UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

AMAZON.COM SERVICES LLC and AMAZON WEB SERVICES, INC.,
Petitioners,

v.

HEADWATER RESEARCH LLC,
Patent Owner.

IPR2026-00106
Patent No. 10,321,320

PATENT OWNER'S REQUEST FOR DISCRETIONARY DENIAL OF INSTITUTION

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PATENT OWNER'S EXHIBIT LIST

No.	Description
2001	Notice of Partial Settlement in *Headwater Research LLC v. Amazon.com Services LLC et al.*, No. 7:25-cv-00286-ADA (W.D. Tex. Nov. 10, 2025)
2002	Joint Motion to Dismiss in *Headwater Research, LLC v. Apple, Inc.*, No. 7:25-cv-00371-ADA (W.D. Tex.)
2003	Joint Motion to Dismiss in *Headwater Research LLC v. Samsung Electronics Co., Ltd. et al.*, No. 2:23-cv-103-JRG-RSP (E.D. Tex. Sept. 11, 2025)
2004	Order Granting Joint Motion to Dismiss in *Headwater Research LLC v. T-Mobile USA, Inc. et al.*, Nos. 2:23-cv-379-JRG-RSP and 2:23-cv-377-JRG-RSP (E.D. Tex. Nov. 13, 2025)
2005	Order Granting Joint Motion to Dismiss in *Headwater Research LLC v. AT&T Services, Inc. et al.*, No. 2:23-cv-00397-JRG-RSP (E.D. Tex. Nov. 13, 2025)
2006	DocketNavigator statistics for contested motions to stay pending IPR before Judge Alan Albright
2007	Exhibit B-7 to Amazon's invalidity contentions in *Headwater Research LLC v. Amazon.com Services LLC et al.*, No. 7:25-cv-00286-ADA (W.D. Tex. Nov. 10, 2025)

I. Introduction

Pursuant to the Director's March 26, 2025 memorandum regarding Interim Processes for PTAB Workload Management ("March 26, 2025 Memo"), Patent Owner Headwater Research LLC ("Headwater") requests that the Director exercise discretion under 35 U.S.C. § 314(a) and issue a decision denying institution of the Petition for Review of U.S. Patent No. 10,321,320 ("the '320 patent").

The '320 patent issued on June 11, 2019, and as such has been in effect for over six years. Accordingly, the settled expectations of the parties weigh heavily against institution.

Patent Owner thus respectfully requests discretionary denial of the Petition.[1]

II. Discretionary denial is appropriate.

A. Settled expectations and other factors favor denial.

35 U.S.C. § 314(a) gives the Director discretion to deny institution of an *inter partes* review. The March 26, 2025 Memorandum regarding Interim Processes for

[1] Patent Owner reserves the right to file a Preliminary Response addressing the merits of the Petition pursuant to 37 C.F.R. § 42.107(a) on the schedule set forth by regulation and consistent with the March 26, 2025, Memorandum. *See* 37 C.F.R. § 42.107(b).

PTAB Workload Management sets forth various relevant considerations that may weigh in favor of discretionary denial, including:

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

Here, the '320 Patent issued on June 11, 2019, and has been in effect for over six years. *See* Ex. 1001. Accordingly, the settled expectations of Patent Owner of being able to adjudicate its patent claims before an Article III Court weigh against institution.

These settled expectations are bolstered by the fact that the '320 patent (along with numerous other patents owned by Patent Owner) is subject to significant licensing activity, including a recent license to Apple. *See* Ex. 2001 (referencing "a worldwide settlement whereby Headwater licensed its patents to Apple"); Ex. 2002

(reflecting settlement of the district court case against Apple involving the ’320 patent asserted).[2]

Additionally, no changes in the law support reconsideration of the validity of the ’320 Patent claims, and Amazon does not identify any such change.

Accordingly, these considerations weigh heavily in favor of discretionary denial of institution. And as discussed in the following section, many of the *Fintiv* factors additionally weigh against institution.

