

IN UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

POSCO CO. LTD.,
Petitioner,

v.

ARCELORMITTAL,
Patent Owner.

Case No. IPR2024-01376
U.S. Patent No. 10,961,602

PATENT OWNER'S REQUEST FOR DIRECTOR REVIEW

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TABLE OF ABBREVIATIONS

Abbreviation	Term
'602 Patent	U.S. Patent No. 10,961,602 (Ex-1001)
'683 Patent	U.S. Patent No. 9,708,683
'683 Patent IPR	IPR2019-01275 (Ex-1031)
Challenged Claims	Claims 1–30 of U.S. Patent No. 10,961,602
FD	ITC Final Determination
Fig.	Figure
FWD	Board's Final Written Decision
IPR	<i>inter partes</i> review
Patent Owner	ArcelorMittal
Petitioner	POSCO Co., Ltd.
POSITA	person[s] of ordinary skill in the art
RPI	Real Party-In-Interest

TABLE OF EXHIBITS

Abbreviation	Term
2001	File History of U.S. Patent No. 10,961,602
2002	Order No. 7 (Procedural Order), <i>Certain High-Strength Aluminum or Aluminum Alloy-Coated Steel, and Automotive Products and Automobiles Containing Same</i> , Inv. No. 337-TA-1402 (ITC), filed April 17, 2024
2003	Excerpted Respondents' Expert Report Regarding Invalidity, <i>Certain High-Strength Aluminum or Aluminum Alloy-Coated Steel, and Automotive Products and Automobiles Containing Same</i> , Inv. No. 337-TA-1402 (ITC), filed April 17, 2024
2004	Excerpted Complainant's Expert Report Rebuttal Report Regarding Validity, <i>Certain High-Strength Aluminum or Aluminum Alloy-Coated Steel, and Automotive Products and Automobiles Containing Same</i> , Inv. No. 337-TA-1402 (ITC), filed April 17, 2024
2005	Excerpted Complainant's Pre-Hearing Brief, <i>Certain High-Strength Aluminum or Aluminum Alloy-Coated Steel, and Automotive Products and Automobiles Containing Same</i> , Inv. No. 337-TA-1402 (ITC), filed April 17, 2024
2006	Excerpted Respondents' Pre-Hearing Brief, <i>Certain High-Strength Aluminum or Aluminum Alloy-Coated Steel, and Automotive Products and Automobiles Containing Same</i> , Inv. No. 337-TA-1402 (ITC), filed April 17, 2024
2007	Excerpted Complainant's Opening Demonstrative Slides, <i>Certain High-Strength Aluminum or Aluminum Alloy-Coated Steel, and Automotive Products and Automobiles Containing Same</i> , Inv. No. 337-TA-1402 (ITC), filed April 17, 2024
2008	Excerpted Respondents' Opening Demonstrative Slides, <i>Certain High-Strength Aluminum or Aluminum Alloy-Coated Steel, and Automotive Products and Automobiles Containing Same</i> , Inv. No. 337-TA-1402 (ITC), filed April 17, 2024

Patent Owner requests Director Review of the Board's decisions instituting *inter partes* review (IPR) of claims 1–30 of U.S. Patent No. 10,961,602.¹

I. INTRODUCTION

The Board found that discretionary denial was not warranted under 35 U.S.C. § 314(a) by performing a *Fintiv* analysis contrary to both the Director's guidance and Board precedent. Patent Owner is currently asserting the '602 Patent in a parallel ITC Investigation against RPI. The ITC Investigation ***evidentiary hearing finished before*** the Board even issued its institution decision. The ITC's FD date is Oct. 23, 2025, which is ***five months before*** the projected Mar. 18, 2026, statutory deadline for the Board's FWD. And, RPI asserted the ***same*** references in the ITC it is asserting here (each of which was also before the Examiner during prosecution). This is a hallmark example of when discretionary denial is appropriate.

Yet, the Board decided discretionary denial was not warranted by misapplying *Fintiv* in unprecedented ways. The Board effectively eliminated Factor One (possibility of a stay) by deciding in the context of an ITC Investigation, Factor One is meaningless. The Board did not cite any panel that has ever taken this approach.

