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Filed on behalf of:
Patent Owner HydraFacial LLC
By: Ali S. Razai
Benjamin J. Everton
Benjamin B. Anger
Alexander B. Stein
Jacob L. Peterson
MORGAN, LEWIS & BOCKIUS LLP
600 Anton Blvd., Ste. 1800
Costa Mesa, CA 92626
Telephone: (714) 830-0600
Email: MLB-HydraFacial-IPR-287-2@morganlewis.com

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SINCLAIR PHARMA LIMITED, SINCLAIR PHARMA US, INC., VIORA, INC., EMA AESTHETICS LTD., AND AESTHETIC MANAGEMENT PARTNERS, LLC AND AESTHETIC MANAGEMENT PARTNERS, INC.,
Petitioners,

v.

HYDRAFACIAL LLC,
Patent Owner.

Case No. IPR2025-00145

Patent No. 11,865,287

AUTHORIZED RESPONSE TO REHEARING REQUEST

TABLE OF CONTENTS

Page

I. LEGAL STANDARD 2

II. ARGUMENT 2

A. The Director Did Not Misapprehend the Relevance of the ITC ID 2

1. Petitioners' Alleged Differences from the ITC Proceeding Do Not Undermine the Director's Order 2

2. Petitioners' Due-Process and "Issue Preclusion" Framing Fails 5

B. Petitioners Were Afforded Ample Opportunity to be Heard 6

C. The ITC ID Was Affirmed by the Commission—Not Vacated 7

D. Section 318(a) Does Not Prohibit De-Institution on Reconsideration 8

E. Petitioners' Constitutional Challenge Lacks Merit and Is Not a Proper Rehearing Issue 9

III. CONCLUSION 10

TABLE OF AUTHORITIES

Page(s)

Cases

Apple Inc. v. Fintiv, Inc.,
IPR2020-00019 (P.T.A.B. Mar. 20, 2020) 3, 4, 10

BioDelivery Scis. Int'l, Inc. v. Aquestive Therapeutics, Inc.,
935 F.3d 1362 (Fed. Cir. 2019) 6, 8, 9

Certain Hydrodermabrasion Systems and Components Thereof,
Inv. No. 337-TA-1408 (U.S.I.T.C. Mar. 23, 2026) 8

GTNX, Inc. v. INTTRA, Inc.,
789 F.3d 1309 (Fed. Cir. 2015) 9

Medtronic, Inc. v. Robert Bosch Healthcare Sys., Inc.,
839 F.3d 1382 (Fed. Cir. 2016) 9

NHK Spring Co. v. Intri-Plex Techs., Inc.,
IPR2018-00752 (P.T.A.B. Sept. 12, 2018).....3

Saint Regis Mohawk Tribe v. Mylan Pharm. Inc.,
896 F.3d 1322 (Fed. Cir. 2018) 3

Sling TV, L.L.C. v. Realtime Adaptive Streaming LLC,
840 F.App'x 598 (Fed. Cir. 2021) 9

Statutes

35 U.S.C. § 314(a) .....*passim*

35 U.S.C. § 318(a) 8

Other Authorities

37 C.F.R. § 42.71(d) 2, 10

Interim Procedure for Discretionary Denials in AIA Post-Grant
Proceedings with Parallel District Court Litigation (Mar. 24, 2025).....4, 5, 7

Petitioners' Request for Rehearing (Paper 42, ("Request")) should be denied. The Order Vacating the Decision Granting Institution and Denying Institution of *Inter Partes* Review did not misapprehend or overlook any material issue. Paper 41 ("Order"). The Director expressly exercised discretion under 35 U.S.C. § 314(a) after determining that the U.S. International Trade Commission ("ITC") had already adjudicated validity of the same patent based on the same prior art and asserted grounds, and that continuing this inter partes review ("IPR") would create substantial duplication, additional party expense, and a risk of inconsistent decisions.

