

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

INNOSCIENCE AMERICA, INC.,
PETITIONER,

V.

INFINEON TECHNOLOGIES AUSTRIA AG,
PATENT OWNER.

IPR2025-00010
U.S. Patent 9,070,755

**PETITIONER'S AUTHORIZED REPLY TO PATENT OWNER'S
SUPPLEMENTAL PRELIMINARY RESPONSE**

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LIST OF EXHIBITS

Exhibit	Description
Ex-1045	<i>Infineon Technologies Austria AG v. Innoscience (Suzhou) Technology Company, Ltd.</i> , No. 3:24-cv-01553-SK, Dkt. No. 56, Order Staying and Conditionally Closing Case for Statistical Purposes (N.D. Cal. Aug. 30, 2024)
Ex-1046	<i>Certain Semiconductor Devices and Products Containing the Same</i> , Inv. No. 337-TA-1414, Public Verified Complaint (Jul. 26, 2024)
Ex-1047	Memorandum from Scott R. Boalick, Chief Administrative Patent Judge to Members of the Patent Trial and Appeal Board, Guidance on USPTO's rescission of “Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation” (Mar. 24, 2025)
Ex-1048	USPTO rescinds memorandum addressing discretionary denial procedures (February 28, 2025)
Ex-1049	<i>Certain Digital Satellite System (DSS) Receivers and Components Thereof</i> , Inv. No. 337-TA-392 (May 13, 1999)
Ex-1050	<i>Sonos, Inc. v. Google LLC</i> , Case No. 2:20-cv-00169, Motion to Partially Lift Stay, Dkt. No. 56 (Aug. 15, 2024)
Ex-1051	<i>Sonos, Inc. v. Google LLC</i> , Case No. 2:20-cv-00169, Court Order Lifting Stay, Dkt. No. 70 (Dec. 27, 2024)
EX-1052	<i>BMW of North America, LLC v. Kathi Vidal</i> , No. 1 24-cv-00235, Dkt. No. 63, Memorandum Order (Mar. 25, 2025)
EX-1053	<i>Certain Semiconductor Devices, and Methods of Manufacturing the Same, and Products Containing the Same</i> , Inv. No. 337-TA-1366, Notice of Commission Determination (July 1, 2024)

Exhibit	Description
EX-1054	<i>Certain Semiconductor Devices, and Methods of Manufacturing the Same, and Products Containing the Same</i> , Inv. No. 337-TA-1366, Notice of Commission Determination (July 25, 2024)
EX-1055	<i>Certain Semiconductor Devices, and Methods of Manufacturing the Same, and Products Containing the Same</i> , Inv. No. 337-TA-1366, Notice of Commission Determination (November 5, 2024)
EX-1056	<i>Certain Outdoor and Semi-Outdoor Electronic Displays, Products Containing Same, and Components Thereof</i> , Inv. No. 337-TA-1331, Order No. 5 (Oct. 20, 2022)
EX-1057	<i>Certain Outdoor and Semi-Outdoor Electronic Displays, Products Containing Same, and Components Thereof</i> , Inv. No. 337-TA-1331, Notice of Commission Determination (Nov. 14, 2023)
EX-1058	<i>Certain Wearable Electronic Devices with Ecg Functionality & Components Thereof</i> , Inv. No. 337-TA-1266, Comm’n Op. (Jan. 20, 2023)

Infineon premises its discretionary denial request on pure speculation. The only known facts are (i) that the ITC’s final determination² ***will not address most claims challenged*** here because they are not before the ITC and (ii) the USPTO finally rejected claims substantially similar to the ’755 patent claims over the same art applied by the Petition (Pet., 10-13)—a point that Infineon has not disputed.

Infineon’s assertion that “the [Commission] ***will*** address significant portions of the same validity analysis that the Board’s FWD would address” is fundamentally flawed. Paper 7 (“Resp.”) at 8. Not only will the final determination not address most claims; but it may also not address validity of ***any*** claims. The Federal Circuit has been clear: “The Commission ... is at perfect liberty to reach a ‘no violation’ determination ***on a single dispositive issue.***” *Beloit Corp. v. Valmet Oy*, 742 F.2d 1421, 1423 (Fed. Cir. 1984). This has occurred numerous times. *See* Ex-1049 at 1-2 (Commission adopting the ALJ’s “finding of invalidity for indefiniteness[]” and “no infringement but t[aking] no position on the other invalidity findings”); *Beloit*, 742 F.2d 1421 at 1422 (explaining that the Commission only adopted the ALJ’s “ID relating to the noninfringement of” the asserted patent and took “no position on the other issues discussed in the ID” because the noninfringement issue was dispositive).