B. *Fintiv* factors also weigh against institution.

In addition to the factors discussed above, the Board has set forth six factors for determining whether discretionary denial in light of parallel litigation is appropriate:

1. whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted;
2. proximity of the court's trial date to the Board's projected statutory deadline for a final written decision;
3. investment in the parallel proceeding by the court and the parties;
4. overlap between issues raised in the petition and in the parallel proceeding;
5. whether the petitioner and the defendant in the parallel proceeding are the same party;

[2] The terms of the Apple license are confidential, and the terms of and in some cases the existence of other licenses are also confidential. While Headwater cannot disclose the exact details of its licenses and settlements, additional publicly available evidence of licensing and settlement activity of the Headwater portfolio can be found in court documents at Exhibits 2003–2005.

6. other circumstances that impact the Board's exercise of discretion, including the merits.

Apple Inc. v. Fintiv, Inc., IPR2020-00019, Paper 11 at 5-6 (PTAB Mar. 20, 2020) (precedential) ("*Fintiv I*"). In evaluating these factors, the Board "takes a holistic view of whether efficiency and integrity of the system are best served by denying or instituting review." *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 15 at 7-17 (PTAB May 13, 2020) (informative) ("*Fintiv II*").

As explained below, many of the *Fintiv* factors weigh in favor of discretionary denial in light of the related district court litigation of *Headwater Research LLC v. Amazon.com Services LLC et al.*, No. 7:25-cv-00286-ADA (W.D. Tex.).

1. ***Fintiv*** **Factor 1: The likelihood of a stay is neutral.**

Fintiv Factor 1 looks to "whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted." *Fintiv I* at 5-6.

The Board ordinarily "will not attempt to predict" how a district court will proceed if a stay has not been granted. *See Sand Revolution II, LLC v. Cont'l Intermodal Group-Trucking LLC,* IPR2019-01393, Paper 24 at 7 (June 16, 2020) (informative). Here, although Amazon has requested a stay, no stay has been granted. And even though there is typically no attempt to predict how a district court will respond to a stay motion, Judge Albright (who will decide Amazon's motion to stay) has denied the vast majority—25 out of 35—of the contested motions to stay pending IPR. *See* Ex. 2006 (DocketNavigator report for motions to stay pending IPR

decided by Judge Albright).

2. *Fintiv* Factors 2-3: Time to trial and amount of work already completed are outweighed by other factors.

Fintiv Factor 2 looks to "proximity of the court's trial date to the Board's projected statutory deadline for a final written decision." *Fintiv I* at 5-6. *Fintiv* Factor 3 looks to "amount and type of work already completed in the parallel litigation by the court and the parties at the time of the institution decision." *Fintiv I* at 9.

Here, the case is still in its relatively early stages, and trial is currently set for June 14, 2027. However, even to the extent these factors do not weigh in favor of discretionary denial, numerous other factors discussed above and below weigh more heavily in favor of discretionary denial.

3. *Fintiv* Factor 4: There is likely to be substantial overlap between this IPR and the district court proceeding.

Fintiv Factor 4 evaluates "concerns of inefficiency and the possibility of conflicting decisions" when substantially identical prior art is submitted in both the district court and the IPR proceeding. *Fintiv I* at 12. Here, all claims of the '320 Patent (claims 1–18) are challenged such that this proceeding necessarily covers any claims that will be addressed in the district court proceeding.

Furthermore, while Amazon filed a *Sotera* stipulation that it would not raise a district court invalidity defense "within the scope of the statutory estoppel" (Ex. 1050), the scope of Amazon's stipulation is not sufficient to ensure that IPR

proceedings would be a "true alternative" to the District Court litigation. *See Motorola v. Stellar*, IPR2024-01205, Paper 19 at 3–4 (March 28, 2025) (Director vacating decision granting institution in part because the petitioner's *Sotera* "stipulation does not ensure that these [inter partes review] proceedings would be a 'true alternative' to the district court proceeding").

