

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

EUNSUNG GLOBAL CORP.,
Petitioner,

v.

HYDRAFACIAL LLC,
Patent Owner.

Case No. IPR2024-01491

Patent No. 11,865,287

**PATENT OWNER'S SUPPLEMENTAL BRIEF ON IMPACT OF
RECISSION OF JUNE 2022 MEMORANDUM ON DISCRETIONARY
DENIAL**

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<i>Google v. EcoFactor</i> , IPR2021-01578, Paper 9	1
<i>Hewlett Packard v. Q3 Networking</i> , IPR2021-00754, Paper 9	1
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<i>Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation (“2022 Memo”)</i>	1
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EXHIBIT LIST

Exhibit No.	Description
2001	Declaration of Karl R. Leinsing, MSME, PE
2002	<i>Curriculum Vitae</i> of Karl R, Leinsing
2003	Expert Declaration of Elliot Dubois, MD, FACS
2004	<i>Curriculum Vitae</i> of Elliot Dubois, MD, FACS
2005	2016-05-09 Order Granting Plaintiff's Motion for Summary Judgment, <i>Edge Systems LLC v. Aguila</i> , Case No. 14-cv-24517, D.I. 225 (S.D. Fla. May 09, 2016)
2006	2014-12-19 Motions Hearing Transcript, <i>Edge Systems LLC v. Aguila</i> , Case No. 14-cv-24517, D.I. 55 (S.D. Fla. Dec. 19, 2014)
2007	2015-01-29 Report and Recommendations on Plaintiff's Application for Preliminary Junction, <i>Edge Systems LLC v. Aguila</i> , Case No. 14-cv-24517, D.I. 81 (S.D. Fla. Jan. 29, 2015)
2008	2015-02-24 Order Adopting D.I. 81 Report and Recommendation, <i>Edge Systems LLC v. Aguila</i> , Case No. 14-cv-24517, D.I. 89 (S.D. Fla. Feb. 24, 2015)
2009	Declaration of Vipul Savsani [SEALED]
2010	HydraFacial Equipment Sales Report, 2005 - Q2 2024 [SEALED]
2011	U.S. Publication No. 2001/004951 ("Coleman")
2012	Loesch, et al., Skin Resurfacing Procedures: New and Emerging Options, Clinical Cosmetic, and Investigational Dermatology, 2014:7, 231-241

Exhibit No.	Description
2013	Kempiak, et al. Superficial Chemical Peels and Microdermabrasion for Acne Vulgaris, <i>Senin Cutan Med Surg</i> , 27:212-220 (2008)
2014	U.S. Patent No. 6,582,442 (“Simon”)
2015	Printout of webpage: https://www.celluma.com/products/celluma-pod
2016	Press Release for 2023 DERMASCOPE Awards, found at: https://www.beautyhealth.com/news-releases/news-release-details/beautyhealths-hydrafacial-wins-two-2023-aestheticians-choice
2017	2022 NewBeauty Award - Best Hydrating Facial
2018	2023 NewBeauty Award - Best Hydrating Facial
2019	2024 NewBeauty Award - Best Hydrating Facial
2020	2020 NewBeauty Award - Best Facial
2021	2016 NewBeauty Award - Best Facial
2022	Haught Beauty - Green Article
2023	NewBeauty - Shridharani Article
2024	Proposed Protective Order
2025	Redline Proposed Protective Order
2026 – 2029	[RESERVED]
2030	Hydrafacial Syndeo™ Instruction for Use (IFU), revised May 1, 2023

Exhibit No.	Description
2031	HydraFacial MD™ Elite™ User Guide, revised November 1, 2023
2032	HydraFacial™ Allegro MD Instructions for Use (IFU), revised November 06, 2023
2033	HydraFacial MD™ System Owner's Manual (Tower Owner's Manual) (2005)
2034	HydraFacial™ Handpiece User Guide, Revised February 19, 2020
2035	HydraFacial Nectre® System Owner's Manual, Revised May 14, 2008
2036	HydraFacial™ Nectre® System User Manual, Revised January 27, 2009
2037	HydraFacial™ Nectre® System Service Manual, Revised June 12, 2009
2038	Introducing . . . HydraFacial MD™ by Edge Systems Advertisement
2039	HydraFacial™ Rejuvenate Your "Microderm" Business! Advertisement (January/February 2006)
2040	HydraFacial™ Whole New Skin Advertisement
2041	My Life. My Time. My Skin HydraFacial MD™ Advertisement, Dated May 11, 2015
2042	Unique Patented HydraFacial MD® TECHNOLOGY Advertisement (2013)
2043	HYDRAFACIAL™ TOWER SYSTEM Advertisement (2020)

