Filed on behalf of: Serendia, LLC

Entered: April 2, 2025

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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ENDYMED MEDICAL LTD. AND ENDYMED MEDICAL, INC.,[1]
Petitioner,

v.

SERENDIA, LLC,
Patent Owner.

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Case IPR2024-00384
Patent 9,320,536

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**PATENT OWNER'S REQUEST FOR DIRECTOR REVIEW**

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[1] The Board, in IPR2024-00844, joined EndyMed Medical Ltd. and EndyMed Medical Inc. as petitioners to this proceeding.

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## I. INTRODUCTION

The Director should exercise discretion to terminate this proceeding under the extraordinary circumstances present here. Petitioner EndyMed lost at the U.S. International Trade Commission (ITC), filed a time-barred IPR Petition against a patent that the ITC found valid, and received special treatment from the Board, which expedited institution and delayed termination after the original Petitioner, Jeisys, settled with Patent Owner. Had the Board operated on a normal schedule, these IPRs would have been terminated and EndyMed's Petitions denied due to being time-barred under §315(b). Instead, EndyMed's Petitions were instituted in January—1-2 months earlier than the respective statutory deadlines (and typical issuances).

Now, EndyMed stands to doubly benefit from those expedited institution decisions. On February 28, the USPTO rescinded guidance that prohibited consideration of ITC proceedings for discretionary denial. ("Recission of the *Fintiv* Memo" or "Recission"). The Board later clarified that it will not revisit a decision on institution based on the Recission if the time for seeking Director Review or rehearing has passed, "[a]bsent extraordinary circumstances." Because the Board expedited institution of EndyMed's time-barred Petition (and delayed

ruling on termination after settlement), the deadlines for rehearing in these case were less than three weeks before recission.

The extraordinary circumstances of this case warrant Director Review of the institution decision based on the Recission of the *Fintiv* Memo. Here, the Challenged Patent has been found valid by an Administrative Law Judge (ALJ) at the U.S. International Trade Commission as part of a Final Initial Determination where Petitioner EndyMed was found to infringe. *Certain Dermatological Treatment Devices and Components Thereof*, Inv. No. 337-TA-1356 ("1356 Investigation"), EDIS Doc ID 840954 (Dec. 19, 2024) ("Final ID"). The Commission's Final Determination is due in a matter of weeks—6-8 months before the Final Written Decision in this IPR. It is a foregone conclusion that the Commission's Final Determination will uphold the validity of the Challenged Patent because the Commission declined EndyMed's invitation to review the ALJ's validity findings. 1356 Investigation, Notice of Commission Determination to Review in Part a Final Initial Determination Finding Violation of Section 337, EDIS Doc ID 844698 at 5-6 (Feb. 28, 2025) ("Notice").

The Board declined to allow Patent Owner to file a request to reconsider its decision to institute after Recission, presumably in-part because the Recission occurred after the deadline for requesting rehearing had passed. But that is only

true because the Board expedited EndyMed's institution decisions while delaying ruling on motions to terminate due to Patent Owner's settlement with Jeisys.

The Director should correct this injustice and waste of Board resources that will retread grounds EndyMed had a full and fair opportunity to litigate to finality at the ITC, vacate the decision to institute under the *Fintiv* analysis, and terminate this IPR. *See Motorola Sols., Inc. v. Stellar, LLC*, IPR2024-01205, Paper 19 (Mar. 28, 2025) (Stewart, C.M.) (granting Director Review and denying institution under *Fintiv*).

## II. LEGAL STANDARDS

Director Review of a Board's decision on institution aims to "correct errors at the institution stage, for example, to avoid unnecessary trials for patent owners." Revised Interim Dir. Rev. Process, §2.B (updated Mar. 18, 2025). The Director reviews decisions to institute presenting "(a) an abuse of discretion, (b) important issues of law or policy, (c) erroneous findings of material fact, or (d) erroneous conclusions of law." *Id.*

Institution is discretionary under 35 U.S.C. § 314(a). Where the patent is at issue in parallel proceedings outside the Office, the Board can exercise its discretion to deny institution to preserve resources and avoid duplication of efforts. *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 (Mar. 20, 2020). In so doing, the Board considers six factors. *Id.* at 5-6. These factors include: (1) whether the

court granted a stay or evidence exists that one may be granted if a proceeding is instituted; (2) proximity of the court's trial date to the Board's projected statutory deadline for a final written decision; (3) investment in the parallel proceeding by the court and the parties; (4) overlap between issues raised in the petition and in the parallel proceeding; (5) whether the petitioner and the defendant in the parallel proceeding are the same party; and (6) other circumstances that impact the Board's exercise of discretion, including the merits.

