

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

OPENSKY INDUSTRIES, LLC,
INTEL CORPORATION,
Petitioners,

v.

VLSI TECHNOLOGY LLC,
Patent Owner.

Case IPR2021-01064*
Patent 7,725,759

**PATENT OWNER'S BRIEF TO SHOW CAUSE
REGARDING COMPENSATORY DAMAGES**

* Intel Corporation, which filed a Petition in IPR2022-00366, has been joined as a party to this proceeding.

TABLE OF CONTENTS

	Page
I. INTRODUCTION	1
II. STATEMENT OF MATERIAL FACTS.....	4
III. ATTORNEYS’ FEES AND COSTS SHOULD BE AWARDED TO VLSI IN THEIR FULL AMOUNT, FROM THE FILING OF OPENSKY’S IPRS.....	7
A. Attorneys’ Fees And Costs Should Be Awarded To VLSI.....	7
B. VLSI Should Be Awarded All Fees And Costs Relating To OpenSky’s IPRs (IPR2021-01056, -01064, IPR2022-00645) And The Joinder IPRs They Spawned (IPR2022-00366, -00480).	13
C. OpenSky’s Attorneys And The ATW Law Firm Should Be Jointly And Severally Liable With OpenSky For VLSI’s Fees And Costs.	15
IV. CONCLUSION.....	21

TABLE OF AUTHORITIES

Page(s)

COURT DECISIONS

Aegis Sec. Ins. Co. v. Fleming,
32 C.I.T. 410 (C.I.T. 2008).....10

Amneal Pharms, LLC v. Almirall, LLC,
960 F.3d 1368 (Fed. Cir. 2020)8, 10

Arunachalam v. IBM,
989 F.3d 988 (Fed. Cir. 2021)9

Bader v. Intel Corp. (In re Intel Sec. Litig.),
791 F.2d 672 (9th Cir. 1986)20

Brasseler, U.S.A. I., L.P. v. Stryker Sales Corp.,
267 F.3d 1370 (Fed. Cir. 2001)9

Cleo D. Mathis & Vico Prods. Mfg. Co. v. Spears,
857 F.2d 749 (Fed. Cir. 1988)12

Drop Stop LLC v. Zhu,
757 Fed. Appx. 994 (Fed. Cir. 2019).....10

Eon-Net LP v. Flagstar Bancorp,
653 F.3d 1314 (Fed. Cir. 2011)9

E-Pass Techs., Inc. v. 3Com Corp.,
2009 U.S. App. LEXIS 6062 (Fed. Cir. 2009).....16

Evident Corp. v. Church & Dwight Co.,
399 F.3d 1310 (Fed. Cir. 2005)9

Glass v. Pfeffer,
849 F.2d 1261 (10th Cir. 1988)18

Goodyear Tire & Rubber Co. v. Haeger,
581 U.S. 101, (2017).....14

<i>Holgate v. Baldwin</i> , 425 F.3d 671 (9th Cir. 2005)	20
<i>In re Del. Valley Lift Truck Inc.</i> , 640 B.R. 342 (Bankr. E.D. Pa. 2022)	19
<i>Inventor Holdings, LLC v. Bed Bath & Beyond, Inc.</i> , 876 F.3d 1372 (Fed. Cir. 2017)	12
<i>Joint Stock Co. Channel One Russ. Worldwide v. Infomir LLC</i> , 2017 U.S. Dist. LEXIS 165702 (S.D.N.Y. July 18, 2017).....	20
<i>Jurgens v. CBK, Ltd.</i> , 80 F.3d 1566 (Fed. Cir. 1996)	9
<i>Link v. Wabash R. Co.</i> , 370 U.S. 626 (1962).....	12
<i>Lumen View Tech. LLC v. Findthebest.com</i> , 811 F.3d 479 (Fed. Cir. 2016)	9
<i>Monolithic Power Sys., Inc. v. O2 Micro Int’l Ltd.</i> , 726 F.3d 1359 (Fed. Cir. 2013)	13
<i>Oplus Techs., Ltd. v. Vizio, Inc.</i> , 782 F.3d 1371 (Fed. Cir. 2015)	8
<i>Pac-Tec, Inc. v. Amerace Corp.</i> , 903 F.2d 796 (Fed. Cir. 1990)	16
<i>Phonometrics, Inc. v. Westin Hotel Co.</i> , 319 F.3d 1328 (Fed. Cir. 2003)	20
<i>Pirri v. Cheek</i> , 851 Fed. Appx. 183 (Fed. Cir. 2021).....	16
<i>POP Top Corp. v. Rakuten Kobo Inc.</i> , 2022 U.S. App. LEXIS 19408 (Fed. Cir. 2022)	16
<i>Six v. Generations Fed. Credit Union</i> , 891 F.3d 508 (4th Cir. 2018)	19

<i>State Indus. v. Mor-Flo Indus.</i> , 948 F.2d 1573 (Fed. Cir. 1991)	12, 13, 16
<i>Sys. Div., Inc. v. Teknek, LLC</i> , 298 Fed. Appx. 950 (Fed. Cir. 2008).....	16
<i>U.S. Steel Corp. v. United States</i> , 730 F.2d 1465 (Fed. Cir. 1984)	18

AGENCY DECISIONS

<i>Atlanta Gas Light Co. v. Bennett Regulator Guards, Inc.</i> , IPR2015-00826, Paper 39 (Dec. 6, 2016)	10
<i>RPX Corp. v. Applications In Internet Time LLC</i> , IPR2015-01750, Paper 69 (Jul. 1, 2016)	10

REGULATIONS

37 C.F.R. § 11.18(b)(2)(i)	15
37 C.F.R. § 11.19(b)	17
37 C.F.R. § 11.303(b)	17
37 C.F.R. § 11.304(a).....	17
37 C.F.R. § 11.401(b)	17
37 C.F.R. § 11.503(c).....	17
37 C.F.R. § 11.804(a).....	17
37 C.F.R. § 11.804(c).....	17
37 C.F.R. § 42.11(c).....	15
37 C.F.R. § 42.11(d)(1).....	15
37 C.F.R. § 42.11(d)(3).....	15
37 C.F.R. § 42.11(d)(4).....	15

37 C.F.R. § 42.1210

37 C.F.R. § 42.12(b)(6).....8

STATUTES

35 U.S.C. § 2859

EXHIBIT LIST

Ex. 2001	Declaration of Nathan Lowenstein in Support of Motion for Pro Hac Vice Admission
Ex. 2002	Declaration of Thomas M. Conte In Support of Patent Owner’s Preliminary Response
Ex. 2003	Rebuttal Expert Report of Dr. Thomas M. Conte Regarding Validity of the ’759 and ’373 Patents (TOC Only) [Conte Report]
Ex. 2004	February 9, 2021 Email From Intel’s Counsel, Jeff Dennhardt [Dennhardt Email]
Ex. 2005	Intel, VLSI Patent Jury Trial Kicks Off in Waco After Delay Bid, Matthew Bultman, Bloomberg Tech & Telecom Law, February 22, 2021 [Bloomberg-Article]
Ex. 2006	OpenSky Industries, LLC’s Formation Document, Nevada Business Portal, April 23, 2021 [OpenSky Formation]
Ex. 2007	Patent Quality Assurance, LLC, Articles of Organization, South Dakota, June 14, 2021 [PQA Articles]
Ex. 2008	“DEFENDANT INTEL CORPORATION’S FINAL INVALIDITY CONTENTIONS (U.S. PATENT NO. 7,725,759),” served Jan. 31, 2020 in <i>VLSI Tech. LLC v. Intel Corp.</i> , No. 1-19-cv-00977 (W.D. Tex.) [Invalidity Contentions – Cover] (redacted pursuant to District Court Action protective order designation)
Ex. 2009	“Invalidity of U.S. Patent No. 7,725,759 Based on U.S. Patent No. 6,298,448 to Shaffer et al.,” served Jan. 31, 2020 in <i>VLSI Tech. LLC v. Intel Corp.</i> , No. 1-19-cv-00977 (W.D. Tex.) [Invalidity Contentions – Shaffer]
Ex. 2010	“Invalidity of U.S. Patent No. 7,725,759 Based on U.S. Patent No. 7,360,103 to Lint et al.,” served Jan. 31, 2020 in <i>VLSI Tech. LLC v. Intel Corp.</i> , No. 1-19-cv-00977 (W.D. Tex.) [Invalidity Contentions – Lint]
Ex. 2011	“Invalidity of U.S. Patent No. 7,725,759 Based on U.S. Patent No. 5,838,995 to Chen et al.,” served Jan. 31, 2020 in <i>VLSI Tech. LLC v. Intel Corp.</i> , No. 1-19-cv-00977 (W.D. Tex.) [Invalidity Contentions – Chen]
Ex. 2012	“Invalidity of U.S. Patent No. 7,725,759 Based on U.S. Publication No. 2004/0098631 to Terrell II,” served Jan. 31, 2020 in <i>VLSI Tech. LLC v. Intel Corp.</i> , No. 1-19-cv-00977

