Board also faulted Netlist for "not address[ing] the possibility that Google achieved all it sought in the reexamination such that it has no interest in this proceeding." ID at 14. But Netlist provided a detailed explanation of how Google demonstrated a specific interest in challenging claim 16 of the '912 Patent *after* the reexamination appeal concluded. *See* Paper 7, at 4-5, 8-12; Paper 15, at 1. For example, Google unsuccessfully moved to strike Netlist's assertion of claim 16 and for summary of intervening rights as to claim 16. *See* Ex. 1053, at 44. And Samsung's court pleadings reference Netlist's assertion of claim 16 against Google before admitting: "As a direct and proximate result of Netlist's patent enforcement

activities with respect to the '912 patent, Samsung has received demands for indemnification, including from Google . . . .” Ex. 1051, ¶ 14. Put simply, Samsung would not have filed this Petition if Google had no interest in claim 16.

The Board also consistently downplayed the significant business relationship between Google and Samsung in justifying its improper “either/or” RPI analysis. The Board held that these extensive business, *see* Paper 7, at 13-14, had very little relevance for a variety of unsupported and conclusory reasons, including that Google and Samsung have competing smartphone products unrelated to the accused memory products here, in which they undeniably have a symbiotic relationship, as well as the lack of evidence regarding whether Google and Samsung have any exclusive relationships. *See* ID at 16-18. Not only did the Board again fault Netlist for Samsung’s failure to produce evidence, but it simply ignored the evidence-supported, far-reaching, and valuable partnership existing between these two companies in the relevant space, *see* Paper 7, at 12-16, as well as the admissions by Samsung and Google that Samsung exclusively supplies the accused memory modules to Google. *See* Ex. 1051, ¶ 14; Ex. 2004, at 6.

The Board repeatedly cited to *Ventex* throughout the Institution Decision, but failed to recognize the significant overlap with the facts at hand. Crucially, *Ventex* notes that the Federal Circuit “place[d] distinct emphasis on the circumstances surrounding a ‘client’s interests’ when a party elects to file an IPR petition.”

IPR2017-00651, Paper 148, at 6-7 (citing *RPX*, 897 F.3d at 1352). That panel noted that the parties' relationship spanned at least six years, and included an indemnification agreement with respect to the accused products. *Id.* at 7. ***That is exactly the same situation as here***; Samsung is focused on the interests of its client, Google, both because of its indemnity responsibilities as well as its interest in protecting their expansive business relationship. As in *Ventex*, Google and Samsung have "mutual interest in the continuing commercial and financial success of each other," and the contracts between them relate to "material that is the subject of infringement allegations," which "incentivizes both parties to invalidate claims." *Id.* at 8, 10 (finding a failure to name an RPI). *Ventex* compels a similar result here.

The Board also appeared to fault Netlist for "manufacturing" a time bar against Samsung by comparing the current state of litigation to 2009. ID at 18. But those developments took place long before this Petition was filed, and the RPI analysis properly focuses on Google's interest at the time of institution. *See, e.g., Power Integrations, Inc. v. Semiconductor Components Indus., LLC*, 926 F.3d 1306, 1318 (Fed. Cir. 2019). The relevant facts are that Google faces infringement liability, it asked Samsung to indemnify it, and Samsung then filed this Petition.

### III. CONCLUSION

For the foregoing reasons, Patent Owner respectfully requests Rehearing and Precedential Opinion Panel Review and that the Institution Decision be reversed.



Respectfully submitted,

Dated: November 2, 2022

/Philip Warrick/  
Philip Warrick (Reg. No. 54,707)  
IRELL & MANELLA LLP

**CERTIFICATE OF SERVICE**

I hereby certify, pursuant to 37 C.F.R. sections 42.6, that on November 2, 2022, a complete copy of **PATENT OWNER'S REQUEST FOR REHEARING PURSUANT TO 37 C.F.R. § 42.71(d) AND PRECEDENTIAL OPINION PANEL REVIEW** was served upon the following, by ELECTRONIC MAIL:

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