

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SAMSUNG ELECTRONICS CO., LTD.,
Petitioner

v.

ACORN SEMI, LLC,
Patent Owner

Case Nos. IPR2020-01204 and IPR2020-01264
Patent No. 8,766,336

Case Nos. IPR2020-01205 and IPR2020-01241
Patent No. 9,461,167

Case Nos. IPR2020-01206 and IPR2020-01279
Patent No. 9,905,691

Case Nos. IPR2020-01207 and IPR2020-01282
Patent No. 10,090,395

Case No. IPR2020-01182
Patent No. 7,084,423

Case No. IPR2020-01183
Patent No. 9,209,261

PATENT OWNER'S COMMENTS ON PETITIONER'S ANSWER
TO BOARD'S STIPULATION INQUIRY

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I. AN INVITED STIPULATION IS UNPRECEDENTED AND UNFAIR.

While Acorn appreciates the Board's desire to preserve IPRs as true alternatives to litigation, inviting this third, revised stipulation is unprecedented, procedurally improper, prejudicial to Acorn, and sets a dangerous precedent that will invite future abusive gamesmanship by petitioners. Already, the parallel litigation is at a significantly advanced state. Tremendous effort has gone into litigating invalidity/validity positions in the district court, and preliminary responses in these proceedings have been carefully drafted and filed. Allowing the petitioner to now change the very foundation upon which all of those activities have been built is like allowing the petitioner to place its bet on the race *after* the horses have made the final turn on the track. This third, revised stipulation is informed not only by Acorn's preliminary responses, final expert reports on validity, and very nearly complete expert discovery, but the Board's own telegraphing of how it is handicapping the proceeding. Providing such an advantage is highly prejudicial to Acorn.

Acorn invested its limited resources in these IPRs and the related litigation and chose which arguments to make based on *the petition* and the stipulation therein. *See Intelligent Bio-Systems v. Illumina Cambridge*, 821 F.3d 1339, 1369 (Fed. Cir. 2016) (petitioner's entire case must be made in the petition). For the Board to allow the petitioner to alter its case, indeed for the Board to *invite* such revision and then permit only four pages in rebuttal, is wrong. *Cf. In re Magnum Oil Tools*, 829 F.3d 1364, 1380-81 (Fed. Cir. 2016) (Board cannot make arguments on behalf of

petitioner not in petition); *Perfect Surgical Techniques v. Olympus Am.*, 841 F.3d 1004, 1006 (Fed. Cir. 2016) (Board cannot “mandate compliance [with its rules] by only some parties”). So is a midstream change of rules. *Cf. Belden v. Berk-Tek*, 805 F.3d 1064, 1080 (Fed. Cir. 2015). A properly promulgated rule would not be retroactive, but here the Board appears not only willing to apply the *Sotera* “rule” retroactively but is actively encouraging the petitioner to change its case midstream to take advantage of it. Such *shenanigans* violate due process.

Sotera’s recent precedential designation does not justify this troubling procedure. Before the petitions were filed, *Sand Revolution* already specified the scope of a meaningful stipulation. Even before *Sand Revolution*, parties knew how to make a broad or narrow stipulation. And this petitioner certainly knew *when it filed the petitions* and again when it revised them in preliminary replies how to craft a stipulation to have exactly the scope it desired. Three chances are too many.

If a procedure like this is followed in other cases, petitioners will initially make no meaningful stipulation in their petitions, evaluate the patent owners’ preliminary responses, see how related litigation develops in the interim, wait for the Board to invite broader stipulations, and then decide whether to capitalize on those opportunities. Meanwhile, patent owners will be left in the lurch, unable to rely on positions taken in petitions. Such gamesmanship will undermine the integrity of AIA trials, and results of those trials will not represent fair and impartial justice.

II. THE REVISED STIPULATION IS STILL TOO NARROW.

The broader stipulation is still too narrow in -01183, and -01204–01207, all of which assert Acorn’s own Grupp ’483 as alleged prior art under a theory that the challenged claims do not satisfy 35 U.S.C. § 112, ¶ 1 and, therefore, are not entitled to the benefit of their earliest effective filing date, which precedes Grupp ’483. In those five cases, the new stipulation does *nothing* to prevent the petitioner from making the very same underlying 35 U.S.C. § 112, ¶ 1 invalidity arguments in the related litigation, as the petitioner is indeed doing. Stated differently, Samsung’s new stipulation notwithstanding, the Board and the parties will waste their resources relitigating the same § 112, ¶ 1 issues; the petitioner will get an unfair second bite at the apple; and Acorn will be prejudiced by having to defend its patents in multiple proceedings – timed to begin in the critical few weeks just before the district court trial – all with significant risk of inconsistent results.

The issues in -01204–01207 and the litigation are not just overlapping but entirely coextensive. The sole challenge in each of those IPRs is based on Grupp ’483. The underlying § 112, ¶ 1 issues are the only ones that Acorn can contest; Acorn cannot argue that the disclosure of Grupp ’483 is deficient because it has the same specification as the challenged patents. Less complete overlap has been held to “strongly” favor denial. *Code200 v. Luminati Networks*, IPR2020-01266, Paper 18 at 10 (Dec. 23, 2020); *see also id. generally* at 7-12 (many factual similarities).

As to -01183, the new stipulation addresses only challenge 2, obviousness of

claims 1-3, 17, 18 in view of Jammy. Challenge 1 (anticipation by Grupp '483) is unaffected for the same reasons as above, and challenge 3 is moot due to Acorn's disclaimer. What is left is not enough to justify institution, even assuming challenge 1 were reasonably likely to prevail (it is not). Besides, as the petitioner noted, Acorn is no longer asserting the '261 Patent in the litigation.

The petitioner could have made, but deliberately chose not to make, a meaningful stipulation not to raise the *same issues* in the related litigation. As it is, *Fintiv* factor 4 and its underlying concern against overlapping issues and effort continue to strongly support denial in IPR2020-01183 and -01204–01207.

III. THE REVISED STIPULATION IS MEANINGLESS IN IPR2020-01182.

The stipulation regarding the '423 patent, the subject of -01182, is meaningless. The petitioner admits the district court has held all challenged claims of that patent invalid as indefinite. There is simply nothing left for the petitioner to stipulate not to raise. While reversal on appeal is possible, the time and place to deal with that, if necessary, is in the district court on remand from the Federal Circuit. The Board should not waste its valuable time on an IPR trial just because of that speculative possibility. *See Facebook v. Sound View Innovations*, IPR2017-00998, Paper 13 at 18 (Sept. 5, 2017) (denying institution because court held challenged claims invalid); *cf. Target v. Proxicom Wireless*, IPR2020-00903, Paper 11 at 14 (Nov. 10, 2020) (“[T]he [*Facebook*] panel had no reason to proceed because the district court had already determined the sole claim at issue was indefinite.”).

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