	(W.D. Tex.) [Invalidity Contentions – Terrell]
Ex. 2013	“Compilation of Disclosures from Additional Prior Art References,” served Jan. 31, 2020 in <i>VLSI Tech. LLC v. Intel Corp.</i> , No. 1-19-cv-00977 (W.D. Tex.) [Invalidity Contentions – Additional Art]
Ex. 2014	Albright Orders Daily COVID-19 Tests At Intel Patent Trial, Ryan Davis, Law360, February 10, 2021 [Law360-Article]
Ex. 2015	Defendant Intel Corporation’s Rule 50(B) Motion For Judgment As A Matter of Law in <i>VLSI Tech. LLC v. Intel Corp.</i> , No. 1-19-cv-00057-ADA (W.D. Tex.), April 22, 2021 (Excerpt) [Intel JMOL]
Ex. 2016	Attorneys, <i>VLSI Tech. LLC v. Intel Corp.</i> , No. 1-19-cv-00057-ASA (W.D. Tex.) [Docket]
Ex. 2017	PCI LOCAL BUS SPECIFICATION (Rev. 2.2, Dec. 18, 1998) [PCI 2.2]
Ex. 2018	David Padua, ENCYCLOPEDIA OF PARALLEL COMPUTING (2011) (excerpt) [Padua]
Ex. 2019	Dake Liu, EMBEDDED DSP PROCESSOR DESIGN (2008) (excerpt) [Liu]
Ex. 2020	The Story of the Intel 4004, Intel’s First Microprocessor, retrievable from (retrievable from https://www.intel.com/content/www/us/en/history/museum-story-of-intel-4004.html .) [Intel’s First Microprocessor]
Ex. 2021	Microchip WebSeminars, The World’s Smallest Microcontroller The PIC10F 6-pin Family, 2004 [PIC10F Presentation]
Ex. 2022	Microchip PIC10F200/202/204/206 6-Pin, 8-Bit Flash Microcontroller Datasheet 2004 [PIC10F Datasheet]
Ex. 2023	Defendant Intel Corporation’s Second Identification of Prior Art Combinations in <i>VLSI Tech. LLC v. Intel Corp.</i> , No. 1-19-cv-00977 (W.D. Tex.), October 14, 2020 [Intel Second Identification of Prior Art]
Ex. 2024	<i>Comparison</i> of IPR2020-00106, Paper 3, 23-45, 48-75 with IPR2021-01064, Petition, 22-33, 40-53, and <i>Comparison</i> of IPR2020-00498, Paper 4, 44-56, 73-81 with IPR2021-01064, Petition, 34-39,54-60 [Comparison of OpenSky/Intel Petitions]
Ex. 2025	Trial Transcript in <i>VLSI Tech. LLC v. Intel Corp.</i> , No. 1-19-cv-00057-ADA (W.D. Tex.), March 1, 2021 (Excerpt) [Trial Tr.]
Ex. 2026	Expert Report of Dirk Grunwald, Ph.D. Regarding Invalidity of

	U.S. Patent No. 7,725,759 (TOC Only) [Grunwald Report].
Ex. 2027	Zint, Bradley, 3 Marijuana Businesses Win OK In Costa Mesa As Another Is Put On Hold, LA Times, Dec. 12, 2018, https://www.latimes.com/socal/daily-pilot/news/tn-dpt-me-cm-planning-20181212-story.html [Zint LA Times Article]
Ex. 2028	Walsh, Katelyn, Planning Application 18-41 For a Marijuana Distribution Facility (TRIID), City of Costa Mesa Planning Commission Agenda Report, Dec. 10, 2018 [TRIID Presentation]
Ex. 2029	Idaho Reinstatement Annual Report for Idaho T Group, LLC, Mar. 17, 2021 [Idaho T Group Annual Report]
Ex. 2030	KBMO Consulting, LLC, Articles of Organization, Mar. 23, 2017 Listing Christopher Larocca as Organizer [KBMO Consulting Articles]
Ex. 2031	California Statement of Information for KBMO Consulting, LLC, May 17, 2018 Listing Michael Tomasulo as CEO [KBMO Consulting SOI]
Ex. 2032	Winston & Strawn WacoWatch Listing Recent Posts by Michael A Tomasulo, November 24, 2021, https://www.winston.com/en/wacowatch/index.html#!/aids=1090 [WacoWatch]
Ex. 2033	Winston & Strawn WacoWatch, Court Grants VLSI Motion to Transfer Case Back to Waco, Moves Trial to February 16, 2021 so Intel Can Seek Review, Co-Author Michael A Tomasulo, January 4, 2021, https://www.winston.com/en/wacowatch/court-grants-vlsimotion-to-transfer-case-back-to-waco-moves-trial-to-february-16-2021-so-intel-can-seek-review.html [Tomasulo Article on VLSI/Intel]
Ex. 2034	Winston & Strawn WacoWatch, Court Clears VLSI and Intel Trial, Co-Author Michael A. Tomasulo, January 21, 2021, https://www.winston.com/en/wacowatch/federal-circuit-clears-vlsiand-intel-trial.html [Tomasulo Article on VLSI/Intel]
Ex. 2035	Podcast Trial Alert: VLSI Technologies v. Intel — Countdown to Kick-Off, Judge Albright’s Second Patent Jury Trial, Feb. 22, 2021, https://www.winston.com/en/wacowatch/trial-alert-vlsi-technologies-v-intel-countdown-to-kick-off-judge-albrights-second-patent-jury-trial.html [Tomasulo Podcasts]
Ex. 2036	Podcast Trial Alert: VLSI Technologies v. Intel — Jury Trial