The Board further rewrote Factor Four (extent of the overlap), again, without citing any panel that has ever taken the Board's approach. Rather than follow

¹ Patent Owner is simultaneously submitting a substantively identical request for Director Review in IPR2024-01377, which involves U.S. Patent No. 11,326,227.

precedent, the Board incorrectly treated this factor as only considering how the IPR references were actually presented at the evidentiary hearing itself, instead of also considering the presentation throughout the Investigation. The consequences of the Board's departure from precedent on Factor Four are profound. Here, the Board did not consider the full extent of how the IPR references were presented during fact discovery, expert reports, expert depositions, pre-hearing briefs, opening statements, and expert testimony. Since IPR institution decisions are often made well before a hearing, the Board's limiting of Factor Four to focus only on how references are presented at the evidentiary hearing renders this factor meaningless in the vast majority of IPRs and will promote significant gamesmanship by petitioners.

The Board's analysis for Factors One or Four is not supported by any prior panel decision or Director Guidance. Despite legions of Board decisions applying *Fintiv* since its precedential designation, the only case the Board could cite for its unprecedented approach to Factors One and Four was *Fintiv*. While the Board had the benefit of the parties' arguments concerning the rescission of the 2022 Guidance Memorandum, the Board's institution decision was issued days before the Patent Office's Mar. 24, 2025, or Mar. 26, 2025, memorandums. The Board's rewriting of *Fintiv* effectively eliminates discretionary denial when the parallel matter is an ITC Investigation. This promotes gamesmanship by petitioners and RPIs by allowing them to assert the same references in an IPR and before, during, and after a hearing

or trial in a parallel matter. Here, the Board's decision is an abuse of discretion. A correct *Fintiv* analysis shows that the Board should exercise its discretion to deny institution of the petition. As a result, Director Review of the Board's institution decision is warranted. See *Motorola Sols., Inc. v. Steallar, LLC*, IPR2024-01205, Paper 19 at 2-4 (PTAB Mar. 28, 2025).

II. LEGAL STANDARD

A request for Director Review of an institution decision “shall be limited to decisions presenting (a) an abuse of discretion...” USPTO, Revised Interim Director Review Process at 2.B, Availability of Director Review: AIA Trial Proceedings (last modified Mar. 18, 2025). An abuse of discretion is found if a decision: (1) is clearly unreasonable, arbitrary, or fanciful; (2) is based on an erroneous conclusion of law; (3) rests on clearly erroneous fact finding; or (4) involves a record that contains no evidence on which the Board could rationally base its decision. *Intelligent Bio-Sys., Inc. v. Illumina Cambridge Ltd.*, 821 F.3d 1359, 1367 (Fed. Cir. 2016).

III. BACKGROUND

In this IPR, Petitioner is asserting the following seven alleged prior art references: Engels, Cornette, Laurent, Nishibata, Takagi, Hein, and GMW14400. Each of these references was asserted in the parallel ITC Investigation:

ITC Contentions: RPI submitted invalidity charts for 14 alleged prior art references. Every reference in this pending IPR was included in RPI's charts.

Expert Reports: RPI's expert report on invalidity asserted 11 different invalidity references and a total of 24 different invalidity grounds. Ex. 2003 at 2-4. Every reference used in this pending IPR was included in RPI's expert report.

Expert Discovery: The parties also took expert depositions, where Patent Owner had to prepare to question Petitioner's expert on all asserted grounds and likewise, Patent Owner's expert had to prepare to be deposed on all of Petitioner's asserted grounds, which included every single reference asserted in this IPR.

Pre-Hearing Briefs: RPI's pre-hearing brief asserted nine prior art references and 15 invalidity grounds. Ex. 2006 at 3-5. Every reference used in this pending IPR, except Nishibita, was included in RPI's pre-hearing brief. But because RPI did not inform Patent Owner that it was dropping any invalidity grounds until the morning the pre-hearing briefs were due, Patent Owner's pre-hearing brief addressed every invalidity reference raised in this IPR, including Nishibata.

Evidentiary Hearing: At the hearing, RPI never further dismissed or dropped its prior art references. Ex. 2008 at 3.

