UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SEMICONDUCTOR COMPONENTS INDUSTRIES, LLC and TEXAS INSTRUMENTS INCORPORATED,
Petitioner,
v.

GREENTHREAD, LLC,
Patent Owner

IPR2023-01244[1]
U.S. Patent No. 11,121,222

PETITIONER'S REQUEST FOR REHEARING OF DIRECTOR REVIEW DECISION

[1] Texas Instruments Incorporated, which filed a petition in IPR2024-00674, has been joined as a petitioner in this proceeding.

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Semiconductor Components Industries, LLC ("Petitioner") requests rehearing of the Decision Granting Director Review, Vacating the Final Written Decision, and Remanding to the Board for Further Proceedings. Paper 91 ("FWD-DR Decision"). Petitioner respectfully requests that the FWD-DR Decision be vacated with respect to additional discovery[2] because the Acting Director misapprehended or overlooked key facts and precedent.

First, the FWD-DR Decision addresses a *pre-institution* issue (the denial of Patent Owner (PO) Greenthread's pre-institution request for additional discovery) that PO did not raise *post-institution* and therefore waived. Director Review of pre-institution issues are handled through a request for Director Review of the Institution Decision — not the Final Written Decision.

Second, PO previously requested Director Review of the Institution Decision on the exact same additional discovery issue, and this request was denied.[3] Paper

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[2] Petitioner is not seeking rehearing on the other issues in the FWD-DR Decision (*i.e.*, the district court claim construction orders and the timing of Patent Owner's arguments). Petitioner will address the merits of these issues with the panel.

[3] Derrick Brent, the former Deputy Under Secretary of Commerce for Intellectual Property and Deputy Director of the United States Patent and Trademark Office, issued the previous Director Review decision after former Director Vidal recused

37; Paper 43 ("ID-DR Decision"). The FWD-DR Decision addressed the same issue, on the same record, but reached an opposite conclusion from the ID-DR Decision. This inconsistency — without an explanation — is arbitrary and capricious, and calls into question the finality of Director Review decisions.

Finally, the FWD-DR Decision incorrectly faults the Board for not rewriting PO's improper pre-institution discovery request and overlooks that PO was already on notice of the ability to resubmit its pre-institution additional discovery request. Accordingly, the Acting Director should vacate the portion of the FWD-DR Decision concerning additional discovery.

I. BACKGROUND

a. The Present IPR

Without providing any advance notice, PO sued Petitioner in 2023. Petitioner filed this IPR petition three months after being served. EX2020, 14 (Complaint dated April 21, 2023); Paper 2 (Petition filed July 27, 2023). About two months later, PO contacted Petitioner and alleged that Petitioner was time-barred because of Petitioner's business dealings with Intel. EX2014.

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herself from the matter. Paper 43 at 1 (note 1), 2. Director Vidal herself denied similar requests filed by PO in IPRs involving Cirrus Logic. *See, e.g.*, IPR2024-00001, Papers 35 and 43.

PO moved for pre-institution additional discovery. *See* Paper 8. The Board denied the motion for additional discovery in a well-reasoned order and granted institution. Paper 30, Paper 32. In February 2024, PO filed a Director Review request concerning the institution decision, arguing that the Board erred by denying PO's motion for pre-institution additional discovery and concluding that Petitioner and Intel were not in privity. Paper 37. The request was denied in April 2024. Paper 43. After institution, PO did not raise *any* further discovery issues and did not file *any* further requests for additional discovery.

The Board issued a FWD on February 11, 2025, finding all challenged claims unpatentable. In the FWD, the Board held that "our [pre-institution] Order denying that [pre-institution] discovery noted that Patent Owner's 'discovery requests are not narrowly tailored to discover any indemnification agreement' [], and Patent Owner did not renew or tailor its request for additional discovery during trial." Paper 83 at 58. On March 13, 2025, PO requested Director Review of the FWD, raising *the exact same argument* that was previously rejected in the ID-DR Decision. Paper 88. Despite no change in the facts or the law, that request was granted. Paper 91.

b. The Second Wave IPRs

Running parallel to this IPR, in December 2023 Petitioner filed petitions against related patents, in IPR2024-00263, -00264, -00265, and -00266 ("the second wave IPRs"). PO also argued that those petitions were time-barred, and PO sought

identical discovery. To address PO's request for additional discovery in the second wave IPRs, the parties agreed to file "as exhibits relevant briefing from IPR2023-01242, -01243, and/or -01244 that highlight the parties' arguments for and against" additional discovery. *See, e.g.*, IPR2024-00263, EX3002; *id.*, Paper 7 (PO's Request to File a Motion for Additional Discovery) at 1.