	Day 1, Feb. 23, 2021, https://www.winston.com/en/wacowatch/trial-alert-vlsi-technologies-v-intel-jury-trial-day-1.html [Tomasulo Podcasts]
Ex. 2037	Podcast Trial Alert: VLSI Technologies v. Intel— Jury Trial Day 2, Feb. 24, 2021, https://www.winston.com/en/wacowatch/trial-alert-vlsi-technologies-v-intel-jury-trial-day-2.html [Tomasulo Podcasts]
Ex. 2038	Podcast Trial Alert: VLSI Technologies v. Intel— Jury Trial Day 5, Mar. 2, 2021, https://www.winston.com/en/wacowatch/podcast-trial-alert-vlsi-technologies-v-intel-jury-trial-day-6.html [Tomasulo Podcasts]
Ex. 2039	Podcast Trial Alert: VLSI Technologies v. Intel—Jury Trial Day 6, Part 1, Mar. 4, 2021, https://www.winston.com/en/wacowatch/podcast-trial-alert-vlsi-technologies-v-intel-ii-jury-trial-day-1.html [Tomasulo Podcasts]
Ex. 2040	Podcast Trial Alert: VLSI Technologies v. Intel—Jury Trial Day 6, Part 2, Mar. 4, 2021, https://www.winston.com/en/wacowatch/podcast-trial-alert-vlsi-technologies-v-inteljury-trial-day-6-part-2.html [Tomasulo Podcasts]
Ex. 2041	Podcast Trial Alert: VLSI Technologies v. Intel—Trial Takeaways, Mar. 5, 2021, https://www.winston.com/en/wacowatch/podcast-trial-alert-vlsi-technologies-v-inteltrial-takeaways.html [Tomasulo Podcasts]
Ex. 2042	Singh Engagement Agreement, Exhibit 1034 in <i>Patent Quality Assurance, LLC v. VLSI Tech. LLC</i> , IPR2021-01229 [11/15/21 Singh Engagement] [CORRECTED]
Ex. 2043	Declaration of Truman H. Fenton, Exhibit 1033 in <i>Patent Quality Assurance, LLC v. VLSI Tech. LLC</i> , IPR2021-01229 [Fenton-Decl.]
Ex. 2044	Declaration of Alan Heinrich in Support of Motion for Pro Hac Vice Admission
Exs. 2045-2052	Reserved
Ex. 2053	March 8, 2022 Telephonic Hearing Transcript

Ex. 2054	Tillis to Support Kathi Vidal’s Nomination for Director of the U.S. Patent and Trademark Office, TILLIS.SENATE.GOV (Jan. 5, 2022), https://www.tillis.senate.gov/2022/1/tillis-to-support-kathi-vidal-s-nomination-for-director-of-the-u-s-patent-and-trademark-office
Ex. 2055	Email from Christopher D. Ivey (Wednesday, February 23, 2022, 2:23:12 PM)
Ex. 2056	Reserved
Ex. 2057	Gene Quinn, “OpenSky Attorney Emails Expose the Seedy Underbelly of PTAB Practice,” IPWATCHDOG (Mar. 4, 2022), https://www.ipwatchdog.com/2022/03/04/opensky-attorney-emails-expose-seedy-underbelly-ptab-practice/id=147155/
Ex. 2058	Post, Nicholas Matich (Mar. 4, 2022), https://www.linkedin.com/feed/update/urn:li:activity:6905584528300331008/
Ex. 2059	Scott A. McKeown, “PTAB Needs to Immediately Check Unethical Practices,” LEXOLOGY (Mar. 7, 2022), https://www.lexology.com/library/detail.aspx?g=eadd4ace-e352-4365-b4e7-da7eda46dcf1
Ex. 2060	Angela Morris, “IPR filer denies VLSI’s allegation of ‘fraud’ in settlement discussion email,” IAM MEDIA (last updated Mar. 11, 2022), https://www.iam-media.com/non-practising-entities/ipr-filer-denies-vlsis-allegation-of-fraud-in-settlement-discussion-email
Ex. 2061	Matthew Bultman, “Sabotage Claims Swirl in Patent Feud With Billions at Stake,” Bloomberg IP Law (last updated Mar. 11, 2022, 6:49 AM), https://news.bloomberglaw.com/ip-law/intel-patent-verdict-tensions-spark-reveal-of-unusual-offer
Ex. 2062	Steve Brachmann, “PTAB Denies OpenSky’s Request For Rehearing But VLSI Cases Highlight Broader PTAB Problems,” IPWATCHDOG (Apr. 5, 2022), https://www.ipwatchdog.com/2022/04/05/ptab-denies-opensky-request-rehearing-vlsi-cases-highlight-broader-ptab-problems/id=148179/
Ex. 2063	Samantha Handler, “Vidal Expected to Tackle Patent Board PR ‘Nightmare,’ Reviews,” Bloomberg Law (Apr. 7, 2022, 2:30 AM), https://news.bloomberglaw.com/ip-law/vidal-expected-to-tackle-patent-board-pr-nightmare-reviews
Ex. 2064	Eileen McDermott, “Priorities: The IP Community Has Its Say

	on What Should Top Vidal’s To Do List,” IPWATCHDOG (Apr. 6, 2022), https://www.ipwatchdog.com/2022/04/06/priorities-ip-community-say-top-vidals-list/id=148206/
Ex. 2065	Declaration of Thomas M. Conte In Support of Patent Owner’s Response [Conte-Decl.].
Ex. 2066	Deposition Transcript of Dr. Jacob, March 31, 2022
Ex. 2067	Trial Transcript in <i>VLSI Tech. LLC v. Intel Corp.</i> , No. 1-19-cv-00057-ADA (W.D. Tex.), February-March 2021 (Excerpt) [Trial Tr.]
Ex. 2068	Jack Doweck, Efraim Rotem et al., Inside 6 th -Generation Intel Core: New Microarchitecture Code-Named Skylake, IEEE Computer Society, 2017 [Intel IEEE Paper]
Ex. 2069	OTI-610/OTI-611 Multimedia Audio and Communications Accelerators: Technical Specification, Oak Technology (May 1997) [OTI Sound Card]
Ex. 2070	DICTIONARY OF SCIENCE AND TECHNOLOGY (1st ed. 2003) (excerpted)
Ex. 2071	Deposition Transcript of Dr. Jacob, March 31, 2022 [redacted by Petitioner]
Exs. 2072-2075	Reserved
Ex. 2076	Senator Mazie Hirono and Senator Thom Tillis, Letter to U.S. Patent and Trademark Office Director Kathi Vidal
Ex. 2077-2078	Reserved
Ex. 2079	Emails to/from Andrew Oliver (August 11, 2022 Eastern Time)
Ex. 2080	Deposition Transcript of Christopher Larocca, March 15, 2022 (CONFIDENTIAL)
Ex. 2081	Email from Nathan Lowenstein (August 30, 2021 2:40 PM), VLSI-IPR-OPENSKY00000004 (CONFIDENTIAL)
Ex. 2082	Confidential Discussions Agreement, VLSI-IPR-OPENSKY00000007 (CONFIDENTIAL)
Ex. 2083	Email from Nathan Lowenstein (September 13, 2021 11:14 AM), VLSI-IPR-OPENSKY00000010 (CONFIDENTIAL)
Ex. 2084	Email from Christopher D. Ivey (December 27, 2021 9:03 AM), VLSI-IPR-OPENSKY00000023 (CONFIDENTIAL)
Ex. 2085	Email from Christopher D. Ivey (December 27, 2021 9:38 AM), VLSI-IPR-OPENSKY00000025 (CONFIDENTIAL)

