

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

QUALCOMM INCORPORATED
Petitioner

v.

BANDSPEED, INC.
Patent Owner

IPR2015-01581
U.S. Patent 7,477,624

PETITIONER'S REPLY TO OPPOSITION TO MOTION FOR JOINDER

Pursuant to the ORDER entered on August 25, 2015 (Paper 9), Petitioner files its Reply to “Patent Owner’s Opposition to the Motion for Joinder” (Paper 8).

I. STATEMENT OF RELEVANT FACTS

On June 11, 2015 the PTAB instituted trial in IPR 2015-00316 (“‘316 IPR”) determining that, based on the asserted grounds, there was a reasonable likelihood that the claims of U.S. Patent 7,477,624 (“‘624 Patent”) are invalid.

On July 13, 2015, Petitioner timely filed the present petition pursuant to 35 U.S.C. 315(b) and 37 CFR 42.122(b) with an accompanying motion for joinder.

Bandspeed did not inform the PTAB in the ‘316 IPR of the present petition within the required 21 day timeframe (August 3, 2015). *See* 37 C.F.R. 42.8.

On August 5, 2015, Bandspeed and Mediatek filed a joint motion to terminate the ‘316 IPR proceeding.

II. THE MOTION FOR JOINDER SHOULD BE GRANTED

A. Previous PTAB Decisions Favor Joinder

In *Nintendo of America, Ltd. v. Babbage Holdings, Inc.* (IPR2015-00568), the PTAB was faced with a nearly identical situation as the present case (the primary difference being that Bandspeed has attempted to terminate prior to opposing joinder, without notifying the PTAB of the new petition). Like the present case, in *Nintendo* the joining Petitioner (i) filed the petition within 1-month of institution, (ii) utilized the same grounds as the instituted petition, (iii) agreed to take an un-

derstudy role unless and until settlement of the other '316 IPR Petitioner occurs, and (iv) noted that the '316 IPR Petitioner did not oppose this arrangement. In *Nintendo*, the patent owner also attempted the same arguments as Bandspeed in opposition. Specifically, the patent owner stated that (i) the petitioner could have filed earlier (e.g. with the original petition), and (ii) it is prejudicial to a patent owner for settlement purposes to allow for joinder.

The PTAB found that joinder would not unduly complicate the case because the newly filed petition did not raise additional issues for review. Further, the patent owner's arguments regarding settlement were not persuasive at least because the motion for joinder was on file prior to the motion to terminate and the parties were aware of the newly filed petition during the settlement negotiations. Therefore, the motion for joinder was granted. Because circumstances of the present case are substantively indistinguishable from those of *Nintendo*, joinder is also appropriate here.

In Bandspeed's opposition to joinder *Google Inc. v. Personal Web Technologies* (IPR2014-00977) is relied on for the proposition that it is proper to terminate a proceeding when a joinder motion is present while not allowing for joinder. This case, however, is easily distinguishable. Specifically, in *Google*, the PTAB denied the joinder motion because it was untimely (i.e. filed past the deadline of 37 C.F.R. 42.122), whereas the present motion was timely filed.

B. Policy Considerations

Bandspeed cites the Trial Practice Guide's "Settlement" section as an argument that joinder is inappropriate because it may hinder settlement generally for future parties. The cited portion states that "there are strong public policy reasons to favor settlement between *the parties to a proceeding.*" 77 Fed. Reg. 48756, 48758. Nothing about the present motion for joinder impacts the settlement between Bandspeed and MediaTek (i.e. the parties to the '316 IPR proceeding). In other words, the PTAB can approve the present motion for joinder and the '316 IPR's termination motion without hindering any agreement between the parties of the '316 proceedings.

Bandspeed speculates that joinder will adversely affect settlement generally in multi-defendant litigation cases because a future hypothetical patent owner must wait until 1-month after an IPR is instituted to know if other defendants are going to challenge invalidity. Such plaintiffs are already aware of this circumstance due to the explicit rules governing IPR proceedings (e.g. 35 U.S.C. 315(b) and 37 C.F.R. 42.122(b)). Thus, this situation should already be taken into account by respective parties.

Moreover, the existence of present circumstances provides parties with *more* incentive to settle early. A pre-institution settlement in this case would have wholly prevented joinder since a party may only join an instituted proceeding.

Public policy considerations weigh heavily for joinder in this case. When creating IPR proceedings, Congress specifically carved an exception to the 1-year from the service of an infringement suit rule to specifically allow parties that have been sued for infringement to join a proceeding that has been instituted. The public is served by allowing an interested party threatened by suit to continue a case where the USPTO has found it reasonably likely that the patent is invalid.

Additionally, when Congress created that exception to the 1-year rule, it did not create time requirements for filing after institution. The USPTO created the 1-month deadline from institution of Rule 42.122 to encourage timely filing. This deadline balances the policy favoring additional petitioners to join, with the desire to allow for certainty for a patent owner and to guard against harassment. The present petition was timely filed within the 1-month deadline.

C. Joinder Will Have Little to No Effect on the Trial Schedule

Bandspeed states that it was unclear whether Petitioner has engaged Dr. Ding as an expert and is able to present him for deposition. Dr. Ding has been engaged, and Petitioner is able to present him for deposition.

Bandspeed states that Due Date 1 will need to be extended if joinder is granted. Any extension of Due Date 1 will be in accommodation to Bandspeed by Petitioner and is necessitated by Bandspeed not having worked to draft their response for filing within the already existing deadline. In other words, a change in

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