In April 2024, after institution in this IPR and *one month before PO's Patent Owner Response was due in this IPR*, the Board denied PO's pre-institution request for additional discovery in the second wave IPRs. IPR2024-00263, Paper 11. The Board explained that "[t]he parties briefed the same discovery request in IPR2023-01242, -01243, and -01244, and the panel denied the motion" and "[i]n view of the Board's denial of Patent Owner's motion for additional discovery in the prior IPRs [*i.e.*, IPR2023-01242, -01243, and -01244], *Patent Owner's representation that the same discovery is at issue here*, and in order to accommodate Patent Owner's request that the parties avoid the need to go 'through the same briefing as before,' we deny Patent Owner's request for authorization to file a motion for additional discovery." *Id.* at 2-4 (emphasis and bracketing added). In its order, however, the Board expressly stated that "Patent Owner may request authorization to file a motion for additional discovery that generally complies with authorizations previously approved by the Director." *Id.* at 3-4. The Board's Order further clarified "that Patent Owner may, if it so chooses, contact the Board to request authorization to file

a different motion for additional discovery, as discussed above." *Id.* at 4. Despite the Board's guidance that PO could resubmit its discovery requests, PO never submitted post-institution requests in the present IPR or the second wave IPRs.

The timing of the Board's "resubmit" guidance in the second wave IPRs is critical because the Board provided the guidance *well before PO's Patent Owner Response was due in this IPR*. In the FWD-DR Decision, the Acting Director predicated the grant of additional discovery on the absence of guidance "that Patent Owner could amend or resubmit its discovery motions." Paper 91 at 3. But the Board had in fact already provided this guidance. Even though that guidance was express in the second wave IPRs, the full record, identical context with the present IPR, and reference to the present IPR gave PO notice that it could have pursued post-institution discovery in the present IPR as well as the second wave IPRs. Moreover, PO's window for requesting the exact same discovery on the exact same issues *in this IPR* was *still open* with time to spare. Despite the guidance, PO did nothing.

Petitioner also submits for the Acting Director's attention a subsequent factual development that should be considered in this rehearing request. Following the issuance of the FWD-DR Decision, in a telephone call with the Board on May 1, 2025, the Board determined that PO's failure to submit post-institution discovery requests *in the second wave IPRs* in the face of the Board's resubmit guidance was "a waiver." EX1057, 14:23-23:18, 25:8-26:5. Considering the timing of the

overlapping IPR proceedings, waiver applies equally in this IPR because PO received the guidance with time to resubmit any discovery requests in this IPR.

II. LEGAL STANDARD

A request for rehearing is appropriate if the Director "misapprehended or overlooked" a matter. 37 C.F.R. § 42.71(d). The FWD-DR Decision is reviewed "for an abuse of discretion." 37 C.F.R. § 42.71(c). An abuse of discretion occurs where the decision is based on an erroneous interpretation of the law, if a factual finding is not supported by substantial evidence, or if an unreasonable judgment is made in weighing relevant factors. *See, Star Fruits S.N.C. v. United States*, 393 F.3d 1277, 1281 (Fed. Cir. 2005).

III. ARGUMENT

a. The FWD-DR Decision is an Abuse of Discretion Because it Erroneously Addressed a Pre-Institution Issue that PO Failed to Raise Post-Institution

PO requested additional discovery in this proceeding *before* institution, but never again renewed this request after institution. Paper 8; Paper 89 at 2. Issues raised at the pre-institution phase and not raised post-institution are waived. *In re Nuvasive, Inc.*, 842 F.3d 1376, 1381 (Fed. Cir. 2016) (arguments raised "during the preliminary proceedings of the inter partes review" are waived when not raised "during the trial phase"); *see also 3G Licensing, S.A. v. Honeywell Int'l Inc.*, No. 2023-1557, 2024 WL 5054806, at *3-*5 (Fed. Cir. Dec. 10, 2024); *IOENGINE, LLC v. Ingenico Inc.*, 100 F.4th 1395, 1402 (Fed. Cir. 2024); *Broadcom Corp. v. Int'l*

Trade Comm'n, 28 F.4th 240, 252 (Fed. Cir. 2022). Because the FWD-DR Decision addresses a pre-institution request that was never renewed post-institution, the Acting Director misapprehended or overlooked this Federal Circuit precedent when granting Director Review. *Id.*; *see also* Paper 89 at 2.