² The relevant ITC decision is the Commission’s final determination, not the evidentiary hearing or the ALJ’s initial or final determination date. Ex. 1047 at 2-3.

Thus, the final determination may find no violation based on arguments relating to non-infringement, lack of technical domestic industry, lack of economic domestic industry, or another dispositive issue without addressing and rendering a final judgment on any invalidity arguments.

Denying institution would also be inconsistent with previous USPTO determinations related to Fujishima. Here, in a continuation of the '755 patent the Examiner finally rejected the claims over Fujishima that are substantially similar to the '755 patent claims. Pet., 10-13 (providing chart comparing the proposed claims the '755 patent claims to show the nearly identical claim scope).³ Infineon has not disputed the Examiner's findings or their relevancy to this Petition. The Examiner's findings alone show the strong merits of the Fujishima grounds and provide a basis to deny discretionary denial to avoid inconsistency between the Board and the USPTO's previous findings. *See* Ex. 1052 at 8-9 (district court finding that the Director acted arbitrarily and capriciously for (i) failing to explain and "sufficiently reconcile her decision with the PTO's earlier determination" and (ii) "offer[ing] an explanation for [her] decision that runs counter to the evidence before the agency.").

³ Arguably, the only additional feature in the '755 patent claims is that the dielectric material has "increasing thickness." This is undisputably disclosed in Fujishima, *see* Pet., 15, and Infineon has raised no arguments to the contrary.

Institution would also not waste agency resources because at least the district court would greatly benefit from its guidance. After the ITC case, Infineon may resume its district court litigation asserting the '755 patent. *See* Ex. 1050 (Sonos recently seeking to lift stay on patents it previously asserted at the ITC); Ex. 1051 (District court granting Sonos's request). When analyzing discretionary denial for the district court action, all *Fintiv* factors strongly support institution—as the case has minimal investment from the Court or Parties, does not have a trial date, and is stayed. Ex-1045; *see* Supp. Prelim. Resp. at 4-5 (conceding the stayed district court is not relevant for *Fintiv* denial). Infineon does not dispute this. POPR, 4-5.

And, the ITC would benefit as well because it has relied on FWDs to suspend enforcement of its remedial orders pending final resolution on appeal. *See, Certain Unmanned Aerial Vehicles & Components Thereof* (“*Certain Unmanned Aerial Vehicles*”), Inv. No. 337-TA-1133, Comm’n Op., 2020 WL 5407477, *1, *20-*22 (Sept. 8, 2020). Given the potential delays, as detailed below, a FWD could issue *before* the Commission’s final determination, favoring institution. Ex-1047 at 2.

Thus, as detailed below, the *Fintiv* factors strongly favor institution.

Factor 1: This factor is neutral for the ITC—neither party had requested a stay—(*Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 15, 12 (PTAB May 13, 2020) (“*Fintiv I*”))—but favors institution because of the stayed district court case.

Factor 2: This factor strongly favors institution for the district court case, as

explained above. For the ITC, it is neutral or, at worst, slightly disfavors institution given the uncertainty of the target date for the Commission’s final determination and the short gap between the current ITC target date and the estimated FWD deadline. *See Volkswagen Grp. of Am., Inc. v. Arigna Tech. Ltd.*, No. IPR2021-01321, 2022 WL 500681, at *3 (PTAB Feb. 15, 2022) (finding that the ITC target date being 3 months before FWD deadline “at most weighs only slightly in favor of exercising our discretion to deny the Petition”).

The Board’s estimated FWD deadline is May 20, 2026. The ITC’s *current* target date is March 2, 2026—a little more than 2 months before the current estimated FWD deadline. But, for complex cases, the target date can be extended. In a recent investigation against Petitioner, multiple target date extensions resulted in a delay of more than one month. *See* Ex. 1053 at 2 (Commission’s notice confirming first extension due to complexity of issues raised and constraint on judicial resources); Ex. 1054 at 2 (Commission’s notice confirming second extension due to the same); Ex. 1055 at 1 (Commission’s notice confirming third extension).

