

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

EUNSUNG GLOBAL CORP.,
Petitioner,

v.

HYDRAFACIAL LLC,
Patent Owner.

Case IPR2024-01491
Patent 11,865,287

PETITIONER'S REQUEST FOR DIRECTOR REVIEW

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I. INTRODUCTION

Pursuant to 37 C.F.R. § 42.71(d), Petitioner requests Director Review of the Board’s decision to exercise discretion to deny institution under 35 U.S.C. § 314(a). In the Board’s decision, the Board made three errors related to important issues of law or policy. First, the Board erred in finding that Factor 5 “neither weighs in favor of or against discretionary denial” when Petitioner is not a party to the parallel proceeding. Paper 17, 16. The USPTO should not deny a party access to the PTAB when the party does not have the opportunity to defend its prior art grounds in the parallel proceeding. Where the parties are different, Factor 5 should favor institution.

Next, the Board erred in failing to adequately consider Patent Owner’s overall litigation campaign when assessing judicial efficiency. Patent Owner has asserted U.S. Patent No. 11,865,287 (“the ’287 patent”), along with several other similar patents in the same family, in multiple district court and ITC proceedings against various defendants. Yet, the Board based its decision on a single ITC proceeding where Patent Owner asserts only the ’287 patent against just one of the defendants. Because all of the other litigations are either in their early stages or currently stayed, review of the ’287 patent at the PTAB would enhance the overall judicial efficiency of the system because it could resolve several unnecessary litigations for several parties. By allowing a single litigation to outweigh Patent Owner’s vast litigation

campaign, the Board failed to follow *Fintiv*'s directive to assess the "efficiency ... of the *system*."

Finally, the Board erred in its assessment of Factor 6. In assessing merits, the Board found "that Petitioner's obviousness challenges meet the standard for institution." Paper 17, 16. Yet, the Board found that Factor 6 "neither weighs in favor of nor against discretionary denial." *Id.*, 17. When the Board finds that there is a reasonable likelihood that the USPTO issued claims that are obvious, it should find Factor 6 to favor institution. Finding otherwise runs counter to the intent of Congress in enacting the AIA to enable the PTAB to cancel mistakenly issued claims.

For these reasons, efficiency, fairness, and the merits favor institution.

II. LEGAL STANDARD

The Board's Director Review Process permits Director Review of an institution decision when the request presents "(a) an abuse of discretion, (b) important issues of law or policy, (c) erroneous findings of material fact, or (d) erroneous conclusions of law." Director Review Process, 2.B. "Decisions of the Board under Director Review are reviewed *de novo*." *Id.*, 5.A.ii.c.

III. BACKGROUND

In mid-2024, Patent Owner ("HydraFacial LLC") began an aggressive litigation campaign in which it asserted patents against essentially the entire industry

of companies doing business in hydrodermabrasion technology. Paper 14, 1-2. The '287 patent was asserted in two ITC cases and six district court actions:

Certain Hydrodermabrasion Systems and Components Thereof, Inv. No. 337-TA-1408 (ITC); *Certain Hydrodermabrasion Systems and Components Thereof II*, Inv. No. 337-TA-1416 (ITC); *HydraFacial LLC v. Luvo Medical Technologies et al.*, 2-24-cv-00587 (D. Utah); *HydraFacial LLC f/k/a Edge Systems LLC v. Sinclair Pharma Limited et al.*, 2-24-cv-06250 (C.D. Cal.); *HydraFacial LLC f/k/a Edge Systems LLC v. Aesthetic Management Partners, LLC et al.*, 2-24-cv-02480 (W.D. Tenn.); *HydraFacial LLC f/k/a Edge Systems LLC v. Cartessa Aesthetics, LLC*, 2-24-cv-04253 (E.D.N.Y.); *HydraFacial LLC f/k/a Edge Systems LLC v. Medicreations LLC*, 2-24-cv-00855 (D. Nev.); and *HydraFacial LLC et al v. eMIRAmEd USA LLC et al*, 8-24-cv-01865 (C.D. Cal.). *Id.*

HydraFacial recently added to its campaign, asserting the '287 patent against Candela Corporation and TermoSalud, S.L. in the District of Delaware on April 3, 2025. *See HydraFacial LLC f/k/a Edge Systems LLC v. Candela Corporation et al.*, DDE-1-25-cv-00418. With these assertions, in addition to the ITC, HydraFacial sought relief and resources as it relates to the '287 patent in district courts in Utah, California, Tennessee, New York, Nevada, and Delaware.