IPR *Fintiv* Submissions: The rescission of the 2022 Guidance Memorandum occurred on the eve of the evidentiary hearing. Patent Owner immediately moved for additional briefing on *Fintiv*. The Board allowed Patent Owner to file a submission on Mar. 6, 2025 (the fourth day of the ITC hearing), and Petitioner to file a responsive submission on Mar. 11, 2025 (after the ITC hearing had concluded).

Board's *Fintiv* Decision: The Board found that *Fintiv* Factor One (stay) neutral. Paper 11 at 17. According to the Board, this factor focused on “whether the patentability dispute before the ITC will resolve all or substantially all of the patentability disputes between the parties.” *Id.* at 13 (quoting *Fintiv* at 9). The Board interpreted this excerpt from *Fintiv* to mean that whether ITC will resolve the disputes between parties depends on Factor Four, *e.g.*, the extent of the overlap, and so Factor One was “neutral.” *Id.* at 13, 17.

As to Factor Four, the Board stated “this factor should focus on ‘claims, grounds, arguments, and evidence *presented* in the parallel proceeding.’” *Id.* at 15. (quoting *Fintiv* at 12) (emphasis by Board). The Board interpreted “presented” to mean invalidity grounds that were ultimately “presented to the ITC for consideration on the merits.” Despite VinFast presenting invalidating grounds based on the IPR references in its pre-hearing brief and never dropping them, the Board determined that since VinFast’s expert appeared to present Engels and Takagi alongside many other references as “State of the Art,” the ITC Investigation will not “resolve key issues in the petition” and this factor “weighs heavily against discretionary denial.”

Subsequent Events: Because of the timing of the parties’ *Fintiv* submissions vis-à-vis the ITC evidentiary hearing and post-hearing briefing, Patent Owner was not able to include the following in its *Fintiv* submission. While the following is not needed to show the Board’s analysis was flawed, it further confirms why the Board

should not give weight to a party's characterizations about references when a party does not actually officially drop those reference from the parallel proceeding.

Despite Petitioner's characterization of the "thrust" of its invalidity case, RPI never dropped the other IPR references and they are still part of the ITC Investigation. There, RPI still presents combinations involving Cornette and Laurent, just like here. RPI also examined Patent Owner's expert about the disclosures in Takagi (Ground 2 base reference). RPI's post-hearing brief (submitted Mar. 21, 2025), shows the remaining IPR references, except Nishibata, are still an active part of the ITC Investigation. In a section titled "State of the Art and Overview of the Prior Art," RPI spent 16 pages describing prior art including all IPR references except Nishibata and GMW14400. RPI's description of Figure 5 and corresponding table in Engels (Ground 1 base reference) in the ITC is similar to its discussion here. Thus, Patent Owner will have to address the alleged disclosures of the IPR references, the ITC will have the opportunity to address those disclosures, and, the IPR references are still very much a part of the ITC Investigation.

IV. The Board's *Fintiv* Analysis Was an Abuse of Discretion

A. The Board's Factor One Analysis Was an Abuse of Discretion

1. Background on Factor One

Factor One considers (1) whether a stay exists and (2) if not, whether evidence exists that a stay may be granted if the petition is instituted. *Fintiv*, Paper 11 at 6.

This factor is intended to avoid “inefficiency and duplication of efforts” when multiple tribunals address challenges to the same patent. *Fintiv*, Paper 11 at 6-9. The Mar. 24, 2025 Guidance (at 2) reiterated these principles and goals of avoiding inefficient duplication for the parties and the tribunals:

Additionally, instituting an IPR or a PGR where the ITC has set a target date for completing its investigation (i.e., the full Commission’s final determination) to occur earlier than the Board’s deadline to issue a final written decision in a challenge involving the same patent claims means that multiple tribunals may be adjudicating validity at the same time, which may increase duplication and expenses for the parties and the tribunals. Thus, the Board is more likely to deny institution where the ITC’s projected final determination date is earlier than the Board’s deadline to issue a final written decision[.]