Moreover, the Acting Director misapprehended or overlooked the PTAB's guidance on Director Review: "[a]s a general matter, a request for Director Review of a final decision is not an opportunity to raise issues related to the Board's decision on institution." Director Review Process (*available at https://www.uspto.gov/patents/ptab/decisions/director-review-process*), Section 2.B. Granting review on a pre-institution issue should not have been addressed at the FWD stage, and the Acting Director abused her discretion in doing so.

By endorsing challenges to pre-institution issues at the FWD stage, the FWD-DR Decision also places efficiency burdens on the PTAB and creates uncertainty. Board panels, as well as parties, would have to contend with pre-institution issues being challenged again at the FWD stage, after a year of trial, even if the issues were not renewed post-institution. Permitting a party to revive the pre-institution issue at the latest possible stage invites gamesmanship, reduces certainty, and ultimately increases the burdens on the parties and panels.

b. The FWD-DR Decision is an Abuse of Discretion Because it is Inconsistent with ID-DR Decision and Lacks a Rational Explanation

PO's Request for Director Review of the FWD was not the first time that PO requested Director Review concerning the Board's denial of additional discovery. PO raised the exact same issue via a Request for Director Review of the Institution Decision, and this request was denied in the ID-DR Decision. *See supra*, Section I.a. The FWD-DR Decision lacked a proper explanation for this drastic change.

i. The change in outcome between the ID-DR Decision and FWD-DR decision cannot stand

Even though the ID-DR Decision came to the opposite conclusion on the same question, the FWD-DR Decision did not provide any explanation as to *why* the Acting Director was reversing course. The failure to address the directly opposite ID-DR Decision makes the FWD-DR Decision arbitrary and capricious and requires vacatur. *Vicor Corp. v. SynQor, Inc.*, 869 F.3d 1309, 1322-23 (Fed. Cir. 2017) (Board must provide "rational explanation" for "reaching inconsistent conclusions"); *BASF Corp. v. Enthone, Inc.*, 749 F. App'x 978, 985-86 (Fed. Cir. 2018) ("The PTAB acted arbitrarily and capriciously by failing to provide a reasoned explanation for reaching an inconsistent finding"); *Robert Bosch, LLC v. Iancu*, 778 F. App'x 871, 875 (Fed. Cir. 2019) ("reaching the opposite conclusion . . . on an identical issue" is arbitrary and capricious); *Jicarilla Apache Nation v. U.S. Dep't of*

Interior, 613 F.3d 1112, 1119-1121 (D.C. Cir. 2010) (Agency action conflicting with prior decision making without adequate explanation is arbitrary and capricious).

The FWD-DR Decision also raises problematic policy issues for IPR proceedings. Because the FWD-DR Decision reached the opposite result on the same issue as the ID-DR Decision, with no changes in facts or law, aggrieved parties will be encouraged to resubmit Director Review requests and challenge resolved issues at the FWD stage. This practice would call into question the legitimacy and finality of previous Director decisions. It may even promote "Director shopping" with regard to revisiting issues that were decided first by a previous Director (on institution) and decided a second time by a different Director (on a FWD).

ii. The stated rationales in the FWD-DR Decision for granting discovery do not adequately address the reasons why discovery was denied pre-institution

The Acting Director's explanation for granting director review as to the additional discovery issue was that "Patent Owner raised more than a mere possibility that discovery would yield useful information on the privity issue given that Petitioner was a supplier of a time-barred party, Intel" and that "[w]hile Patent Owner's requested discovery was broad, it was not harassing or abusive." Paper 91 at 2-3. Respectfully, this reasoning loses sight of the rationale behind the privity provision of § 315(b), which is "to prevent successive challenges to a patent by those who previously have had the opportunity to make such challenges in prior

litigation," and ignores the foundational rules that govern additional discovery in IPRs. *WesternGeco LLC v. ION Geophysical Corp.*, 889 F.3d 1308, 1319-22 (Fed. Cir. 2018); *Taylor v. Sturgell*, 553 U.S. 880, 892-894 (2008); *id.* at 894 n.8.