Another recent investigation extended the target date nearly two months past the initially set target date, including “because of the complexity of this investigation, including the number of patents and product categories implicated.” *See* Ex. 1056 at 1 (ALJ order setting January 22, 2024 initial target date); Ex. 1057 at 2 (November 14, 2023) (Commission’s determination extending target date to

March 13, 2024).

Here, delay is possible, as the ITC case involves three patents and twenty claims related to semiconductor technology, which was similar to the technology involved in the other ITC against the Petitioner that the ALJ deemed complex. The uncertainty of the target date and potential for delay supports institution.

Factor 3: This factor favors institution for both the district court, as explained above, and ITC. In the ITC, no *Markman* or other substantive orders have issued in the ITC Investigation. Any fact and expert discovery that occurred in the ITC Investigation “is not a result of Petitioner’s delay” in filing its Petition. *See SharkNinja Operating LLC v. iRobot Corp.*, IPR2021-00545, Paper 11 at 7-8 (PTAB Sep. 8, 2021). Infineon does not dispute this. Additionally, by the time of institution, it will be nearly 10 months from the estimated Commission determination deadline.⁴

Factor 4: The lack of overlapping issues between this Petition and the ITC Investigation heavily favors institution. The ITC Investigation *may* only consider the validity of the six asserted claims—claims 1-4 and 8-9, Ex-1046 at 5, whereas the Petition challenges validity of fourteen claims. Thus, Petitioner could not raise, and

⁴ The USPTO confirmed that the relevant ITC date to consider is the Commission’s final determination target date, not the evidentiary hearing date or an ALJ’s initial determination date. Ex. 1047 at 2-3.

the ITC will not determine, all the issues in this Petition. *Accord 3Shape A/S v. Align Tech., Inc.*, IPR2020-00223, Paper 12, at 33-34 (May 26, 2020). Petitioner's inability to challenge the eight claims (5-7 and 10-14) not asserted in the ITC Investigation (but may be asserted in serial district court litigation) heavily favors institution.

Many issues here will not be considered in the ITC Investigation, which also favors institution. *See Apple Inc. v. Seven Networks, LLC*, IPR2020-00156, Paper 10 at 7-9, 12-19, 20-22 (PTAB June 15, 2020) (declining to exercise § 314(a) discretion despite the district court trial date preceding the FWD date by nine months because the lack of overlapping issues and strength of the petition). Indeed, the asserted claims in the ITC Investigation are directed only to elevating a drain finger electrode end, conversely, claims 5-7 (unasserted at the ITC) are directed to different geometric configurations, such as a curved drain finger electrode end and the relative length of drain finger electrode ends. *See* '755 patent, claims 1, 5-7. Claims 10-14 are directed to an entirely different device: one that requires a dielectric material of increasing thickness to elevate the drain finger electrode end. These significantly different claims are also invalid over different grounds and references. *See* Pap. 1, Section VII.B (raising Ludikhuize, a reference not asserted in any prior art ground at the ITC). Infineon raises no arguments related specifically to the claims unasserted at the ITC.

Additionally, Petitioner will create innovative new products and desires

review of these distinct claims to prevent future assertion by Patent Owner in potential serial litigation. *See Samsung Elecs. Co., Ltd. v. Clear Imaging Rsch., LLC*, IPR2020-01402, Paper 12 at 21-23 (PTAB Mar. 4, 2021). For example, understanding the validity of the unasserted claims will inform Petitioner the proper bounds of the claim scope, including the types of electrode structure that are or are not permissible. Thus, the Petition includes unique issues the ITC will not address.

Even with respect to the asserted claims, factor 4 still favors institution. First, as explained above, the Commission may not decide invalidity for *any* claims of the '755 patent. Moreover, even if the Commission provides invalidity determinations, the Commission's patent validity determinations are only for the purposes of resolving the alleged unfair trade practices and "do not have claim or issue preclusive effect even if affirmed [on appeal]." *Hyosung TNS Inc. v. Int'l Trade Comm'n*, 926 F.3d 1353, 1358 (Fed. Cir. 2019); *Texas Instruments Inc. v. Cypress Semiconductor Corp.*, 90 F.3d 1558, 1569-70 (Fed. Cir. 1996) ("Congress did not intend decisions of the ITC on patent issues to have preclusive effect.").⁵ Thus, the Commission's determinations with respect to the validity of the asserted claims of

⁵ Prior to the recent change in Office procedures, this was sufficient to avoid a discretionary denial. The new guidance still acknowledges that ITC determinations on validity do not have preclusive effect. Ex. 1047 at 2; Ex-1048.

the '755 Patent have little, if any, value with respect to this factor.