On June 21, 2022, the then-Director of the USPTO issued a memorandum entitled "Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation" (*Fintiv* Memo). The *Fintiv* Memo excluded proceedings at the U.S. International Trade Commission from the *Fintiv* analysis. On February 28, 2025, the USPTO rescinded the *Fintiv* Memo (Recission). On March 24, 2025, Chief Administrative Patent Judge Boalick issued a memorandum entitled "Guidance on USPTO's recission of 'Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation'" (Boalick Memo), which clarified that "[a]bsent extraordinary circumstances, the Board will not revisit a decision on institution" based on the Recission "if the time for seeking Director Review or rehearing has passed." *Id.* at 2.

## III. BACKGROUND

This is not a run-of-the-mill case. An ALJ at the ITC has already issued a Final ID finding the Challenged Patent valid and infringed by Petitioner EndyMed. The Commission is set to issue a Final Determination in mid-April that will uphold the Challenged Patent's validity. Meanwhile, in these IPRs, the due dates for the Final Written Decisions are October-December 2025—more than 6-8 months after the ITC's Final Determination.

EndyMed chose to litigate the validity of these patents at the ITC rather than IPR. EndyMed was served with a complaint alleging infringement of the Challenged Patents on March 14, 2023. *Serendia, LLC v. EndyMed Medical, Inc.*, Case No. 1:23-cv-00224 (D. Del. Mar. 16, 2023), ECF No. 6. The ITC held an evidentiary hearing in November and December 2023. *See* Final ID, at 6. In December 2024, the ALJ issued the Final ID finding that the Challenged Patents were (1) valid and (2) infringed. *Id.* By the time it became clear that the ITC would find the Challenged Patents valid, EndyMed was time-barred.

Luckily for EndyMed, two other Respondents at the ITC—Jeisys and Ilooda—filed IPR petitions[2] that were instituted in July and August of 2024.

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[2] IPR2024-00383 ('774 patent), -00384 ('536 patent), -00386 ('836 patent), -00463 ('812 patent).

EndyMed filed "copycat" petitions[3] and moved to join the instituted IPRs. Unluckily for EndyMed, both Jeisys and Ilooda settled their disputes with Serendia. Ilooda was terminated from the IPRs pre-institution. Jeisys (the lone remaining Petitioner) and Patent Owner Serendia requested termination of the instituted IPRs on December 13, 2024. *See* Ex. 3001 in IPR2024-00383, -00384, and -00463.[4] By that time, Serendia had timely opposed joinder in EndyMed's cases, had recently filed POPRs in 3 of EndyMed's 4 cases, and had a last POPR due in a matter of days.

Worried that Jeisys's settlement would doom its own time-barred petitions, EndyMed rushed to email the Board requesting that it prioritize its petitions over Jeisys's termination, without conferring with Patent Owner. *See* Ex. 3001 in IPR2024-00843, -00844, and -00845.[5] Without a hearing, the Board promptly granted EndyMed's request, promising the extraordinary relief that "[a] decision on the joinder motion in those IPRs will issue before any decision on the termination of Jeisys as petitioner." *Id.*

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[3] IPR2024-00842 ('836 patent), -00843 ('774 patent), -00844 ('536 patent), -00845 ('812 patent).

[4] The panel in IPR2024-00386 did not file this email chain.

[5] The panel in IPR2024-00842 did not file this email chain.

