

January 2, 2026

VIA E-MAIL

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**Re: *Headwater Research LLC v. Target Corp.*, Case No. 2:25-cv-00963 (E.D. Tex.);
Target Corp. v. Headwater Research LLC, IPR2026-00153**

Dear Counsel:

Target Corporation (“**Target**”) hereby stipulates that, if the PTAB institutes IPR2026-00153, Target will be bound by the full scope of estoppel under 35 U.S.C. § 315(e)(2) in *Headwater Research LLC v. Target Corp.*, Case No. 2:25-cv-00963 (E.D. Tex.) as of the institution decision date for the patent at issue in the instituted IPR (i.e., Target will forgo invalidity in district court based on “any ground that the petitioner raised or reasonably could have raised during that inter partes review”). See also *Sotera Wireless, Inc. v. Masimo Corp.*, IPR2020-01019, Paper 12, 18-19 (PTAB Dec. 1, 2020) (precedential as to §II.A).

Accordingly, this stipulation ensures that IPR2026-00153 would be a “true alternative” to the district court proceeding (*Sotera*, Paper 12, 18-19) because Target agrees not to pursue any grounds after institution in the district court that are within the scope of the statutory estoppel (i.e., any grounds that the statute would preclude Target from pursuing after Final Written Decision). However, if institution of IPR2026-00153 is subsequently vacated or IPR2026-00153 is terminated after institution without reaching a Final Written Decision, Target will no longer be bound by this stipulation.

Sincerely,



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