Petitioner (“Eunsung Global Corp.”) was named in one of the ITC complaints and in the district court complaint filed in Utah. The Utah case against Eunsung was stayed soon after it was filed. EX1101. To avoid unnecessary litigation expense, Eunsung decided to end its ITC litigation by agreeing to a consent order before the ITC while pursuing an IPR to challenge validity of the ’287 patent at the PTAB. EX1111, 7 (“We think we can fight this dispute in a different forum”). Eunsung promptly filed its petition challenging the ’287 patent on September 30, 2024, less than three months after the ITC investigation was instituted. Given the consent order, the ITC stayed its investigation as to Eunsung on October 15, 2024 and granted Eunsung’s motion for termination on December 19, 2024. EX1106; EX1109.

On November 25, 2024, Sinclair Pharma Limited, Sinclair Pharma US, Inc., Viora, Inc., EMA Aesthetics, Ltd., Aesthetic Management Partners, LLC and Aesthetic Management Partners, Inc. filed a copycat of Eunsung’s petition challenging the ’287 patent. *See* IPR2025-00145. Eunsung also filed IPRs (IPR2025-00452, -00453, -00455) of three other patents asserted against it by HyrdaFacial in district court. Paper 14, 1. Specifically, Eunsung challenged U.S. Patent Nos. 9,550,052 (“the ’052 patent”), 11,446,477 (“the ’477 patent”), and 12,053,607 (“the ’607 patent”). These patents are in the same family as the ’287 patent and have similar claims. As a consequence, these IPRs use the same prior art advanced here against the ’287 patent. None of the ’052 patent, the ’477 patent, or the ’607 patent

were asserted in the parallel proceeding that the Board used as justification for discretionary denial. Other than Inv. No. 337-TA-1408, all of the proceedings involving the '287 patent are presently stayed or in an early stage of the proceeding. EX1102 to 1105.

When Eunsung developed its litigation strategy to exit the ITC case and challenge the '287 patent at the PTAB, the USPTO's "binding agency guidance" was that "[t]he PTAB will not discretionarily deny petitions based on applying *Fintiv* to a parallel ITC proceeding." June 2022 Memo, 3, 7. Eunsung relied on that rule in deciding to exit the ITC case while investing significant resources to prepare and file IPRs at the PTAB. Yet, after withdrawal of the June 2022 Memo shortly before the Board's deadline for an institution decision, the Board denied Eunsung's petition challenging the '287 patent based on Inv. No. 337-TA-1408, despite Eunsung's "obviousness challenges meet[ing] the standard for institution." Paper 17, 16.

IV. THE BOARD ERRED IN DENYING INSTITUTION UNDER *FINTIV*

The Board's evaluation of the *Fintiv* factors should be reversed. The Board did not give sufficient weight to the fact the Eunsung is not a party to the parallel ITC proceeding, did not adequately consider the full scope of HydraFacial's litigation campaign in assessing efficiency, and did not appropriately weigh the merits in its analysis.

A. Because Eunsung is Not a Party to the Parallel ITC Proceeding, the Board Should Have Found Factor 5 to Favor Institution

It is undisputed that Eunsung is not a party to the parallel ITC proceeding the Board used as justification for discretionary denial. EX1109. The only defendant in that proceeding is Cartessa Aesthetics, LLC. Eunsung and Cartessa do not have a significant relationship for purposes of discretionary denial and Cartessa's presentation of invalidity before the ITC does not represent Eunsung's interest.