Patent Owner immediately requested reconsideration of that decision, notifying the Board that the decision was made without providing Patent Owner an opportunity to be heard. *Id.* Patent Owner pointed out that the POPRs in these cases—including one which had not even been filed yet—had significantly different merits arguments than the instituted cases and urged the Board to give Patent Owner's Preliminary Responses full and fair consideration at institution—not an "expedited" consideration as the Board promised EndyMed. *Id.*

The Board never responded to Patent Owner's request for reconsideration. *Id*. Instead, the Board expedited EndyMed's petitions and instituted trial 1-2 months before the statutory deadline (and typical timeline) for institution.

Throughout this period, and continuing past Petitioner's February deadlines to request rehearing, the *Fintiv* Memo was in effect. That memo prevented the Board from considering the advanced stage of the ITC proceeding in its *Fintiv* analysis. *Fintiv* Memo at 2-3. The Office rescinded the *Fintiv* Memo on February 28—19 days after the rehearing window closed in 3 cases, and on the last day of the rehearing window in the -00842 case. On March 13, Patent Owner requested authorization to file a Motion to Terminate the proceeding based on the Recission. The Board denied the request without a hearing.

## IV. DIRECTOR REVIEW SHOULD BE GRANTED TO CLARIFY AN IMPORTANT ISSUE OF LAW AND POLICY AND ADDRESS THE BOARD'S ABUSE OF DISCRETION.

Patent Owner requests that the Director vacate the Institution Decision and terminate this proceeding based on the Recission of the *Fintiv* Memo. As a threshold issue, extraordinary circumstances support Review including (1) the Final ID has already issued in the parallel ITC case finding the challenged patent valid, with a Final Determination due shortly in April, (2) the Final Written Decision is due 6-8 months after the Final Determination at the ITC, (3) the Board's expediting the time-barred institution decisions is the only reason the Recission occurred after the rehearing deadline, and (4) the merits of the *Fintiv* factors strongly favor discretionary denial.

### A. Extraordinary circumstances support Director Review at this stage of the proceeding.

For two reasons, these proceedings present extraordinary circumstances that support Director Review in view of the Office's recission of the *Fintiv* Memo despite that recission occurring after the deadline for rehearing of the institution decision. *Cf.* Boalick Memo at 2.

**First**, the Recission occurred after the window for rehearing because of the Board's improper and unfair actions toward Patent Owner, specifically its decision to expedite EndyMed's petitions and delay Jeisys's settlement. *See* Ex. 3001 in IPR2024-00843, -00844, and -00845. Had the Board treated Patent Owner fairly

and instituted on a typical 3-month timeline, the institution decisions would have been issued in mid-February through mid-March, allowing Patent Owner the benefit of reconsideration or even additional briefing on *Fintiv* based on advancements at the ITC.

Notably, the Board issued that email decision without giving Patent Owner the opportunity to be heard. Patent Owner requested reconsideration of that decision. *Id.* The Board never even acknowledged the request. *Id.* The Board's unjust prioritization of a time-barred and adjudged infringer's petition over the settlement of the original petitioner is the *only* reason that this request could be considered late under the Recission — "extraordinary circumstances" that would not exist had the Board adhered to its standard timeline instead of prejudicing Patent Owner.

**Second**, the merits are extraordinarily strong for rehearing. As shown in the following section, the *Fintiv* factors indisputably and heavily weigh toward one answer: discretionary denial. These are not close cases with a speculative trial date or a close timing with Final Written Decisions. In these cases, the Final Written Decisions will be issued more than ***6-8 months*** after the ITC's Final Determination. The ALJ has ***already issued a Final Initial Determination finding the Challenged Patents valid and infringed***, including infringed by EndyMed. Final ID at 2. The Commission's Final Determination is due in just ***three weeks***,

and it is already known that it will uphold the validity of the Challenged Patents because the ALJ's validity findings are not being reviewed by the Commission. Notice at 3-4. In contrast, the Final Written Decisions are due in October–December—more than ***6–8 months*** from now and ***6–8 months*** after validity of the Challenged Patents will have been finally resolved in the ITC.

Under these facts, the *Fintiv* factors weigh so strongly in favor of denial as to themselves constitute "extraordinary circumstances," and especially so in addition to the circumstances described previously, warranting the review of the Institution Decision under *Fintiv* even though the rehearing deadline has passed in these hastily-instituted IPRs.