Ex. 2086	Email from Nathan Lowenstein (December 27, 2021 10:12 AM), VLSI-IPR-OPENSKY00000027 (CONFIDENTIAL)
Ex. 2087	Calendar Invitation from Christopher D. Ivey for December 27, 2021 4:00 PM, VLSI-IPR-OPENSKY00000029 (CONFIDENTIAL)
Ex. 2088	Email from Nathan Lowenstein (January 4, 2022 3:32 PM), VLSI-IPR-OPENSKY00000037 (CONFIDENTIAL)
Ex. 2089	Email from Christopher D. Ivey (January 18, 2022 1:29 PM), VLSI-IPR-OPENSKY00000044 (CONFIDENTIAL)
Ex. 2090	Email from Christopher D. Ivey (February 21, 2022 4:41 PM), VLSI-IPR-OPENSKY00000074 (CONFIDENTIAL)
Ex. 2091	Email from Nathan Lowenstein (February 22, 2022 10:33 AM), VLSI-IPR-OPENSKY00000078 (CONFIDENTIAL)
Ex. 2092	Email from Christopher D. Ivey (February 22, 2022 4:10 PM), VLSI-IPR-OPENSKY00000080 (CONFIDENTIAL)
Ex. 2093	Email from Nathan Lowenstein (February 22, 2022 5:30 PM), VLSI-IPR-OPENSKY00000083 (CONFIDENTIAL)
Ex. 2094	Email from Babak Redjaian (March 2, 2022 5:02 PM)
Ex. 2095	Email from Christopher D. Ivey (December 23, 2021 12:50:42 PM), OpenSky nonconfidential 1
Ex. 2096	Email from Andrew Oliver (December 23, 2021 12:11:00 PM), OpenSky nonconfidential 6
Ex. 2097	Email from Bruce Jacob (February 3, 2022 5:25:31 AM), OpenSky nonconfidential 7
Ex. 2098	Email from Andrew Oliver (March 9, 2022 11:10:00 PM), OpenSky nonconfidential 1
Ex. 2099	Email from Christopher D. Ivey (January 7, 2022 3:06 PM EST), Intel-IPR2021-01064-00000138
Ex. 2100	Voicemail from Christopher Ivey, Intel-IPR2021-01064-00000281
Ex. 2101	Email from Christopher D. Ivey (February 15, 2022 4:29 PM EST), Intel-IPR2021-01064-00000282
Ex. 2102	Email from Steven J. Horn (June 21, 2022 10:04 PM EDT), Intel-IPR2021-01064-00000879
Ex. 2103	Email from Andrew Oliver (June 22, 2022 4:37 PM EDT), Intel-IPR2021-01064-00000886
Ex. 2104	Email from Steven J. Horn (June 23, 2022 5:48 PM EDT), Intel-IPR2021-01064-00000950

Ex. 2105	Email from Andrew Oliver (July 1, 2022 7:00 PM EDT), Intel-IPR2021-01064-00000989
Ex. 2106	Email from Andrew Oliver (July 8, 2022 3:16 PM EDT), Intel-IPR2021-01064-00002689
Ex. 2107	Email from Andrew Oliver (July 8, 2022 7:19 PM EDT), Intel-IPR2021-01064-00002697
Ex. 2108	Email from Ben Fernandez (July 8, 2022 8:17 PM EDT), Intel-IPR2021-01064-00002699
Ex. 2109	Email from Andrew Oliver (July 9, 2022 5:33 PM EDT), Intel-IPR2021-01064-00002702
Ex. 2110	Final Judgment in <i>VLSI Technology LLC v. Intel Corp.</i> , 6:21-cv-00057, ECF No. 701 (W.D. Tex. May 10, 2022)
Ex. 2111	Patent Owner VLSI Technology LLC'S Privilege Log (August 4, 2022) (CONFIDENTIAL)
Ex. 2112	Email from Scott Graham (September 30, 2021 8:21:01 PM), OpenSky nonconfidential 4; Email from Angela Morris (January 11, 2022 2:01:41 PM), OpenSky nonconfidential 4; Email from Matthew Bultman (March 10, 2022 6:05:53 AM), OpenSky nonconfidential 5; Email from Andrew Oliver (March 8, 2022 12:10:00 PM), OpenSky nonconfidential 5; Email from Dani Kass (June 7, 2022 5:39:22 PM), OpenSky nonconfidential 5; Email from Scott Graham (June 8, 2022 5:48:46 PM), OpenSky nonconfidential 5; Email from Angela Morris (June 9, 2022 6:19:16 AM), OpenSky nonconfidential 6
Ex. 2113	Ex. 2060, Angela Morris, "IPR filer denies VLSI's allegation of 'fraud' in settlement discussion email," IAM MEDIA (last updated Mar. 11, 2022), https://www.iam-media.com/non-practising-entities/ipr-filer-denies-vlsis-allegation-of-fraud-in-settlement-discussion-email (annotated)
Ex. 2114	Ex. 2061, Matthew Bultman, "Sabotage Claims Swirl in Patent Feud With Billions at Stake," Bloomberg IP Law (last updated Mar. 11, 2022, 6:49 AM), https://news.bloomberglaw.com/ip-law/intel-patent-verdict-tensions-spark-reveal-of-unusual-offer (annotated)
Ex. 2115	Scott Graham, New Sheriff in Town: Vidal Will Personally Review Challenges to Patents Worth \$2.175 Billion, ALM (June 8, 2022 9:16 PM), https://www.law.com/nationallawjournal/2022/06/08/new-sheriff-in-town-vidal-will-personally-review-challenges-to

	patents-worth-2-175-billion
Ex. 2116	Email from Andrew Oliver (June 8, 2022 6:49:00 PM), OpenSky nonconfidential 6
Ex. 2117	IPValue Acquires a Major Patent Portfolio from Intel, BUSINESS WIRE (Aug. 8, 2022 11:00 AM), https://www.businesswire.com/news/home/20220808005038/en/IPValue-Acquires-a-Major-Patent-Portfolio-from-Intel
Ex. 2118	Matthew Bultman, Hedge Fund Drug Patent Challenges In Doubt After Bass' Test, LAW360 (Mar. 31, 2017), https://www.law360.com/articles/908491
Ex. 2119	Trial Transcript in <i>VLSI Tech. LLC v. Intel Corp.</i> , No. 1-19-cv-00057-ADA (W.D. Tex.), February 23, 2021 (Excerpt)
Ex. 2120	Trial Transcript in <i>VLSI Tech. LLC v. Intel Corp.</i> , No. 1-19-cv-00057-ADA (W.D. Tex.), February 22, 2021 (Excerpt)
Ex. 2121	Order Granting Defendants' Motion to Dismiss With Leave to Amend in <i>Intel Corp. v. Fortress et al.</i> , 3:19-cv-07651, Dkt. 190, July 15, 2020
Ex. 2122	Order Granting in Part and Denying in Part Defendants' Joint Motion to Dismiss and to Strike Plaintiffs' Second Amended Complaint in <i>Intel Corp. v. Fortress et al.</i> , 3:19-cv-07651, Dkt. 289, October 7, 2021
Ex. 2123	Complainant Daedalus Prime LLC's Statement of The Public Interest Under § 210.8(B) in ITC Investigation No. 337-TA-3637
Ex. 2124	Notice of Appeal of Intel Corp. in <i>VLSI Tech. LLC v. Intel Corp.</i> , 6:21-cv-00057, ECF No. 704 (W.D. Tex. May 19, 2022)
Ex. 2125	Non-Confidential Principal Brief of Intel Corp. in <i>VLSI Tech. LLC v. Intel Corp.</i> , 22-1906, Dkt. 17 (Fed. Cir. Sep. 14, 2022)

I. INTRODUCTION

The Director found that “OpenSky, through its counsel, abused the IPR process by filing this IPR in an attempt to extract payment from VLSI and joined Petitioner Intel, and expressed a willingness to abuse the process in order to extract the payment.” Paper 102 (“Decision”), 3. OpenSky’s “behavior warrants sanctions *to the fullest extent* of [the Director’s] power” and that such sanctions are “necessary to deter such conduct by OpenSky or others in the future.”¹ *Id.*, 4.

OpenSky formed and filed its IPR petitions following a historic verdict for the “sole reason” of “improper[ly] ... extracting money from either or both Intel and VLSI.” *Id.*, 37. OpenSky repeatedly breached its duty of candor and good faith by, *inter alia*, falsely claiming its petition was intended to maintain the “integrity” of the patent system, a notion “belie[d]” by its conduct. *Id.*, 29, 37, 40. OpenSky’s conduct only worsened post-filing and included a “particularly concern[ing]” and “[in]tolera[ble]” offer to sabotage its own case for pay. *Id.*, 40; Ex. 2055. Even when the Director granted review, OpenSky violated the Director’s Orders by refusing to provide a privilege log or responsive documents and by providing evasive and non-responsive answers to the Director’s interrogatories. Decision, 19, 20, 22-25. The Director found OpenSky’s conduct

¹ All emphasis in this brief is added unless otherwise noted.