Indeed, Cartessa had no involvement in this IPR and, since being terminated from the ITC investigation, Eunsung has not been involved in Cartessa's litigation with HydraFacial. Eunsung and Cartessa are represented by different counsel and neither party controls or funds the other. Eunsung cannot direct or control Cartessa's invalidity case at the ITC, nor can Cartessa direct or control Eunsung's arguments here. Thus, Cartessa does not stand in the shoes of Eunsung and does represent Eunsung's interest in challenging the validity of the '287 patent.

In its decision, the Board found that Eunsung and Cartessa have a "business relationship." Paper 17, 16. A mere "business relationship," however, should not link companies together for purposes of discretionary denial. Otherwise, almost all significant companies would be considered together for purposes of discretionary denial given business dealings that are unrelated and irrelevant to specific validity challenges at the PTAB. Such a result would lead to gamesmanship by Patent Owners, effectively allowing Patent Owners to pick a single company to stand in the

shoes for an entire industry in challenging validity of a patent in the forum of Patent Owner's choosing. That was not the intent of Congress in creating the PTAB.

The Board also cited its own evidence in finding that "Cartessa is a U.S. distributor of Petitioner's allegedly infringing product." Paper 17, 16. Given Eunsung's consent order, Eunsung is not presently distributing allegedly infringing products to Cartessa. And a mere distribution relationship should not link two companies for purposes of discretionary denial. Again, such a result would lead to gamesmanship and allow a patent owner to pick a single customer to stand in the shoes for all of its distributors and all additional customers in challenging validity of a patent. That is the opposite of what Congress intended with the AIA and a distributor should have the opportunity to use the PTAB to defend itself and all of its customers when faced with an allegation of infringement against itself or one of its customers.

Here, Eunsung acted exactly as Congress intended when it created AIA trials before the PTAB. When faced with an allegation of infringement, Eunsung quickly exited the co-pending ITC litigation and turned to the PTAB as an alternative in the defense of itself and all of its customers. Other parties copied Eunsung's strong validity challenges at the Board (*see* IPR2025-00145) and a successful result at the PTAB would resolve not only the district court case involving Eunsung, but also district court cases for other Petitioners that are not parties to the ITC litigation

involving Cartessa. Eunsung (and the other defendants) should not be deprived of the opportunity to defend its validity challenge at the PTAB simply because Cartessa copied Eunsung's validity arguments at the ITC. To be clear, Eunsung has no control over Cartessa's validity arguments at the ITC and it would be unfair to deprive Eunsung of the opportunity to defend the validity challenges it crafted for the present IPR simply because Cartessa copied those challenges before the ITC.

Because Eunsung is not a party to the parallel proceeding and has no control over Cartessa's ITC defense, Factor 5 should strongly favor institution.

B. Institution Would Assist in Resolving HydraFacial's Vast Litigation Campaign As Congress Intended

As discussed above, HydraFacial has asserted the '287 patent at the ITC and before six district courts. These lawsuits have named companies making up essentially the entire industry of hydrodermabrasion. With such a vast assertion in multiple district court and ITC proceedings against various defendants, the validity of the '287 patent is a common issue that is most efficiently addressed in a common forum, such as the PTAB. Further, because all of the district court cases are either in their early stages or currently stayed, proceeding with validity review at the PTAB would enhance overall judicial efficiency. Indeed, if the '287 patent is invalidated early through the present IPR, it would save substantial resources that would otherwise be spent over the next several years in litigation before district courts in Utah, California, Tennessee, New York, Nevada, and Delaware. Therefore,

institution would have significant public value and would be a wise use of PTAB resources. By focusing on only a single ITC proceeding with a single defendant, the Board did not appropriately consider the efficiency of the entire system and lost sight of the forest for a single tree.

Without doubt, the Cartessa ITC case cannot resolve the district court litigations. Because the ITC cannot invalidate claims, future litigation remains even if the ITC finds claims of the '287 patent invalid. Consistent with the goals of the AIA, these litigations will follow a Final Written Decision in the present IPR and can be efficiently resolved by the Board. Saving the work of six, different district courts is precisely the type of result Congress intended when it created AIA trials at the PTAB.