Factor 5: This is neutral for both forums. *Fintiv* did not suggest Factor 5 favors denial when the petitioner is the defendant. *Apple Inc. v Fintiv, Inc.*, IPR2020-00019, Paper 11 at 13-14 (PTAB Mar. 20, 2020) (precedential) (“*Fintiv I*”).

Factor 6: This factor heavily favors institution. The *Fintiv* factors “relate to whether efficiency, fairness, and the merits” support institution. *Fintiv II* at 6. Setting aside the intervening change in Office procedures, the principles of “efficiency, fairness, and the merits” are material to the *Fintiv* analysis. *See* Ex. 1047 at 3 (USPTO memorandum confirming that “the factors [are] considered in the exercise of discretion are part of a balanced assessment of all the relevant circumstances in the case, including the strength of the merits”). Institution is necessary due to the strong merits of the Petition and fairness considerations:

First, the strength of the merits alone outweighs any potential inefficiencies. *Fintiv II* at 14-15 (“if the merits of a ground raised in the petition seem particularly strong ... institution of a trial may serve ... overall system efficiency and integrity”). As explained above, the USPTO finally rejected claims substantially similar to those of the '755 patent during prosecution of a continuation application. Pet., 10-13. Infineon provides no response to this fact—failing to dispute the USPTO’s findings or that these findings show the strong merits of the Fujishima grounds. Additionally, denying institution would be improper because it is inconsistent with the USPTO’s

earlier determination. *See* Ex. 1052 at 8-9 (district court decision requiring Director to sufficiently reconcile determination inconsistent with previous PTO findings).

Second, fairness considerations strongly support institution. The potential remedy at the ITC may prohibit Innoscience from importing all accused products, which is a significant and substantial remedy. Consistent with its past practice, the ITC has shown willingness to suspend enforcement of its remedial orders pending final resolution of the PTAB decisions. *See, e.g.*, Ex. 1058 at 86-87.

As the ITC recognizes, the USPTO serves “as the lead agency in assessing the patentability, or validity.” *Unmanned Aerial Vehicles*, Comm’n Op. at 37. Further, the ITC’s suspension of remedial orders serves the AIA’s objective of establishing IPR as “a quick, inexpensive, and reliable alternative to district court litigation to resolve questions of patent validity.” *Id.* at 38. One of Congress’s aims when drafting the IPR statute was “to protect the public’s ‘paramount interest in seeing that patent monopolies . . . are kept within their legitimate scope,’” which includes not stopping products at the border based on patents of questionable validity. *Cuozzo Speed Techs. v. Com. for Intell. Prop.*, 579 U.S. 261, 279-80 (2016).

Instituting review in this matter would achieve the goals of the IPR statute and perpetuate Congress’s intent to have the USPTO—and not the ITC—serve as the leading and specialized agency for adjudicating patentability issues. *Id.* (noting that Congress gave the PTO “significant power to revisit and revise earlier patent

grants”). Institution is particularly warranted here because there is a reasonable possibility the ITC target date is delayed, creating a situation where the FWD issues before the final ITC determination, as discussed in Factor 2.

Institution would also avoid unnecessary agency conflict and reduce duplicative and inefficient agency proceedings. And as discussed above, an Institution Decision would serve the goal of preventing exclusion of products from the entire U.S. market based on a patent which, as the petition demonstrates, should never have been granted in the first place.

Accordingly, the Board should initiate review of the Petition.

Dated: April 3, 2025

By: /Cory C. Bell/
Cory C. Bell, Back-Up Counsel
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CERTIFICATE OF SERVICE

The undersigned certifies that the foregoing **Petitioner's Authorized Reply to Patent Owner's Supplemental Preliminary Response** was served on April 3, 2025, via email directed to counsel of record for the Patent Owner at the following:

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