“egregious” (*id.*, 28), “unethical” (*id.*, 3), “predatory” (*id.*, 40), “abusive” (*id.*, 30, 47), “evasive” (*id.*, 22, 25, 28), “concerning” (*id.*, 40), “[in]tolera[ble]” (*id.*, 40), “misleading” (*id.*, 25), and “extort[ive]” (*id.*, 43). OpenSky’s conduct is almost certainly the most egregious in the history of IPRs.

But the sanctions levied thus far are little sanction from OpenSky’s perspective. As the Director determined, OpenSky is only interested in money and has no interest in litigating this IPR. *Id.*, 29, 33, 37, 39. Even if it did, the sanction of removing OpenSky as lead petitioner is of little consequence when the IPR hearing has concluded and the trial record is complete. While the adverse inferences and attendant findings thereto would cause concern to a real business, OpenSky has no legitimate business or reputation to protect. Nor would any would-be-OpenSky—a party only interested in money and not the disposition—be deterred by the sanctions levied thus far.

Under these circumstances, OpenSky, its members, its attorneys, including at least OpenSky’s former counsel of record Andrew Oliver and Vinay Joshi and their law firm Amin, Turocy & Watson LLP (“ATW”)² and OpenSky’s outside

² ATW’s attorneys filed a motion to withdraw which has been granted.

Paper 107. Patent Owner was drafting an opposition to this motion when it was granted without Patent Owner being given an opportunity to object or oppose. As

counsel Christopher Ivey, who executed OpenSky's wrongful conduct, should be ordered to pay and found jointly and severally liable for VLSI's attorneys' fees and costs in each of the OpenSky IPRs (IPR2021-01056, -01064, IPR2022-00645) and in the joinder IPRs that the present case was the but for cause of (IPR2022-00366, -00480).

Those fees and costs are considerable, but that was readily foreseeable given the stakes involved that drove OpenSky's filings in the first place. The harm inflicted upon VLSI has been severe. OpenSky's bad faith filings led to multiple high stakes IPRs, which VLSI has been forced to spend considerable time and money defending. VLSI's fees and costs are but a fraction of the harm OpenSky sought to inflict. Sanctioning OpenSky to the "fullest extent" of the Director's powers (*id.*, 4) necessarily entails finding OpenSky, its attorneys, and ATW jointly and severally liable for VLSI's fees and costs.

discussed in Section III.C, however, ATW's withdrawal in view of a potential conflict with OpenSky is no basis upon which ATW may avoid liability for its conduct while representing OpenSky. This brief is being served upon Messrs. Oliver, Joshi, and Ivey and the ATW law firm. Patent Owner will not oppose an equal length opposition to this brief from Messrs. Oliver, Joshi, ATW, and/or Ivey.

II. STATEMENT OF MATERIAL FACTS.

OpenSky formed in the wake of a considerable verdict for the sole purpose of filing IPRs (IPR2021-01056, -01064, IPR2022-00645) against VLSI's patents that were the subject of that verdict to "extract payment" from either VLSI or Intel. Decision, 29, 38-39. It filed its IPR petitions "cop[ying] extensively from Intel's two earlier petitions," going so far as to "refile[] Intel's supporting declarations of Dr. Bruce Jacob, without his knowledge" and without retaining or even contacting him. *Id.*, 7-8. OpenSky's counsel of record in each of these proceedings was Andrew Oliver and Vinay Joshi of ATW.

OpenSky improperly used PTAB proceedings as a "tool for patent owner harassment." *Id.*, 36. OpenSky had no bonafide interest in challenging VLSI's patents. It was not being "sued for infringement," was a "non-practicing entity," had no "legitimate belief that it may be sued for patent infringement in the future," and had "no interest in meaningfully pursuing the unpatentability grounds in its petition." *Id.*, 33, 35-37. Indeed, OpenSky "fail[ed] to essentially take *any* steps to develop or otherwise pursue an unpatentability case." Decision, 33, 41 (OpenSky "did not intend to pursue the patentability merits but instead intended to leverage the IPR's existence only to extract a payout from one side or the other.").

The Director found that the proximity of OpenSky's IPRs to the "significant damages award," along with its "focus on settlement or reimbursement, rather than

litigating the merits, further indicates that OpenSky's goal was to extract a payment rather than litigate the validity of VLSI's patent." *Id.*, 38, 42. OpenSky was only interested in how much money it could make, filing its "petition with the lowest possible cost in an effort to generate leverage against VLSI . . . without the intent or expectation of litigating the proceeding through trial." *Id.*, 43.

OpenSky, thus, "abused the IPR process by filing this IPR in an attempt to extract payment from VLSI and . . . Intel." Decision, 3; *see also* Paper 108, 2. The Director found that rather than maintaining the integrity of the patent system or pursuing any "legitimate purpose[]," OpenSky had the "sole purpose of extracting payment" from VLSI and Intel, with the "singular focus" of "using an AIA proceeding to extort money" from Intel and VLSI. Decision, 29, 39-40, 43. OpenSky further "engaged in . . . unethical conduct by offering to undermine and/or not vigorously pursue this matter in exchange for a monetary payment." *Id.*, 3.

Incredibly, OpenSky proposed working with VLSI "to secure dismissal or defeat of the petition" by, *inter alia*, refusing to pay its expert. *Id.*, 31; Ex. 2055. The Director found OpenSky's "scheme" to "deliberately sabotage [its petition] for money" "violate[d] the duties of candor and good faith owed to the Board" (Decision, 31-32) and was "particularly concern[ing]" (*id.*, 40), "unethical" (*id.*, 3) and an "abuse of process" (*id.*). This notorious email (Ex. 2055) was sent by

Christopher Ivey and copied Andrew Oliver of ATW. Both Mr. Ivey (Exs. 2095, 2099, 2100) and Mr. Oliver (Exs. 2096, 2102-2109) also repeatedly demanded money from Intel for taking particular actions in the litigation.

OpenSky also violated the Director's Orders, despite repeated warnings that failure to comply would result in sanctions. Decision, 2, 14-15. OpenSky refused to provide confidential documents, or a privilege log, and its interrogatory responses were "evasive," "misleading," and "non-responsive." *Id.*, 19, 21-26. OpenSky's conduct was "egregious" and an "abuse" of the IPR process, and OpenSky "should not be allowed to profit from its discovery misconduct." *Id.*, 3, 27-28, 43.

The Director found that "[e]ach aspect of OpenSky's conduct—discovery misconduct, violation of an express order, abuse of the IPR process, and unethical conduct—taken alone, constitutes sanctionable conduct" and "[t]aken together ... warrants sanctions to the *fullest extent* of [the Director's] power." *Id.*, 3-4. Such sanctions are still "necessary to deter such conduct by OpenSky or others in the future." *Id.*, 4. The Director further found the "conduct of [OpenSky's] individual attorneys" "might also rise to the level of an ethical violation under the rules of their respective bars." *Id.*

Even beyond the harm directly attributable to OpenSky's actions, its conduct caused still more harm to VLSI. OpenSky's improper and opportunistic IPRs

resulted in four more IPRs by third parties PQA and Intel (IPR2021-01229, IPR2022-00366, -00479, -00480).

The ordered sanctions thus far include: (1) OpenSky's relegation to a silent understudy in this proceeding; (2) the Board panel's determination of whether the petition prior to institution presents a compelling, meritorious challenge; and (3) finding certain facts against OpenSky. Decision, 27, 51. The Director also ordered OpenSky to show cause why or why not compensatory expenses, including attorneys' fees, "should be ordered as a further sanction for OpenSky's abuse of process." *Id.*, 51. Since the Director only ordered briefing regarding whether "compensatory expenses, including attorneys' fees," should be awarded, VLSI will provide an accounting under seal upon further order by the Director or the Board. As discussed below, OpenSky, its former counsel of record, ATW, and its outside counsel should be held jointly and severally liable for VLSI's fees and costs in connection with IPR2021-01056, -01064, IPR2022-00366, -00480, and -00645.