In addition, the Cartessa litigation has dwindled down to just 10 claims of the '287 patent. Specifically, HydraFacial withdrew claims 1-10, 15, 17, 20, 23, 26, 28-31, 33-37, and 39-45 before the ITC hearing and proceeded on only claims 11, 12, 14, 16, 18, 19, 22, 24, 25, and 32 of the '287 patent:

Therefore, it is my Initial Determination that the Investigation be partially terminated with respect to the Withdrawn Claims, and that Complainant's Motion be *granted*. The remaining claims are claims 11, 12, 14, 16, 18, 19, 22, 24, 25, and 32 of the '287 patent.

Inv. No. 337-TA-1408, ORDER NO. 34 (March 26, 2025)

By contrast, the present petition challenges 41 claims (claims 1-12, 14-20, 22-26, 28-37, and 39-45). With less than a quarter of these claims at issue in the Cartessa ITC litigation, the Cartessa ITC litigation can do little to influence the future district court litigation involving the '287 patent. The PTAB can do much better and should invest its resources to spare those of the six district courts where HydraFacial has asserted the '287 patent.

Further, efficient use of Board resources favors institution. Eunsung has filed IPRs (IPR2025-00452, -00453, -00455) of three other patents asserted against it and several other companies in district court. These IPRs use the same prior art advanced here and have similar grounds:

Present IPR (IPR2024-0149)

Ground	Claims	Basis (§103)
1A	1-3, 8-12, 14-16, 22-23, 26, 28-29, 34-37, 39-40, 45	Karasiuk, Palmer
1B	1-10, 12, 17-20, 22-26, 28-36, 40-44	Karasiuk, Palmer, Trueba
2A	1-3, 8-12, 14-16, 22-23, 26, 28-29, 34-37, 39-40, 45	Greenberg
2B	1-10, 12, 17-20, 22-26, 28-36, 40-44	Greenberg, Trueba

'607 Patent IPR (IPR2025-00452)

Ground	Claims	Basis (§103)
1A	1-5, 7, 9, 20	Karasiuk, Palmer
1B	2, 4, 20	Karasiuk, Palmer, Waldron
1C	1-20	Karasiuk, Palmer, Trueba
1D	2, 4, 12, 14, 20	Karasiuk, Palmer, Trueba, Waldron
2A	1, 3-5	Greenberg
2B	4	Greenberg, Waldron
2C	1-20	Greenberg, Trueba
2D	2, 4, 12, 14, 20	Greenberg, Trueba, Waldron

'477 Patent IPR (IPR2025-00453)

Ground	Claims	Basis (§103)
1A	1, 3, 6-10, 12, 14-16, 18, 20	Karasiuk, Palmer
1B	1-20	Karasiuk, Palmer, Trueba
1C	1, 3, 6-10, 12, 14-16, 18, 20	Karasiuk, Palmer, Wunsch
1D	1-20	Karasiuk, Palmer, Wunsch, Trueba
2A	1, 3, 6-10, 12, 14-16, 18, 20	Greenberg
2B	1-20	Greenberg, Trueba

'052 Patent IPR (IPR2025-00455)

Ground	Claims	Basis (§103)
1A	1, 4-12, 15-17	Karasiuk, Palmer
1B	1-17	Karasiuk, Palmer, Trueba
1C	9	Karasiuk, Palmer, Mercier
1D	1, 4-12, 15-17	Karasiuk, Palmer, Wunsch
1E	1-17	Karasiuk, Palmer, Wunsch, Trueba
1F	9	Karasiuk, Palmer, Wunsch, Mercier

Because HydraFacial has no legitimate basis to argue for *Fintiv* denial of these IPRs (IPR2025-00452, -00453, -00455) and the Board has already found the prior art grounds to meet the standard of institution, it would be most efficient to evaluate all of these petitions together and relieve the district courts of substantial work.