When the parallel matter is at the ITC, panels have consistently analyzed whether the ITC matter is stayed or whether a stay may be granted. In *Hewlett Packard Enter. Co. v. Q3 Networking LLC*, the hearing at the ITC, like here, would have occurred before the institution decision, making a stay unlikely. IPR2021-00754, Paper 9 at 8 (PTAB Oct. 8, 2021). The panel further stated that the petitioner did not contend that it would request a stay. *Id.* Thus, the panel found that Factor One weighed “in favor of exercising our discretion to deny institution.” *Id.* at 9.

The panel in *Google LLC v. EcoFactor Inc.* followed the same approach. See IPR2020-0946, Paper 11 at 9–10 (PTAB Nov. 18, 2020). There, the ITC Investigation had not been stayed and the panel determined that there was no evidence that petitioner had requested a stay, and that furthermore, a stay would be

unlikely given that the evidentiary hearing was set to begin the same month as the panel's decision denying institution. *Id.*

Consistent with the foregoing, panels have repeatedly followed this approach to analyzing Factor One. *E.g.*, *Samsung Elecs. Co., Ltd. v. Evolved Wireless LLC*, IPR2021-00950, Paper 10 at 10-11 (PTAB Nov. 29, 2021); *KISS Nail Prods., Inc. v. Lashify, Inc.*, PGR2021-00046, Paper 12 at 7-9 (PTAB Aug. 9, 2021); *Intel Corp. v. Koninklijke Philips N.V.*, IPR2021-00328, Paper 9 at 8-9 (July 16, 2021); *Stanley Black & Decker, Inc. v. Zircon Corp.*, IPR2020-01572, Paper 10 at 9-12 (PTAB Apr. 19, 2021); *Regeneron Pharms., Inc. v. Novartis Pharma AG*, IPR2020-01317, Paper 15 at 11-13 (PTAB Jan. 15, 2021); *SK Innovation Co., Ltd. v. LG Chem, Ltd.*, IPR2020-01036, Paper 13 at 7-9 (PTAB Nov. 30, 2020); *Fitbit, Inc. v. Koninklijke Philips N.V.*, IPR2020-00771, Paper 14 at 15-17 (PTAB Oct. 19, 2020).

As a result, Patent Owner argued that this factor heavily favors discretionary denial because RPI never requested a stay. Paper 9 at 2. Patent Owner also argued that a stay was unlikely given that the evidentiary hearing was going to end on Mar. 7, 2025, *before* the Board even issued a decision on institution. *Id.*

Petitioner did not make a serious attempt to argue that, as the Board found, this factor was essentially meaningless. Petitioner did not cite any authority or evidence, instead merely stating, on the basis of attorney argument alone, that “nothing on record suggests that [RPI] would not move to stay the ITC investigation

if IPR is instituted, and the Board should not attempt to predict whether/how a different court will proceed.” *Id.* at 2.

2. The Board's Flawed Analysis

Despite an established framework for analyzing Factor One, the Board charted a new and unprecedented direction to how Factor One should be considered, and in doing so, abused its discretion. The Board held that under *Fintiv*, this factor assessed “whether the patentability disputes before the ITC will resolve all or substantially all of the patentability disputes between the parties.” Paper 11 at 13. The Board then stated that it would address the overlap of issues in Factor Four and as a result, “the weight of the lack of a stay [] in the ITC Investigation itself depends, in part, on factor four” and Factor One, by itself, was neutral. *Id.* Remarkably, the Board did not cite a single panel decision that applied its approach to assessing Factor One.

The Board's unprecedented approach to Factor One is befuddling and nonsensical. Under the Board's approach, when a stay has not yet occurred, Factor One is rendered meaningless, and the inquiry shifts to Factor Four, where the Board effectively doubles the weighting of Factor Four by considering it both under Factor One and Factor Four. *Id.* at 13 (noting that it is “elevat[ing] the importance of factor four”). The Board's approach eliminates Factor One from the *Fintiv* analysis in all cases where a stay has not occurred by shifting the analysis only to Factor Four. That cannot be right. *Fintiv* expressly identifies Factor One and never states that this

Factor can be ignored in certain situations. Indeed, no case since *Fintiv* has ever approached Factor One like the Board did here.