III. ATTORNEYS' FEES AND COSTS SHOULD BE AWARDED TO VLSI IN THEIR FULL AMOUNT, FROM THE FILING OF OPENSKY'S IPRS.

A. Attorneys' Fees And Costs Should Be Awarded To VLSI.

OpenSky's conduct was egregious and warranted sanctions to "the fullest extent" of the Director's powers. Decision, 2-4, 28. While VLSI respectfully submits that OpenSky's conduct warranted dismissal of the proceeding, failing that

such conduct certainly warrants an award of “compensatory expenses, including attorneys fees.” 37 C.F.R. § 42.12(b)(6). Attorney fees sanctions awarded under § 42.12 are permitted when it stems from “actions that harass or cause unnecessary delay or an unnecessary increase in the cost of the proceeding.” *Amneal Pharms, LLC v. Almirall, LLC*, 960 F.3d 1368, 1372 n. * (Fed. Cir. 2020) (citing §§ 41.12(a)(2), (7); (b)(6)).

The Director rightly found that OpenSky’s conduct was “egregious” (*id.*, 28), “unethical” (*id.*, 3), “predatory” (*id.*, 40), “abusive” (*id.*, 30, 47), “evasive” (*id.*, 22, 25, 28), “concerning” (*id.*, 40), “[in]tolera[ble]” (*id.*, 40), “misleading” (*id.*, 25), and “extort[ive]” (*id.*, 43). OpenSky’s abuse was similarly recognized by Senators Tillis and Hirono, who called for “sanction[s]” for OpenSky’s “troubling,” “harass[ing],” and “egregious” behavior. Ex. 2076. OpenSky’s misconduct caused VLSI massive harm by forcing it to spend extraordinary amounts of time and money defending against three OpenSky IPRs that threatened to undo a \$2.175 billion verdict. OpenSky’s filings inspired two joinder IPRs to the present case (IPR2022-00366, -00480) and possibly PQA’s filing as well (IPR2021-01229, IPR2022-00479).

Courts have consistently awarded attorneys’ fees for “egregious,” “predatory,” “abusive,” “bad faith,” or “extortive” conduct. *See Oplus Techs., Ltd. v. Vizio, Inc.*, 782 F.3d 1371, 1374 (Fed. Cir. 2015) (reversing district court’s

decision *not* to impose attorney’s fees sanctions, because the record “details an *egregious* pattern of *misconduct*,” and “nothing in the opinion or in the record substantiates the court’s decision not to award fees”); *Lumen View Tech. LLC v. Findthebest.com*, 811 F.3d 479, 484-485 (Fed. Cir. 2016) (affirming fee award sanction to “deter an ongoing *predatory* strategy”); *Jurgens v. CBK, Ltd.*, 80 F.3d 1566, 1571 (Fed. Cir. 1996) (“an infringer’s . . . *egregious conduct* in infringement litigation may be sufficient for other sanctions or fee awards”); *Arunachalam v. IBM*, 989 F.3d 988, 997 (Fed. Cir. 2021) (affirming fee award for “*abusive*” conduct of litigant who “willful[ly] and in bad faith’ failed to comply with the District Court’s . . . instructions”); *Eon-Net LP v. Flagstar Bancorp*, 653 F.3d 1314, 1326-27 (Fed. Cir. 2011) (affirming attorney fee award in view of “indicia of *extortion*”); *Evident Corp. v. Church & Dwight Co.*, 399 F.3d 1310, 1315 (Fed. Cir. 2005) (affirming attorney fee award for “bad faith litigation”); *Brasseler, U.S.A. I, L.P. v. Stryker Sales Corp.*, 267 F.3d 1370, 1380 (Fed. Cir. 2001) (“[e]xceptional cases are normally those involving bad faith litigation . . .”); *Arunachalam*, 989 F.3d at 997 (affirming fee award for “vexatious and wanton litigation conduct” by an “*abusive*” litigant).³

³ Certain of these cases apply the “exceptional case” standard under 35 U.S.C. § 285. Attorney fees in an IPR do not require a finding of exceptionality.

Indeed, OpenSky’s violation of the Director’s orders and its non-responsive and misleading interrogatory responses are alone sufficient to justify a fee award. *Aegis Sec. Ins. Co. v. Fleming*, 32 C.I.T. 410, 415 (C.I.T. 2008) (“courts have imposed sanctions where parties have responded but ‘the *evasive* or incomplete answers are tantamount to no answer at all’”); *Drop Stop LLC v. Zhu*, 757 Fed. Appx. 994, 998 (Fed. Cir. 2019) (affirming attorney fee award after district court “noted that it was ‘*concerned* about [] *misleading* statements’ and indicated it would consider sanctions”); *Amneal*, 960 F.3d at 1372 n. * (“37 C.F.R. § 42.12 allows the Board to impose sanctions including ‘attorney fees’ against a party for misconduct including ‘[a]dvancing a *misleading* . . . argument”).

The Board has previously granted awards of attorneys’ fees and costs where the petitioner committed far less egregious offenses. *Atlanta Gas Light Co. v. Bennett Regulator Guards, Inc.*, IPR2015-00826, Paper 39, 2, 6, 8-9 (Dec. 6, 2016) (awarding attorneys’ fees and costs after petitioner failed “to file an updated mandatory notice” after a merger of companies); *RPX Corp. v. Applications In Internet Time LLC*, IPR2015-01750, Paper 69, 2-4 (Jul. 1, 2016) (attorneys’ fees

37 C.F.R. § 42.12. Even if such a finding were required, the Director has already judged OpenSky’s misconduct here to be clearly exceptional, warranting sanctions to the “fullest extent.” Decision, 4.

and costs awarded for petitioner's violation of protective order). Failing to update a mandatory notice or violating a protective order would hardly be worth mentioning when compared to OpenSky's pervasive, egregious, and unethical misconduct. If attorneys' fees and costs are not owing here, it would be difficult to identify a case that would qualify.

An award of attorneys' fees and costs is necessary to deter future misconduct by OpenSky and its like, particularly as the sanctions thus far issued are little sanction from OpenSky's perspective. The existing sanctions have relegated OpenSky to a silent understudy, found adverse inferences, and ordered the Board to conduct a "compelling, merit[s]" analysis. But these are little deterrent to OpenSky and its ilk. Decision, 4, 51. OpenSky's "sole purpose" was to extract a payout. *Id.*, 29, 39. OpenSky had "**no** interest in meaningfully pursuing the unpatentability grounds in its Petition" once Intel was joined. *Id.*, 33. What does OpenSky care if it's an understudy? Indeed, OpenSky was "running out of money," confirming "it did not budget for litigating this proceeding throughout its expected life, to a final written decision." *Id.*, 41. Even if it cared about pursuing the merits, being an understudy is of no consequence when the trial record is complete. Adverse inferences likewise do not deter OpenSky since it is not a real business, with no reputation to protect, as it was "seemingly created solely for filing this IPR." *Id.*, 25.

OpenSky was formed with the sole intention of extorting money from either VLSI or Intel by filing harassing IPRs. To deter OpenSky and those with similar motivations, the Director must hit it where it hurts: by ordering OpenSky, its attorneys, and ATW to pay VLSI's attorneys' fees and costs. *Inventor Holdings, LLC v. Bed Bath & Beyond, Inc.*, 876 F.3d 1372, 1377 (Fed. Cir. 2017) (affirming "award of attorneys' fees in this case is necessary to deter wasteful litigation in the future"); *Cleo D. Mathis & Vico Prods. Mfg. Co. v. Spears*, 857 F.2d 749, 754 (Fed. Cir. 1988) (attorney fees only deterrent for "improper bringing of clearly unwarranted suits," since "[n]o award ... can fully compensate a defendant subjected to bad faith litigation").

