

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

INNOSCIENCE (ZHUHAI) TECHNOLOGY COMPANY, LTD., AND
INNOSCIENCE AMERICA, INC.

Petitioner,

v.

EFFICIENT POWER CONVERSION CORPORATION,

Patent Owner.

Case No. IPR2023-01381
U.S. Patent No. 8,350,294

AUTHORIZED RESPONSE TO DIRECTOR REVIEW REQUEST

I. EPC’s Request for Director Review of Institution only after the Final Written Decision is Transparent Gamesmanship

This IPR was instituted in March 2024. If EPC believed that decision justified review, it could have requested it within 14 days. It did not. The 2022 Interim Procedure Memorandum (2022 Memo) was rescinded on February 28, 2025. A Final Written decision issued on March 18, 2025—nearly a month later. If EPC believed the rescission justified vacating institution, it could have asked *before* the Final Written Decision issued. It did not. Instead, EPC waited to see if the Board would side with it before EPC did anything. It did not.

EPC, only after learning it lost, now requests the extraordinary, unprecedented action of rescinding an institution on discretionary—not merits—grounds *after* a Final Written Decision found all claims unpatentable. This request should be firmly denied. Declining to do so will motivate others to abuse the process.

II. EPC Provides No Answer for Why the 2025 Memos Should Apply to a 2024 Institution Decision.

The Order granting EPC’s extension cautioned EPC to “address in its request for Director Review Petitioner’s contention that the March 24, 2025 guidance memorandum does not apply to this IPR.” Paper 52 at 3. EPC did not, other than to generically claim this case is “exceptional.” EPC’s failure to meaningfully respond on this issue is unsurprising because both recent memos expressly state that they do not apply retroactively. The March 24 Memo states “the Interim Procedure’s

recission applies to any case in which the Board has not issued an institution decision, or where a request for rehearing or Director Review of an institution decision was filed and remains pending . . . Absent extraordinary circumstances, **the Board will not revisit a decision on institution if the time for seeking Director Review or rehearing has passed.**” March 24 Memo at 2 (emphasis added); *see also* March 26 Memo at 3. And the Board has repeatedly confirmed the guidance does not apply retroactively. *See, e.g., Samsung Electronics Co., Ltd. et al., v. Harbor Island Dynamic, LLC*, IPR2024-01402, Paper 14 (P.T.A.B. April 22, 2025) (denying director review past the cutoff based on the March Memos); *EndyMed Medical Ltd et al. v. Serendia LLC*, IPR2024-00383, Ex. 3003 (P.T.A.B. April 3, 2025) (denying permission to file motion to dismiss based on 2022 Memo recission for IPRs with a copending ITC investigation); *Cisco Systems, Inc., v. Portsmouth Network Corp.*, IPR2024-01450, Paper 9 at FN 1 (P.T.A.B. May 2, 2025) (expunging discretionary denial briefs). Here, a Final Written Decision is as far beyond the deadline as it gets.

Further, EPC requests review of the decision on *institution*, not the Final Written Decision. Any grounds for review have long since been waived. *See, e.g., EndyMed Medical*, IPR2024-00383, Ex. 3100. Any request for review was due within 14 days of institution. 37 CFR § 42.75(c)(1); 37 CFR § 42.75(d)(1). Similarly, any *sua sponte* Director Review of the institution should have been “initiated within 21 days after the expiration of the period for filing a request for rehearing pursuant

to § 42.71(d).” 37 CFR § 42.75(b). Both deadlines lapsed more than a year ago.

III. EPC Provides No Authority by Which the Director Could Grant its Request and Ignores Supreme Court Guidance

It was EPC’s burden to identify authority permitting the Board or Director to grant the requested relief. It identified none. EPC focuses its argument instead on alleged “extraordinary circumstances,” arguing the Board should cancel any IPR where the ITC issues a decision on a patent, no matter how advanced the IPR proceeding is, and with no regard for the different, higher standards for invalidity arguments at the ITC, where a patent *cannot* be invalidated.