Contrary to the Board's view, Factor One is not duplicative of Factor Four. Instead, the purpose of Factor One is to address the inefficiencies and duplication of efforts to the parties and tribunals caused by having two different tribunals address challenges to the same patent. Here, there is no question that the ITC will be addressing patentability challenges to the '602 Patent. Ex. 2006 at 3-6 (asserting 102, 103, and 112 challenges). Thus, the Board abused its discretion by ignoring how Factor One should be analyzed under *Fintiv*.

Under the correct analysis, Factor One weighs in favor of discretionary denial. The ITC Investigation has not been stayed, there is no evidence RPI will seek a stay (and indeed, it has not), and in any event, there is no evidence that the ITC would grant a stay at this late-stage even if one was requested. Under governing precedent and these facts, the Board's finding that this factor did not weigh in favor of discretionary denial is an abuse of discretion.

B. The Board's Factor Four Analysis Was an Abuse of Discretion

1. Background on Factor Four

Factor Four addresses the overlap between the issues raised in the petition and parallel proceeding. *Fintiv*, Paper 11 at 6. This factor is intended to avoid inefficiency through the possibility of conflicting decisions. *Id.* at 12. When

addressing Factor Four, panels analyze what references were raised in the petition and what references were raised in the parallel proceeding.

For example, in *Roku v. Universal Elecs.*, the panel considered the references raised by the petitioner in the parallel ITC Investigation and references that petitioner raised before “dropping” them. IPR2021-00299, Paper 9 at 15–16 (PTAB July 13, 2021). As the panel noted, even though one reference was dropped, it did not detract from the overlap in the proceedings. *Id.* (quoting patent owner as stating “Petitioner asserted Barnett in the ITC Investigation in its Final Invalidity Contentions [and] Barnett was therefore substantively addressed throughout most of the ITC Investigation” and “agree[ing] with Patent Owner that there is significant overlap between the Petition and the related ITC Investigation”).

Panels have repeatedly taken the same approach by assessing what references were raised in the parallel matter and comparing it to the references raised in the petition. *E.g.*, *Stanley Black & Decker, Inc. v. Zircon Corp.*, IPR2020-01572, Paper 10 at 15-18 (PTAB Apr. 19, 2021); *Amazon.com, Inc. v. Vocalife LLC*, IPR2020-00864, Paper 22 at 11-13 (PTAB Oct. 28, 2020); *Comcast Cable Commc'ns, LLC v. Rovi Guides, Inc.*, IPR2020-00800, Paper 10 at 15-17 (PTAB Oct. 22, 2020).

Here, the Petition raised the following references: Engels, Cornette, Laurent, Nishibata, Takagi, Hein, and GMW14400. All were asserted at the ITC until the pre-hearing brief. At that point, RPI dropped Nishibata but maintained all the

remaining references.² These references still exist today and all but GMW14400, feature in RPI's post-hearing brief. *See supra* Section III. As a result, Patent Owner argued that Factor Four "heavily favors discretionary denial." Paper 9 at 3-4.

Petitioner argued that Factor Four "strongly favors institution." Paper 10 at 3. It did so by exploiting the timing of the parties' submissions to argue that the IPR references "were only briefly discussed" as State of the Art and are not the "thrust of the ITC invalidity case." *Id.* at 4. However, notably, Petitioner never stated that these references were dropped and admitted that these were still being used as part of the invalidity case to show the State of the Art. Indeed, these references are prominently described in RPI's post-hearing brief. *See supra* Section III.

2. The Board's Flawed Analysis

The Board, again, took an unprecedented approach to Factor Four and did not follow the established framework. Instead, it created a new test for assessing for Factor Four and in doing so, abused its discretion. According to the Board, Factor Four "focus[es] on 'claims, grounds, arguments, and evidence *presented* in the parallel proceeding.'" Paper 11 at 15 (quoting *Fintiv* at 12) (emphasis added by Board). The Board believed "presented" meant "presented to the ITC for consideration on the merits" and specifically, whether the ITC will ever adjudicate

² Because RPI did not drop Nishibata until the morning the pre-hearing briefs were due, Patent Owner still addressed it in its pre-hearing brief. *See supra* Section III.

the exact “invalidity grounds raised here.” *Id.* at 15. Aside from citing *Fintiv*, the Board did not cite any decision supporting its unprecedented view of Factor Four. The Board found that, despite RPI raising the IPR references during the ITC hearing, because RPI was not presenting the same exact grounds for ultimate adjudication by the ITC, “this factor weighs heavily against discretionary denial.” *Id.* at 16.