OpenSky may attempt to argue that its now withdrawn counsel, ATW, or Mr. Ivey, was responsible for its conduct. But OpenSky was not a preexisting company led astray by counsel hired for a particular case. OpenSky formed for the sole purpose of filing abusive, harassing, and extortive IPRs. Further, "parties are . . . held liable for the acts or omissions of their counsel." *State Indus. v. Mor-Flo Indus.*, 948 F.2d 1573, 1582 (Fed. Cir. 1991); *Link v. Wabash R. Co.*, 370 U.S. 626, 633-34 (1962) ("Petitioner . . . cannot now avoid the consequences of the acts or omissions of this freely selected agent" since "each party is deemed bound by the acts of his lawyer-agent and is considered to have 'notice of all facts, notice of which can be charged upon the attorney' [citation omitted]").

B. VLSI Should Be Awarded All Fees And Costs Relating To OpenSky's IPRs (IPR2021-01056, -01064, IPR2022-00645) And The Joinder IPRs They Spawned (IPR2022-00366, -00480).

OpenSky was formed for the “sole purpose” of extorting VLSI and abusing the IPR process. Decision, 29, 39, 43. Because OpenSky's IPRs were filed for an improper purpose, all attorneys' fees and costs (including expert fees) should be imposed dating back to OpenSky's first filed petitions.

Such fees and costs address just a small degree of harm that VLSI has suffered and are easily justified in view of the severity of OpenSky's misconduct. VLSI was forced to defend OpenSky's three extortionate IPRs, two more joinder IPRs to the present case, and, potentially, two more IPRs perhaps inspired by OpenSky's filing. But for OpenSky's filings and the PQA IPR it potentially inspired, Intel would not have been able to file joinder petitions and attack VLSI's patents yet again nor could PQA have sought to join the present IPR. Courts have previously held that sanction “fee award[s] ‘must bear some relation to the extent of the misconduct, and compensate a party for the extra legal effort to counteract the misconduct.’” *Monolithic Power Sys., Inc. v. O2 Micro Int'l Ltd.*, 726 F.3d 1359, 1369-70 (Fed. Cir. 2013); *State Indus.*, 948 F.2d at 1582 (“[s]anctions are awarded to compensate the victimized party for the burden of continued litigation in what long ago should have been a settled matter, as well as to discourage frivolous [litigation]”). OpenSky challenged two patents on which VLSI just

received a \$2.175 billion verdict. Decision, 38. It was clearly reasonable and readily foreseeable for VLSI to present a vigorous, costly, and multifaceted defense in view of the high stakes. OpenSky's abuse of the IPR process, misrepresentations of fact and law to the Board, and its outright refusal to comply with the Director's Orders caused VLSI to spend substantial time and money it otherwise would not have had to spend. *Id.*, 3, 19-25.

Based on OpenSky's conduct, which included forming for the sole purpose of filing extortionate IPRs, VLSI's full attorneys' fees and costs incurred from filing should be awarded. A sanction is suitable "if it is 'calibrate[d] to [the] damages caused by' the bad-faith acts on which it is based." *Goodyear Tire & Rubber Co. v. Haeger*, 581 U.S. 101, 108 (2017) (citation omitted). Moreover, fee awards should be "calibrated" so that "it covers the legal bills that the litigation abuse occasioned," only becoming punitive if it *exceeds* the "fees that would have been incurred without the misconduct." *Id.* As the Director found, OpenSky's initiation of its IPRs was an abuse of process. Decision, 3, 51. Because OpenSky's abusive IPR filings opened the door for time-barred Intel (see Paper 108, 2-3) to join its IPR and was the but for cause of PQA's joinder filing, a sanction award of *all* of VLSI's attorney fees and costs in connection with OpenSky's IPRs and the joinder IPRs thereto would be appropriate and, indeed, understates the harm directly caused by OpenSky's misconduct.

C. OpenSky’s Attorneys And The ATW Law Firm Should Be Jointly And Severally Liable With OpenSky For VLSI’s Fees And Costs.

OpenSky’s attorneys were directly responsible for OpenSky’s misconduct and should be found jointly and severally liable with OpenSky for VLSI’s fees and costs.⁴ 37 C.F.R. §§ 42.11(c) (attorneys “presenting to the Board [] petition[s], response[s], written motion[s], or other paper[s] ... attests to compliance with the certification requirements under § 11.18(b)(2),” requiring papers not be presented for “any improper purpose, such as to harass someone”); (d)(1) (the “Board may impose an appropriate sanction on any attorney ... or party that violated the rule or is responsible for the violation” of paragraph (c)); (d)(3) (“[o]n its own, the Board may order an attorney ... or party to show cause why conduct ... has not violated paragraph (c) of this section”); (d)(4) (“[a] sanction imposed under this rule must be limited to what suffices to deter repetition of the conduct or comparable conduct by others similarly situated and should be consistent with § 41.12”).

OpenSky’s IPRs were filed for an “improper” and “harass[ing]” “purpose” in violation of 37 C.F.R. § 11.18(b)(2)(i). Decision, 37. The Director, in granting

⁴ VLSI reserves all of its rights, including the right to pursue recovery from OpenSky’s lone identified member, Christopher Larocca should OpenSky, its attorneys, or ATW refuse or otherwise fail to pay in a timely fashion.

OpenSky's attorneys' motion to withdraw, acknowledged that "the abuses detailed in my Decision arguably implicate conduct of both OpenSky and its counsel" (Paper 109, 4) and further found that the conduct of OpenSky's "individual attorneys in this case might also rise to the level of an ethical violation under the rules of their respective bars." Decision, 4.

Courts have routinely held a party's attorneys jointly and severally liable for the sanctionable conduct of their clients when they have assisted in advancing the sanctionable conduct. *See State Indus. v. Mor-Flo Indus.*, 948 F.2d at 1582 (fees awarded jointly and severally against attorneys because the court "consider[s] the attorney who wrote and signed the briefs to be *equally responsible*" for the conduct); *E-Pass Techs., Inc. v. 3Com Corp.*, 2009 U.S. App. LEXIS 6062 at *16 (Fed. Cir. 2009) (similar); *Pirri v. Cheek*, 851 Fed. Appx. 183, 192 (Fed. Cir. 2021) (fees awarded jointly and severally because the "vexatious conduct [of the party] flowed through his counsel"); *Pac-Tec, Inc. v. Amerace Corp.*, 903 F.2d 796, 804-805 (Fed. Cir. 1990) ("Pac-Tec's counsel . . . is liable jointly and severally with Pac-Tec, which stood to benefit if counsel's deplorable tactics had succeeded"); *Sys. Div., Inc. v. Teknek, LLC*, 298 Fed. Appx. 950, 957 (Fed. Cir. 2008) (ordering "sanctions be imposed on the trustee and his attorneys, jointly and severally"); *POP Top Corp. v. Rakuten Kobo Inc.*, 2022 U.S. App. LEXIS 19408 at *8-9 (Fed. Cir. 2022) (holding counsel jointly and severally liable for the

sanctions “due to the ‘nature of the advocacy in support of [the appeal]’”).

OpenSky’s conduct is “egregious” and “unethical” and its attorneys have worked with OpenSky hand-and-glove from the outset to further OpenSky’s improper goals through unethical means. Decision, 3, 4, 28. It was OpenSky’s attorneys who falsely and repeatedly represented that OpenSky merely sought to protect the “integrity of the patent system,” (Paper 2, 9; Paper 71, 11-12; IPR2021-01056, Paper 2, 8) and did so even after VLSI called OpenSky’s motives into question and after OpenSky proposed working to sabotage its own petition (*compare* Ex. 2055, sent February 23, 2022 *with* IPR2022-00645, Paper 2, 2-3, filed February 25, 2022). Indeed, in response to VLSI’s allegations, OpenSky denied in its briefing—authored by its attorneys—that it had a “nefarious intent” or sought a “payout” or “payoff.” Paper 12, 5; Paper 13, 5; Paper 71, 3; Paper 91, 5.