In rejecting PO's pre-institution request for additional discovery, the Board panel provided a well-reasoned 15-page decision explaining that Supreme Court, Federal Circuit, and PTAB precedent, as well as the statute governing IPR discovery and Trial Practice Guide (TPG), all make clear that Petitioner merely being a "supplier" *does not* create privity. *See* Paper 30; *WesternGeco LLC v. ION Geophysical Corp.*, 889 F.3d 1308, 1319-22 (Fed. Cir. 2018). Further, the standard for additional discovery is the "interests of justice" (*see* 35 U.S.C. § 316(a)(5); 37 C.F.R. § 42.51(b)(2)) and *Garmin* Factors 1 through 5, not merely whether the requests are "not harassing or abusive." *Id.*; *Garmin Int'l, Inc. v. Cuozzo Speed Techs. LLC*, IPR2012-00001 Paper 26 at 5-16 (PTAB Mar. 5, 2013) (precedential). The FWD-DR Decision misapprehended or overlooked this established precedent, the discovery statute, and the PTAB's own guidance. PTAB Consolidated Trial Practice Guide, November 2019 ("TPG") at 24-28.

The FWD-DR Decision also does not consider that Petitioner had no notice, opportunity, or reason to litigate in Intel's prior cases (and vice-versa), that Petitioner's products were *not* accused of infringement in Intel's prior litigation, and that PO's agreement with RPX fully resolved PO's claims against Intel without any

involvement from Petitioner. Paper 89 at 1-3. Put differently, there is no reason for Intel to relitigate invalidity in this proceeding (because it is already licensed through RPX), and Petitioner had no opportunity, motive, or reason to litigate, and did not litigate, in Intel's previous case involving PO. *Id.* Because privity cannot exist on these facts, privity is not in dispute and there is no need for discovery in pursuit of a legally flawed privity theory. Because the FWD-DR Decision ignored the fundamental underpinnings of privity, the FWD-DR Decision was arbitrary and capricious and violated Petitioner's due process rights.

The panel below understood the lack of any legally cognizable privity relationship between Petitioner and Intel when denying PO's pre-institution additional discovery request: "Patent Owner alleges no facts and provides no evidence that would tend to show that Petitioner has a sufficiently close relationship with Intel… *that it can be fairly said that Petitioner had a full and fair opportunity to litigate the validity of the '222 and '842 patents in the prior infringement litigation or IPRs*." Paper 30 at 7 (emphasis added). Additional reasons for denial included "Patent Owner does not assert that Petitioner funded or assisted in the defense of Intel…or that Patent Owner sought third party discovery from Petitioner," (*Id.* at 8); "Patent Owner does not suggest that Petitioner is serving as a proxy to allow Intel…to challenge the validity of the '222 and '842 patents" (*Id.* at 9); that "[u]nder the circumstances described by Patent Owner [], Intel [has]…no reason or incentive

to challenge the ’222 and ’842 patents because they have a paid-up irrevocable license and release from Patent Owner” (*Id.*); “Patent Owner’s discovery requests seek documents, such as sales agreements, design agreements, and communications about product design, that are characteristic of a standard customer-manufacturer relationship[] [and] *[t]he requests are not aimed at discovering evidence that would be useful in determining whether Petitioner has a close relationship with Intel…as it relates to the prior infringement litigation and IPRs*” (*Id.* (emphasis added)); Patent Owner’s “discovery requests are not narrowly tailored to discover any indemnification agreement that relates to the prior infringement litigation against Intel” (*Id.* at 10); “Patent Owner also does not dispute Petitioner’s statement that ‘[n]one of Intel…requested indemnification from Petitioner with respect to [Patent Owner], and Petitioner has not and will not request indemnification from Intel…with regard to [Patent Owner]’” (*Id.*); and “Patent Owner does not allege facts or produce evidence that would suggest that Petitioner was responsible for defending Intel…against Patent Owner’s infringement claim” (*Id.*).