Here, Amazon's stipulation only warrants that it will not pursue the same grounds as those raised in this IPR proceeding (or that could have been reasonably raised in this IPR proceeding). This stipulation would allow Amazon to rely on any combinations of system art with any or all of the art asserted in its petition, and also to rely on system art in combination with any other art that "reasonably could have been raised in this inter partes review." Thus, the stipulation leaves open the potential that Amazon's district court invalidity theories and evidence would have significant overlap with the theories and evidence presented in this proceeding, rendering Amazon's stipulation insufficient to ensure the IPR proceedings are a "true alternative" to the District Court proceedings.[3] This risk is even greater than usual,

[3] To be clear, Patent Owner is not suggesting that petitioners must give up ***every*** validity defense in the parallel District Court proceedings in order for a stipulation to be sufficient. But here, Amazon falls *far* short of a stipulation that would allow this proceeding to be a "true alternative" to district court invalidity proceedings, by leaving open the possibility that Amazon will raise the exact art raised in this proceeding before the district court (or any other art that could have been raised in this proceeding), only with some combination of system art. Amazon's *Sotera* stipulation thus provides no meaningful protection against multiple validity

given that Amazon's Petition relies heavily on the TS-23.140 publication (*see* Pet at 3, showing that all but one ground refers to TS-23.140), which Amazon may contend is related to numerous pieces of system art because it is a technical standard "issued by the 3GPP standards body." *See* Pet. 6. Indeed, Amazon has explicitly alleged that it would be obvious to combine the BlackBerry Push system with TS-23.140. *E.g.*, Ex. 2007 at 41, 66, 91, 306, 327, 349, 373 (Exhibit B-7 to Amazon's December 12, 2025 district court invalidity contentions).

Additionally, Amazon's stipulation also would allow Amazon to seek *ex parte* review of the '320 patent before a final written decision is reached, causing further duplication. *See In re Gesture Tech. Partners, LLC*, 160 F.4th 1317, 1321 (Fed. Cir. 2025) (upholding USPTO's decision not to terminate a reexamination requested by a petitioner in an IPR in which a final written decision had issued because "the estoppel provision of 35 U.S.C. § 315(e)(1) is inapplicable against the Patent Office to ongoing *ex parte* reexamination proceedings").

In short, if the Board were to grant institution in this proceeding, it would be considering the same claims of the '320 Patent that will be considered by the district court, and the same claims of the '320 Patent whose validity may subsequently be challenged again during any potential *ex parte* reexamination process. Furthermore,

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challenges across multiple tribunals, each challenge involving art that was raised or reasonably could have been raised in this proceeding.

Amazon has declined to stipulate that it will not rely even on the exact same prior art (or art that reasonably could have been) raised in this proceeding before the District Court, so long as Amazon combines such art in some manner with system art. This leaves open the possibility of duplicative proceedings across several different forums, at odds with the purpose of the IPR process to streamline invalidity challenges.

Thus, *Fintiv* Factor 4 weighs strongly in favor of discretionary denial.

4. *Fintiv* Factor 5: Amazon is the defendant in the district court litigation.

Fintiv Factor 5 looks to "whether the petitioner and the defendant in the parallel proceeding are the same party." *Fintiv I* at 5-6. Specifically, when "the petitioner and the defendant in the parallel proceeding are the same party, this factor weighs in favor of discretionary denial." *Fintiv II* at 15. Here, Amazon is the defendant in the parallel litigation.

Thus, *Fintiv* Factor 5 weighs in favor of discretionary denial.

5. *Fintiv* Factor 6: Other considerations support discretionary denial.

Fintiv Factor 6 looks to "other circumstances that impact the Board's exercise of discretion, including the merits." *Fintiv I* at 5-6. This factor also weighs heavily against institution for at least two reasons.

First, contrary to Amazon's assertions, the Petition fails to present any

compelling merits of unpatentability. The Petition does not allege anticipation under §102, and instead relies solely on obviousness under §103. *See* Pet. 3 (noting that its grounds are "all §103"). Patent Owner reserves the right to highlight specific deficiencies in its POPR merit-based briefing.

Second, as discussed above, the factors discussed in the Director's March 26, 2025 Memorandum regarding Interim Processes for PTAB Workload Management weigh ***strongly*** in favor of discretionary denial, including the length of time the challenged patent has been in effect.

Thus, *Fintiv* Factor 6 weighs strongly in favor of discretionary denial.

III. Conclusion

Patent Owner respectfully requests that the Director exercise discretion under Section 314(a) to deny institution.

Date: January 20, 2026

Respectfully submitted,

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CERTIFICATE OF SERVICE (37 C.F.R. § 42.6(e))

The undersigned hereby certifies that the above document was served on January 20, 2026, by filing this document through the Patent Trial and Appeal Case Tracking System (P-TACTS) as well as delivering a copy via electronic mail upon the following attorneys of record for Petitioners:

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