It was, moreover, OpenSky’s attorneys who conducted OpenSky’s improper negotiations with both VLSI (Exs. 2055, 2081-2093) and Intel (Exs. 1518-1521, 1523-1529, 2095-2096, 2099-2109). OpenSky’s counsel of record was copied on the infamous email setting forth OpenSky’s scheme (Ex. 2055) and, moreover, OpenSky’s counsel of record is responsible for the conduct of its co-counsel. *See* 37 C.F.R. §§ 11.304(a), 11.303(b), 11.19(b), 11.401(b), 11.503(c), 11.804(a), (c). OpenSky’s counsel of record is also squarely responsible for OpenSky’s failure to comply with the Director’s orders, including by failing to provide a privilege log,

produce confidential documents, and by providing “evasive,” “non-responsive,” and “misleading” responses to the Director’s interrogatories. Decision, 18-25.

Though not counsel of record, OpenSky’s outside counsel Christopher Ivey should also be found liable. Mr. Ivey authored the infamous OpenSky E-mail (Ex. 2055) which the Director found to be a “particularly concern[ing]” attempt to “intentionally undermine the proceeding and thereby violate the duty of good faith and candor to the Board.” Decision, 40. Mr. Ivey, copying Mr. Oliver, also improperly sought money from Intel as well (Exs. 1518, 1520-1521, 2095-2096, 2099-2101). That Mr. Ivey is not counsel of record should not shield him from liability as even in-house counsel have been found liable. *See U.S. Steel Corp. v. United States*, 730 F.2d 1465, 1468 (Fed. Cir. 1984) (“Like retained counsel . . . in-house counsel are officers of the court, are bound by the same Code of Professional Responsibility, and are subject to the same sanctions”). This is because “[i]n-house counsel provide the same services and are subject to the same types of pressures as retained counsel,” much like Christopher Ivey since he directly participated in OpenSky’s egregious misconduct. *Id.*

Messrs. Oliver’s and Joshi’s law firm, ATW, should also be liable. “[I]t is appropriate to levy attorney’s fees against a firm that is responsible for the pleadings signed by its employees.” *Glass v. Pfeiffer*, 849 F.2d 1261, 1267 (10th Cir. 1988) (affirming joint and several liability against law firm that employed

sanctioned attorney); *Six v. Generations Fed. Credit Union*, 891 F.3d 508, 518 (4th Cir. 2018) (affirming joint and several liability for “law firms [that] ‘fully participated in this case and in the violation of the duty of candor’” and “‘ratified the conduct’ of the three attorneys.”); *In re Del. Valley Lift Truck Inc.*, 640 B.R. 342, 376-377 (Bankr. E.D. Pa. 2022) (law firm jointly and severally liable with individual attorney). It is particularly appropriate here to hold ATW jointly and severally liable where it ratified the individual attorneys’ behavior, even after the initial petitions when VLSI argued OpenSky had a “nefarious intent” and “s[ought] a payoff.” POPR, 24-25. Indeed, Messrs. Oliver and Joshi of ATW subsequently filed yet another IPR petition against VLSI’s patent and engaged in extortive negotiations with both VLSI and Intel. Decision, 30-34. Moreover, despite extensive public condemnation (*e.g.*, Exs. 2045, 2054, 2057-2061, 2076), OpenSky’s attorneys still attempted to extract money from Intel for taking particular actions in the case. Decision, 33-34; Exs. 2095-2096, 2099-2109.

Furthermore, VLSI and the Director do not even know the full extent of OpenSky’s and its attorneys’ misconduct, as they have blocked inquiry into the true relationship between OpenSky, its counsel, Intel, and any go-between third parties. Because they have prevented VLSI and the Director from knowing the full extent of their cooperation, the Director should assume they are hiding even worse misconduct. Courts have further held that when it is unclear “where the blame” for

improper “litigation tactics lies,” sanctions to both the party and its attorneys, jointly and severally, are appropriate. *Phonometrics, Inc. v. Westin Hotel Co.*, 319 F.3d 1328, 1333-34 (Fed. Cir. 2003). Since OpenSky’s refusal to cooperate with the Director’s Orders has made it impossible to determine the full scope of OpenSky’s and its counsel’s wrongdoing, both OpenSky and their previous attorneys should be held jointly and severally liable for VLSI’s fees and costs.

The Board and Director still retain broad jurisdiction over OpenSky’s previous attorneys for the purposes of resolving potential sanctions. That OpenSky’s attorneys have been permitted to withdraw from representation is no basis by which they or ATW can avoid liability. *See Bader v. Intel Corp. (In re Intel Sec. Litig.)*, 791 F.2d 672, 675 (9th Cir. 1986) (there is “absolutely no hint . . . that a lawyer may escape sanctions for misconduct simply by withdrawing from a case before opposing counsel applies for sanctions”); *Holgate v. Baldwin*, 425 F.3d 671, 677 (9th Cir. 2005) (“The fact that Levinson was allowed to withdraw as counsel due to a conflict of interest does not protect him from sanctions based on a filing that he made before that withdrawal.”); *Joint Stock Co. Channel One Russ. Worldwide v. Infomir LLC*, 2017 U.S. Dist. LEXIS 165702, at *1 n.1 (S.D.N.Y. July 18, 2017) (“granting attorney Fraade’s motion for leave to withdraw as counsel . . . but retain[ing] jurisdiction over Fraade and Mintz Fraade in connection with the instant sanctions motions.”). This is especially so as ATW withdrew over

OpenSky's "vehement[]" opposition (Paper 103, 2-3; Paper 109, 2) and before VLSI had an opportunity to oppose the withdrawal.

IV. CONCLUSION.

While VLSI respectfully submits that termination of these proceedings is warranted for OpenSky's nefarious conduct, it requests that the Director find OpenSky, its attorneys, Messrs. Oliver, Joshi, and Ivey, and ATW jointly and severally liable for VLSI's attorneys' fees and costs in connection with IPR2021-01056, -01064, IPR2022-00366, -00480, -00645.⁵

Respectfully submitted,

Dated: November 17, 2022

/ Babak Redjaian /
Babak Redjaian (Reg. No. 42,096)
IRELL & MANELLA LLP
840 Newport Center Drive, Suite 400
Newport Beach, CA 92660

5 Once the Director issues an order for compensatory sanctions against OpenSky and its attorneys, VLSI will provide under seal an accounting of fees and costs expended relating to these matters.

CERTIFICATE OF SERVICE

I hereby certify that, pursuant to 37 C.F.R. § 42.6(e) and with the agreement of counsel for Petitioner, a true and correct copy of **PATENT OWNER'S BRIEF TO SHOW CAUSE REGARDING COMPENSATORY DAMAGES** is being served electronically on November 17, 2022, to the persons below:

Matthew K. Blackburn	mblackburn@sullivanblackburn.com
Evan Boetticher	eboetticher@sullivanblackburn.com
David Boundy	dboundy@potomaclaw.com
Benjamin S. Fernandez	Ben.Fernandez@wilmerhale.com
David L. Cavanaugh	David.Cavanaugh@wilmerhale.com
Steven J. Horn	Steven.Horn@wilmerhale.com
Andrew T. Oliver	aoliver@atwiplaw.com
Vinay V. Joshi	vjoshi@atwiplaw.com
Christopher Ivey	civey@stradlinglaw.com
Amin, Turocy & Watson LLP	gturocy@thepatentattorneys.com

Dated: November 17, 2022

By: / Robert Pistone /