The Board’s approach to Factor Four is flawed and an abuse of discretion. First, Factor Four does not look only at whether the same exact grounds were presented for ultimate adjudication on the merits. Factor Four looks at whether references were raised in a parallel proceeding such that inconsistent results could occur. And inconsistencies can occur even when the same references are raised in multiple proceedings even though the same exact grounds are not presented for ultimate adjudication on the merits. For example, the other tribunal could pass judgment or comment on the disclosure of references discussed by experts which could lead to conflicting interpretations of the art. This case presents a shining example of that. Although RPI is not asserting the same exact grounds, it is asserting the IPR references in the ITC as alleged state of the art and prior art to support its invalidity arguments. *See supra* Section III. This will require Patent Owner to address these references, and the ITC will need to address RPI and Patent Owner’s arguments regarding these references. There is significant opportunity for inefficiencies through inconsistent interpretations and conflicting decisions. *See*

Motorola Sols., IPR2024-01205, Paper 19 at 3 (approach “does not ensure that these IPR proceedings would be a ‘true alternative’ to the district court proceeding”).

The Board’s approach to Factor Four is also flawed because it will promote gamesmanship by petitioners. First, because the Board did not actually require petitioner to drop the IPR references from the parallel ITC Investigation, petitioners will now play games, like in this case, where they will discuss IPR references at trial, in post-hearing briefs, and as part of their invalidity argument, but argue that there is no overlap because they are merely being used to illustrate the “state of the art.” But even as state of the art, Patent Owner still needs to address these references, and these references allegedly inform RPI’s invalidity arguments, meaning they will be addressed by the parties and tribunal. Petitioners should not be allowed to escape an unfavorable ruling on Factor Four by re-labeling art as “state of the art” when the Patent Owner must still address these references in the parallel proceeding.

Second, the Board erred by treating this factor as only looking at what is actually presented for adjudication on the merits at trial. If this view holds, in the vast majority of IPRs, where a trial has not yet occurred, Petitioners will argue that Factor Four must be neutral because otherwise, the Board and parties must speculate as to what grounds will actually be addressed at trial. Such an approach would effectively eliminate Factor Four from most *Fintiv* inquiries and cannot be correct.

Under the correct analysis, Factor Four weighs heavily in favor of

discretionary denial. The same references (except Nishibata) are being raised in the IPR and ITC. Regardless of their label, Patent Owner and the ITC will have to address them. RPI's post-hearing brief prominently addresses the IPR references in a section labeled "State of the Art and Overview of the Prior Art," asserts that the IPR references are prior art, and uses these references as support for its invalidity grounds. Patent Owner will have to address the IPR references, as will the ITC. The overlap is substantial, and this factor "heavily favors discretionary denial."

C. The Correct Analysis Shows Discretionary Denial Is Warranted

The Board improperly weighed the *Fintiv* factors. According to the Board, Factors One and Five are neutral, Two and Three favor discretionary denial, Factor Four strongly weighs against discretionary denial, and Factor Six weighs against discretionary denial.³ Paper 11 at 17. Per above, the Board's findings are an abuse of discretion. Under the correct analysis, not only do Factors Two and Three favor discretionary denial, but also Factor One, with Factor Four *heavily* favoring discretionary denial, meaning that discretion to deny institution should be exercised.

V. CONCLUSION

As supported above, Director Review of the Institution Decision is warranted.

³ Patent Owner does not agree with the Board's assessment of the other factors, but raises only the abuse of discretion as to Factors One and Four in this Request.

DATED: April 1, 2025

Respectfully Submitted,

/ Brian M. Buroker /

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CERTIFICATE OF SERVICE

The undersigned certifies service pursuant to 37 C.F.R. § 42.6 of a copy of this Patent Owner's Request for Director Review upon Petitioner by email on April 1, 2025, to the following email addresses of record:

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DATED: April 1, 2025

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