UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SOLUS ADVANCED MATERIALS CO., LTD.,
Petitioner,

v.

SK NEXILIS CO., LTD.,
Patent Owner.

Case IPR2024-01463
Patent 11,591,706

AUTHORIZED RESPONSE TO DIRECTOR REVIEW REQUEST

Petitioner respectfully submits that Director Review ("DR") of the Board's Decision on Institution (Paper 14, "DI") of *inter partes* review ("IPR") of claims 1–10 of U.S. Patent No. 11,591,706 ("the '706 Patent") is unwarranted. Indeed, the Board properly exercised its discretion under 35 U.S.C. § 314(a), and its analysis of the *Fintiv* factors was reasoned, well-supported by the record, and in keeping with PTAB precedent and the Director's recent policy guidance.

In its DR Request, Patent Owner is unable to point to any abuse of discretion, important issues of law or policy, erroneous findings of material fact, or erroneous conclusions of law related to the Board's decision. Rather, after already having submitted three separate briefs to the Board in an attempt to thwart institution—Patent Owner Preliminary Response (Paper 8, "POPR"), Sur-Reply (Paper 10), and Supplemental Brief (Paper 12)—Patent Owner repeats its same flawed arguments. The Board should reject Patent Owner's ***fourth*** bite at the non-institution apple.

I. THE PANEL'S ANALYSIS OF THE *FINTIV* FACTORS WAS THOROUGH AND CONSISTENT WITH THE DIRECTOR'S GUIDANCE

The Board properly took a "holistic view" of *Fintiv* and provided a well-reasoned analysis of discretionary denial in view of the Director's latest guidance.

As to *Fintiv* Factor 6, Patent Owner's Request includes nearly 11 pages of attorney argument concerning the allegedly weak merits of the IPR grounds, but the Board already considered and rejected these arguments. Indeed, Patent Owner

merely regurgitates previously-considered arguments that amount at best to a disagreement with the Board's well-reasoned decision that "Petitioner demonstrates ***a particularly strong showing*** that it is likely to succeed in establishing that claim 1 would have been obvious[.]" DI at 44; *see also id.* at 18 ("Petitioner's Ground 1A presents a ***particularly strong patentability challenge***.") (emphases added).

The Board's finding that grounds based on the Kim '761 reference were "particularly strong" is not at all surprising—Kim '761 is "an earlier document ***sharing inventorship and a common assignee*** with the '706 Patent [and] provides explicit disclosure of the PD element of claim 1." Petition at 5 (emphasis added). That is, far from exhibiting "extensive reliance on expert testimony," Request at 12, this Petition relies heavily on the parallel teachings of Kim '761, which provides near identical disclosure of many recited claim elements. This is likely the reason why the Kim-based grounds supported by Dr. Randall's testimony in this proceeding were deemed to be "particularly strong," whereas non-Kim-based grounds, also supported by Dr. Randall, in the related proceeding for the '090 Patent were merely found to be a "close[] call." IPR2024-01460, Paper 14 at 25.[1] Thus, far from being

[1] Kim '761 could not be used in this proceeding due to the earlier priority date of the '090 Patent. For the avoidance of doubt, Petitioner does not agree that those

"inconsistent with other panel decisions," Request at 1-2, the finding of "particularly strong" merits in this Petition is supported by overwhelming factual evidence.

Patent Owner's attempts to draw parallels to *Chevron* and *Deeper* similarly fall flat. *See* Request at 3. Indeed, none of the grounds in *Chevron* and *Deeper* were found to present a "particularly strong patentability challenge" as was the case in the instant decision. And while Patent Owner tries to downplay this critical distinction by alleging that "the panel found only a *single ground*, Ground 1A" to be particularly strong, it fails to mention that four other grounds—Grounds 1B, 1C, 1D, and 1E—are all extensions of the same Kim '761-Cheng-Wolski combination that the Board found to be particularly strong. Moreover, although Patent Owner points to the allegedly "deficient arguments" of Ground 2A (which is just one of nine grounds presented in the Petition) as a reason for the Director to reverse institution, the Board merely said that "at this stage of the proceeding, it is not necessary for us to further assess the challenges presented in Ground 2A–2D" as those challenges would be "best left for trial after full development of the record." DI at 51.

As to *Fintiv* Factor 4, Patent Owner confusingly argues that the previously entered *Sotera* stipulation somehow ***favors*** discretionary denial. Yet *Sotera* remains

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other grounds were merely "close calls," but presents this contrast to emphasize the strength of the Kim '761 grounds.

precedential. And *Sotera* stipulations remain highly relevant in reducing overlap between this proceeding and the district court case. It is also worth noting that, as previously explained, Petitioner served amended invalidity contentions on February 18, 2025, showing that all challenged claims can be invalidated by system art alone, through testing of teardowns that are not available in IPR proceedings. Thus, the district court case will focus on system art issues such as chain of custody, dates of sales, alleged deterioration of samples over time, test methods, etc.—none of which are at issue in this IPR, which naturally focuses on the disclosures of paper prior art. Factor 4 also favors institution because only a smaller subset of claims are at issue in the district court case, as opposed to this IPR where ***all*** claims are being challenged. *See* Ex. 2010 at 2; *see also 3Shape A/S v. Align Tech.*, IPR2019-00160, Paper 9 at 39 (June 11, 2019) ("[D]iffering claim sets is a factor that weighs against [discretionary denial]."); *Illumina, Inc. v. Natera, Inc*., IPR2019-01201, Paper 19 at 6-7 (Dec. 18, 2019) (no discretionary denial where district court "would address only a subset of the claims challenged in [IPR].").

As to *Fintiv* Factor 3, as previously explained, none of the district court milestones that had occurred in *Motorola* "at the time of the POPR" had occurred in this case. *Motorola Solutions, Inc. v. Stellar, LLC*, IPR2024-01205, Paper 19 at 3 (PTAB Mar. 28, 2025). Even now, nearly 4 months after Patent Owner filed its POPR, most of the milestones remain uncompleted (with only the *Markman* hearing

having taken place earlier this week). Moreover, far from failing to demonstrate diligence, Petitioner filed the instant Petition within just four months of Patent Owner's amended complaint where it, for the first time, finalized the list of patents being asserted in the district court. Consistent with the facts here and with the finding in IPR2024-01460, this factor remains at best neutral.

II. INSTITUTION PROMOTES JUDICIAL EFFICIENCY

Patent Owner's argument that institution should be denied in the interest of judicial efficiency—because other IPRs involving related patents have been denied—lacks merit. The fact that the Board reached different outcomes in other cases based on different records and different patents does not mean this IPR should be denied. Each petition must be evaluated on its own merits, and here, the Board correctly found that the Petition met and exceeded the statutory threshold, presenting a "particularly strong patentability challenge." Moreover, denying institution based solely on parallel denials would encourage the assertion of numerous patents and discourage meritorious challenges, undermining the IPR system's goal of improving patent quality.

Accordingly, in view of promoting consistency across PTAB decisions as well as the particularly strong patentability challenge, the efficiency and integrity of the judicial system are best served by denying the request for Director Review.

Dated: May 16, 2025

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CERTIFICATE OF SERVICE

Pursuant to 37 CFR § 42.6(e), the undersigned certifies that on May 16, 2025, a complete and entire copy of this Authorized Response to Director Review Request was provided by email, to the Patent Owner, by serving the correspondence address of record as follows:

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