The FWD-DR Decision failed to address any of these specific findings by the panel, which were confirmed by the ID-DR Decision. In doing so, the Acting Director misapprehended and overlooked the background legal framework for privity.

c. The FWD-DR Decision’s Ruling that the Board Should Have Reformed PO’s Overbroad Discovery Requests or Notified PO of

its Right to Resubmit the Discovery Requests was an Abuse of Discretion and Misapprehends Relevant Facts

When the Board denied PO's motion for pre-institution additional discovery, the Board issued a detailed decision explaining why PO's requests did not meet the *Garmin* standard. *See* Paper 30. In the FWD-DR Decision, the Acting Director *did not hold* that the Board should have granted PO's discovery motion. Instead, the Acting Director found fault with the Board because it "*either* should have allowed whatever narrower discovery was appropriate *or* made it clear that Patent Owner could amend or resubmit its discovery motions." Paper 91 at 3 (emphasis added). Respectfully, this determination was wrong because it is not the panel's responsibility to draft PO's discovery requests and because PO must have known it could have resubmitted narrower discovery requests.

i. Faulting the Board for not writing PO's discovery requests was inappropriate and erroneous

The first portion of the Acting Director's statement faulted the Board for not doing enough to assist PO in rewriting PO's discovery requests. Petitioner has not located any other decision of a USPTO Director or the Federal Circuit reversing an order denying additional discovery because the Board did not do enough to rewrite a party's improper discovery requests. Moreover, the Board *did* inform PO of how its discovery requests were improper under *Garmin*. Paper 30 at 6-13. Equally concerning, the FWD-DR Decision suggests that the Board should have identified

the properly discoverable aspects of PO's discovery requests but is vague as to *how* the Board should have reformed the requests, and is thus arbitrary and capricious.

Requiring panels to rewrite overbroad discovery requests would also create perverse incentives for parties seeking discovery. If a party that requests overbroad discovery can blame the panel for not rewriting the requested discovery, then no party would ever draft proper, narrowly tailored requests. Instead, every party would submit overly-broad requests, putting the burden on the panel to redraft the requests. That way, if the requesting party is later dissatisfied with the results, then it can preserve this issue for Director Review. This would again increase the burden on panels and create ongoing uncertainty for parties disputing discovery requests.

ii. The FWD-DR Decision's Ruling that the Board Should Have Notified PO of its Right to Resubmit the Discovery Requests Misapprehends Relevant Facts

The FWD-DR Decision held that the Board should have "made it clear that Patent Owner could amend or resubmit its discovery motions." Paper 91 at 3. But this overlooks that PO was in fact on notice that it could amend or resubmit.

As an initial matter, it should not be necessary for the Board to inform a party that denial of a pre-institution discovery request can be resubmitted post-institution. The Board's denial of pre-institution additional discovery was not "with prejudice" (Paper 30) and the submission of a renewed request post-institution is a fundamental practice that does not need to be highlighted in writing for a losing movant.

Nonetheless, PO was *actually* on notice that it could amend or resubmit its discovery request. In the second wave IPRs, the Board denied the exact same discovery requests—on the same record—explaining that "*this denial is without prejudice, and Patent Owner may request authorization to file a motion for additional discovery that generally complies with authorizations previously approved by the Director*." IPR2024-00263, Paper 11 at 3-4 (emphasis added). The Board issued this decision on April 19, 2024, a month before the Patent Owner Response was due in this proceeding (on May 20, 2024), providing PO with the required guidance and ample opportunity to submit its discovery requests in this IPR after institution. *Id.*; Paper 47. If any confusion remained for PO after this guidance, it was certainly aware that it could send a simple e-mail to the Board requesting clarification on whether it could "amend or resubmit" its discovery request. PO certainly knows how to raise disputes by e-mailing the Board. *See, e.g.*, EX3004, EX3008, EX3009. The FWD-DR Decision thus misapprehends or overlooks the relevant factual timeline of guidance that the Board did indeed provide to PO.

IV. CONCLUSION

The Acting Director misapprehended or overlooked numerous matters when granting Director Review, which unfairly and unreasonably prejudiced Petitioner. Petitioner requests that the FWD-DR Decision be vacated as to the issue of additional discovery.

Respectfully submitted,

Dated: May 8, 2025

/*Roger Fulghum*/
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CERTIFICATE OF SERVICE

Pursuant to 37 C.F.R. § 42.6(e), I certify that on this 8th day of May, 2025, **PETITIONER'S REQUEST FOR REHEARING OF DIRECTOR REVIEW DECISION** was served by email on the following counsel for Patent Owner and the Joined Petitioner:

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