Exhibit No.	Description
2044	The Elite™ is the Latest HydraFacial System with Advancements to Ensure Your Practice's Success Advertisement (2020)
2045	EXPECT EVERYTHING: Introducing the Brand-New HydraFacial Elite Advertisement (2020)
2046	Expect Everything with the New HydraFacial Elite
2047	The Allegro™ System Advertisement (2020)
2048	2024-08-06 Order No. 5 Adopted Procedural Schedule, <i>Certain Hydrodermabrasion Systems and Components Thereof</i> , Inv. No. 337-TA-1408 (ITC)
2049	Excerpts of Cartessa's Supplemental Invalidity Contentions Dated 2024-10-22, <i>Certain Hydrodermabrasion Systems and Components Thereof</i> , Inv. No. 337-TA-1408 (ITC)

Prior to the USPTO’s June 2022 memorandum¹, the Board had discretion to—and did—deny institution of IPRs based on parallel ITC proceedings.² It was the 2022 Memo that ended the discretion, directing the PTAB to “no longer discretionarily den[y] petitions based on applying *Fintiv* to a parallel ITC proceeding.” 2022 Memo, 7. With the 2022 Memo rescinded, the Board again has statutory authority under Section 314(a), as set forth in *Fintiv*, to deny institution in light of parallel ITC proceedings.³

Here, the *Fintiv* factors overwhelmingly favor denying institution. The trial in the parallel ITC investigation begins in 27 days and will assess the ’287 patent’s validity based on the exact same prior art and arguments that Eunsung asserted in this IPR. The ALJ must issue her ruling on validity by August 2025—only four months into what would be the IPR’s trial phase. Until recently, Eunsung was a party to the ITC investigation, and its exclusive distributor remains in the ITC

¹ *Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation* (“2022 Memo”)

² See, e.g., *Google v. EcoFactor*, IPR2021-01578, Paper 9; *Luxshare Precision v. Amphenol*, IPR2022-00132, Paper 10; *Hewlett Packard v. Q3 Networking*, IPR2021-00754, Paper 9; *Intel v. Koninklijke Philips*, IPR2021-00328, Paper 9.

³ *Apple v. Fintiv*, IPR2020-00019, Paper No. 11 (PTAB precedential).

investigation to maintain the challenge to the '287 patent's validity. Thus, to conserve Board and party resources and avoid potentially conflicting rulings, the Board should exercise its discretion and deny institution.

The *Fintiv* factors confirm that denial of institution is warranted.

Factors 1-2: “whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted” and “proximity of the court’s trial date to the Board’s projected statutory deadline for a final written decision.” The ITC trial begins in 27 days, on April 9, and is expected to conclude on April 15—coinciding with the Institution Decision deadline.⁴ Thus, the ITC trial will conclude one year before the projected statutory deadline for a Final Written Decision. The ALJ must issue her decision on validity by August 17, 2025, and the Commission will issue the Final Determination by December 17, 2025—eight months and four months, respectively, before the Board’s FWD deadline. Ex. 2048, vi.

When Eunsung was a party to the ITC proceeding, it did not seek a stay in light of the IPR. No party has requested one. These factors favor denial of institution.

Factor 3: “investment in the parallel proceeding by the court and the parties.” The entirety of the ITC proceeding—including the parties’ investment in preparing and presenting arguments at trial, the ALJ’s investment in the decision,

⁴ The parallel district court litigation is stayed due to the ITC proceeding.

and the Commission’s investment in reaching its decision—will be completed before the Board issues a FWD. Although Eunsung entered into a consent order and withdrew, it still benefits from its exclusive distributor arguing invalidity based on the same prior art and arguments presented in Eunsung’s Petition. Given the significant resources already committed to the ITC proceeding, Eunsung need not pursue a redundant challenge before the Board on the same issues that the ITC will resolve many months before any FWD.⁵ This factor favors denial of institution.