**B. The *Fintiv* Factors strongly favor termination of this proceeding.**

All of the *Fintiv* Factors strongly favor termination.

**1. The ITC case is not stayed and will not be stayed.**

Factor 1 strongly favors denial. The ITC proceeding is not stayed and cannot be stayed; the ALJ has already issued a Final ID finding the Challenged Patent valid and infringed by EndyMed. The Commission is set to issue a Final Determination within weeks. *Cf. Motorola*, Paper 19 at 4 n.5 (*Fintiv* factors favored denial despite temporary stay in district court).

### 2. The ITC's Final Determination is due 6-8 months before Final Written Decision.

Factor 2 strongly favors denial. The ITC's Final Determination, due April 21, 2025, will issue 6-8 months before the Final Written Decisions in these cases (October 2025 for IPR2024-00386 and December 2025 for the other three cases). *See* IPR2024-00383, Paper 37 at 2; IPR2024-00384, Paper 38 at 2; IPR2024-00386, Paper 40 at 2; IPR2024-00463, Paper 40 at 2. This timeline is not speculative. The ALJ has already issued a Final ID finding the Challenged Patent valid and infringed (Final ID at 2), and the Commission determined not to review the ALJ's validity findings and findings of direct and induced infringement by EndyMed in its final determination scheduled to issue in three weeks (Notice at 3-4 (listing issues the Commission will review)).

### 3. The ITC and Parties have invested massively in the ITC investigation.

Factor 3 strongly favors denial. The ITC Investigation is substantially finished. The investigation started in March 2023. Final ID at 2. Discovery is completed and the ALJ issued a Final ID in December 2024—before the institution decision in this case. *Id.* The *Markman* hearing occurred in July 2023; the evidentiary hearing occurred in November and December 2023. Final ID at 4, 6. All that is left at the ITC is the Commission's Final Determination, which is scheduled to issue in three weeks. The Parties and the ITC have invested far more

time and resources into the ITC Investigation than other cases where the Director has found Factor 3 to "strongly" favor denial. *Motorola*, Paper 19 at 3 ("[F]actor 3 strongly favors discretionary denial" where the parties served contentions, expert reports, held a claim construction hearing, and conducted "several depositions").

#### 4. The ITC is deciding validity of the patents and EndyMed has not and cannot file any stipulation avoiding overlap of issues.

Factor 4 strongly favors denial. This IPR is guaranteed to duplicate the effort already expended at the ITC. EndyMed did not, and could not, stipulate to not pursue any arguments at the ITC because it had already fully litigated its position before institution of this IPR. EndyMed relies on the same primary reference in this IPR as EndyMed relied on in the ITC, and EndyMed had a full opportunity to present its invalidity arguments at an evidentiary hearing. After hearing live testimony from the parties' experts (including the same expert EndyMed relies on here), the ALJ rejected EndyMed's invalidity arguments. Factor 4 therefore weighs even more strongly in favor of denial than cases where the overlap of issues was likely but not assured. *See Motorola*, Paper 19 at 3-4 (Factor 4 favored denial despite *Sotera* stipulation where Petitioner's district court pre-trial contentions included IPR art combined with system art).

### 5. Petitioner is a Respondent at the ITC

Factor 5 strongly favors denial. Petitioner is a named Respondent at the ITC and had a full opportunity to litigate validity of the Challenged Patent before the ALJ.

### 6. The ITC's finding of validity supports that the merits are not particularly strong.

Factor 6 strongly favors denial. "[C]ompelling merits alone is not dispositive in" the *Fintiv* analysis. Boalick Memo at 3. Moreover, the ALJ's Final ID finding the Challenged Patent valid over the same art and arguments presented in this IPR proceeding shows that the merits weigh against institution.

## V. CONCLUSION

For the reasons set forth above, the Board should vacate the Institution Decision and terminate this proceeding.

Respectfully submitted,

Dated: April 2, 2025

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## CERTIFICATE OF SERVICE

Pursuant to 37 C.F.R. § 42.6(e), I certify that on this 2nd day of April, 2025, a true and correct copy of the foregoing **Patent Owner's Request for Director Review** was served by electronic mail on Petitioner's lead and backup counsel at the following email addresses:

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