The only thing extraordinary here is EPC’s request that the Board overturn long standing USPTO policy and guidance of the Supreme Court. In *Thryv, Inc v. Click-To-Call Techs., LP*, the Court ruled that the bar on appeal of institution decisions applied to 35 USC § 315(b). 590 U.S. 45 (2020). In doing so, it clarified *why* institution decisions are not appealable or reversible after the fact: “because a patent owner would need to appeal on § 315(b) untimeliness grounds only if she could not prevail on patentability, **§ 315(b) appeals would operate to save bad patent claims.**” *Thryv*, 590 U.S. at 54–56. The exact same is true here.

Further, EPC’s request is apparently based on *Fintiv*, a case based on trying to maintain efficiencies at the PTAB and applying discretion the statute provides at institution. But as the Supreme Court has stated, “Judicial review *after* the agency proceedings cannot undo the burdens already occasioned.” *Thryv*, 590 U.S. at 56.

Canceling an IPR that reached a final written decision under pure discretion is manifestly unfair, would defy the IPR statute, and would be extremely inefficient, where, as here, so many Board resources have been consumed.

EPC's request also contradicts the purpose of the USPTO and the PTAB. The USPTO is not primarily concerned with "speaking with one voice" with the ITC, a different agency with a separate goal. The PTAB reviews previous *USPTO* decisions. *Cuozzo Speed Techs. v. Com. for Intell. Prop.*, 579 U.S. 261, 279–80 (2016). "Thus, in addition to helping resolve concrete patent-related disputes among parties, inter partes review helps protect the public's 'paramount interest in seeing that patent monopolies ... are kept within their legitimate scope.'" *Id.* (citing *Precision Instrument Mfg. Co. v. Auto. Maint. Mach. Co.*, 324 U.S. 806, 816, (1945); H.R. Rep., at 39–40 (Inter partes review is an "efficient system for challenging patents that should not have issued")). Resurrecting a patent the USPTO already determined *should never have issued* defies the purpose of the PTAB and the USPTO.

IV. EPC's Merits Argument was not Granted an Extension and Is Meritless

Finally, EPC included a throwaway argument related to the merits of the decision. EPC did not, however, ask for an extension of time to address the merits, it only asked for an extension to address the February 28, 2025 recission and the subsequent guidance. Paper 47. These arguments are untimely and waived.

They are also meritless. EPC primarily objects to the Board's construction of

“compensated GaN layer” as “a GaN layer in which one type of impurity (for example, donor) partially cancels the electric effects of the other type of impurity (for example, acceptor),” instead of EPC’s construction of a “compensated GaN gate material.” But the Board already addressed and rejected the same arguments EPC reraises in over five pages of the opinion, addressing the claims, written description, and prosecution history, and found EPC’s construction unnecessary to “capture the scope of the actual invention.” Paper 45 at 14-19. The ITC applied the same construction as the Board after it rejected the same arguments. Paper 45 at 19. EPC’s “other errors” are equally unpersuasive, as they are just different flavors of the same claim construction argument it has lost twice.

Indeed, rescinding institution would fundamentally *create conflict* with the ITC decision. The ITC and PTAB *agree* that prior art reference Uemoto alone meets all limitations of claims 1-3, except the “transition layers” (shown by *Smith* in the IPR). In the ITC, neither OUII nor EPC contested the “transition layers” were met by Uemoto, but the ID erred at least in ignoring this admission. This limitation is the only one the Commission found missing. Besides this error, the ITC confirmed the patent is otherwise invalid over Uemoto. ID at 70-87. Thus, on the *common* record, both decisions are in accord.

V. Conclusion

Petitioner respectfully requests that the Director deny Patent Owner’s request.

Respectfully submitted,

Dated: May 20, 2025

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that the foregoing **Authorized Response to Director Review Request** was served on May 20, 2025, via email directed to counsel of record for the Patent Owner at the following:

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