Factor 4: “overlap between issues raised in the petition and in the parallel proceeding.” This factor also favors denying institution. As *Fintiv* explained, when a petition “includes the same or substantially the same claims, grounds, arguments, and evidence as presented in the parallel proceeding,” “concerns of inefficiency and the possibility of conflicting decisions [are] particularly strong.” *Fintiv*, 12. *Fintiv* also confirmed that an earlier ITC trial date may favor discretionary denial if the ITC is set to resolve the same or substantially similar issues. *Fintiv*, 8. Here, Eunsung seeks to relitigate the same issues on the same claims, relying on the same prior art and invalidity grounds as those in the ITC proceeding. In fact, the ITC invalidity

⁵ *Fintiv* recognized that “as a practical matter, it is difficult to maintain a district court proceeding on patent claims determined to be invalid at the ITC.” *Fintiv*, 8-9.

contentions incorporate by reference the Petition and copy many of its annotated figures. Ex. 2049, 4, 14-18, 43-57.

Factor 5: “whether the petitioner and the defendant in the parallel proceeding are the same party.” HydraFacial and Eunsung were involved in the ITC proceeding until Eunsung entered into a consent order on January 21, 2025. Despite Eunsung’s withdrawal, its exclusive distributor, Cartessa, continues to assert the same invalidity grounds as those presented in the Petition. Given the close relationship between Eunsung and Cartessa in sourcing and selling of the allegedly infringing products—and their shared opportunity to litigate validity—Cartessa effectively stands in for Eunsung in the ITC proceeding. As such, it should be treated as functionally the same party. *Fintiv* also acknowledged that “[e]ven when a petitioner is unrelated to a defendant, ... if the issues are the same as, or substantially similar to, those already or about to be litigated, or other circumstances weigh against redoing the work of another tribunal, the Board may, nonetheless, exercise the authority to deny institution.” *Fintiv*, 14.⁶ This factor favors denial of institution.

Factor 6: “other circumstances that impact the Board’s exercise of discretion, including the merits.” The Petition presents a weak obviousness case

⁶ The Board has denied institution in these circumstances. *See e.g., TCO v. NCS Multistage*, PGR2020-00078, Paper 16; *Fitbit v. Philips*, IPR2020-00828, Paper 13.

for each ground, as explained in the POPR. POPR, 21-49. Secondary considerations further support patentability. POPR, 49-61; Sur-Reply to Reply to POPR, 4-7.

Additional relevant circumstances include “considerations implicated by 35 U.S.C. § 325(d)” and the “efficiency and integrity of the patent system.” *Fintiv*, 16. Section 325(d) supports denial here. POPR, 61-70; Sur-Reply to Petitioner Reply to POPR, 1-3. Reassessing the same prior art and invalidity grounds previously examined by the ITC is an inefficient use of Board resources and creates a significant risk of conflicting decisions.

Fairness considerations further support denying institution. This IPR proceeding imposes an undue burden on HydraFacial, which pursued enforcement through the ITC, where Eunsung was a party until just seven weeks ago. By exiting the ITC proceeding, Eunsung left its exclusive distributor to still assert the same invalidity arguments now being redundantly presented here. Eunsung was afforded a full and fair opportunity to present its case at the ITC alongside its exclusive distributor but chose to withdraw. Any assertion that Eunsung would be prejudiced by denial of institution in light of the ITC proceeding is flawed because Eunsung voluntarily exited. Eunsung should not be rewarded for procedural gamesmanship.

A holistic review of the *Fintiv* factors favors discretionary denial. Thus, the Board should decline to institute the IPR.

Case No. IPR2024-01491
Pat. No. 11,865,287

Respectfully Submitted,

Dated: March 13, 2025

/ Ali S. Razai /
Ali S. Razai (Reg. No. 60,771)

CERTIFICATE OF SERVICE

Pursuant to 37 C.F.R. § 42.6(e)(4), I certify that on March 13, 2025, a copy of this **PATENT OWNER'S SUPPLEMENTAL BRIEF ON IMPACT OF RECISSION OF JUNE 2022 MEMORANDUM ON DISCRETIONARY DENIAL** and **EXHIBITS 2048-2049** was served via the email correspondence address of record for Petitioner's counsel of record:

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