When the full scope of HydraFacial’s litigation campaign is considered in view of the *Fintiv* factors, Factors 1-4 all favor institution. One ITC case should not outweigh the impact of litigation before *six* district courts. Because the Board did not properly consider the full scope of litigation involving the ’287 patent and several related patents, Director Review should be granted and the present IPR should be instituted.

C. Because the Obviousness Challenges Meet the Standard for Institution, the Board Should Have Found Factor 6 to Favor Institution

The merits favor institution. As the Board found, “Petitioner’s obviousness challenges meet the standard for institution.” Paper 17, 16. In other words, the Board found that there is a reasonable likelihood that the USPTO made a mistake and issued the ’287 patent with claims that are obvious. In this circumstance, the USPTO should favor correction of its likely mistake and cancellation of the rights it incorrectly granted. Finding otherwise would be unfair and counter to the efficiency and integrity of the system. Indeed, Congress created AIA trials to provide an effective mechanism for parties to help the USPTO correct mistakes related to

issuance of overly broad claims that spurn unwarranted litigation. By denying institution and finding that Factor 6 “neither weighs in favor of nor against discretionary denial,” the Board is endorsing litigation before the ITC and *six* district courts based on claims where there is a reasonable likelihood that the claims never should have been issued. That is not right and runs counter to having integrity in the system. When the standard for institution is met, Factor 6 should favor institution.

Moreover, the merits in this case are strong. HydraFacial argues that only one feature is missing from the Karasiuk-Palmer combination. Specifically, HydraFacial argues that the combination of Karasiuk and Palmer does not render obvious a handpiece “connected to the console” because the Karasiuk-Palmer handpiece connects to a component on the console, rather than the console itself. POPR, 24-31. Connecting a handpiece to a console, however, is not inventive.

And the argument requires a narrow interpretation of what is means to be “connected to the console” that is misaligned with disclosure in the ’287 patent. EX1001, Abstract (“manifold system is coupled to the console”), 6:21-24 (“coupled to the manifold”), 18:6-18. The narrow interpretation also is misaligned with HydraFacial’s own product. Similar to the proposed combination and the ’287 patent, the handpiece of the HydraFacial System connects to components located at the console, not the console itself. *See, e.g.*, EX2033, 7-8, 10 (handpiece supply line

connects to manifold attached to console; handpiece waste line connects to waste container sitting on console).

Further, even if HydraFacial's narrow interpretation is correct, HydraFacial ignores the petition's identification of the console in the prior art and the petition's obviousness arguments that explain why a POSITA would have found it obvious to connect the handpiece to the console. For these reasons, HydraFacial's arguments against the Karasiuk-Palmer combination are weak.

For the petition's second ground, Greenberg, HydraFacial's only argument is that the "particles" used by Greenberg's system are not a fluid. But this argument disregards the '287 patent's broad definition of the terms "fluid" and "treatment material" to include "a plurality of fine solids." Pet., 69 (citing EUNSUNG-1001, 5:47-52 ("[t]he general term 'fluid' is used throughout synonymously with the term 'treatment material' and is to be given the same broad definition;" "treatment material" is "a broad term and includes ... medicament, a substance tending to flow or conform to the outline of its container such as fluid, gas, liquid, gel, fluidized material, additives, and/or **a plurality of fine solids.**")). When the definition from the '287 patent is properly considered, Greenberg's particles clearly meet the claimed fluid.

Because multiple bases exist on which the petition can prevail, the merits are strong. As a consequence, the Board's resources are well-spent on resolving the prior art grounds set forth in the petition and Factor 6 should strongly favor institution.

V. CONCLUSION

For the reasons set forth above, Petitioner respectfully requests that the Director grant review of the institution decision.

Respectfully submitted,

Date: May 12, 2025

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CERTIFICATE OF SERVICE

Pursuant to 37 CFR § 42.6(e), the undersigned certifies that on May 12, 2025, a complete and entire copy of this Petitioner's Request for Director Review was provided by email, to the Patent Owner by serving the correspondence addresses of record as follows:

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