Nor does Petitioners' assertion that the ITC Initial Determination ("ID") (Ex. 2161) was "likely" to be vacated warrant rehearing. As discussed below, that prediction proved incorrect when, on March 23, 2026, the Commission issued its final determination affirming—not vacating—the ID. That ID had found the '287 patent valid over the same art presented in this IPR and had further found that the secondary considerations of non-obviousness, specifically commercial success, supported the non-obviousness of the '287 patent.

Petitioners do not and cannot identify any issue, material or otherwise, that the Director overlooked or misapprehended. Instead, the Request reargues the merits, recasts a discretionary case-management determination as "issue preclusion," complains that Petitioners were not given sufficient briefing even though they were heard repeatedly on the ITC ID, argues incorrectly that the ID is

likely to be vacated, and raises new statutory and constitutional theories. Rehearing is not a vehicle for any of those arguments. Because Petitioners' arguments lack merit and fail to identify any overlooked or misapprehended matter, the Request should be denied.

I. LEGAL STANDARD

A party seeking rehearing bears the burden of showing that the Office misapprehended or overlooked a matter, and the request must identify where that matter previously was presented. 37 C.F.R. § 42.71(d). A rehearing request is not an opportunity to relitigate matters already decided or to present new arguments that were not squarely before the Office when the challenged order was issued.

II. ARGUMENT

A. The Director Did Not Misapprehend the Relevance of the ITC ID

1. Petitioners' Alleged Differences from the ITC Proceeding Do Not Undermine the Director's Order

The Director clearly sets forth the basis for the decision. The Director initiated review "to determine whether this inter partes review…should be de-instituted and terminated in view of the findings in" the ITC ID "involving the same patent, prior art, and asserted grounds." Paper 40, 2-3. The Order then concluded that this IPR should be de-instituted because "the ITC already has adjudicated validity of the challenged patent based on the same challenges asserted in this IPR." Order, 2. The Order further explained that maintaining this IPR in those circumstances would

result in "significant duplication of effort, additional expense for the parties, and a risk of inconsistent decisions." *Id*. Those are the precise considerations the Director was entitled to weigh under § 314(a). *See Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 at 5-6, 8-9, 12-13 (P.T.A.B. Mar. 20, 2020) (precedential); *NHK Spring Co. v. Intri-Plex Techs., Inc.*, IPR2018-00752, Paper 8 at 19-20 (P.T.A.B. Sept. 12, 2018) (precedential); *Saint Regis Mohawk Tribe v. Mylan Pharm. Inc.*, 896 F.3d 1322, 1327 (Fed. Cir. 2018).

Petitioners do not dispute those facts which are the basis for the Director's Order. To the contrary, Petitioners largely accept the extensive overlap between the IPR and ITC but argue that the ITC proceeding involved different briefing choices, different waiver positions, and an incomplete record on certain merits questions. Request, 4-8. Those arguments do not undermine the basis for the Director's decision. At most, they raise policy questions about how the Director should exercise discretionary authority over PTAB proceedings. The Director acted within that authority in concluding that the same patent, the same prior art, and the same asserted combinations had already been adjudicated in another forum, making continued PTAB trial duplicative and inefficient. Order, 2.

The Director's determination is especially reasonable here because this Petition was filed as a copycat of the earlier Eunsung Petition. Petitioners' own joinder motion stated that this Petition copied the Eunsung Petition verbatim and

introduced no new facts, evidence, or arguments. Paper 3, 5-6. Patent Owner ("PO") then waived a Preliminary Response precisely because the present Petition raised "no new challenges, grounds, or material differences" from the earlier Petition, while preserving its request that the Board treat the petitions consistently. Paper 11, 2. The Board itself later recognized that this case sought joinder to the non-instituted Eunsung IPR and dismissed the joinder motion as moot. Paper 12, 31-32.

The March 24, 2025 USPTO guidance likewise confirms the Director's bases for de-institution. That guidance instructs that the Board "will apply the *Fintiv* factors when there is a parallel proceeding at the International Trade Commission," and explains that even though an ITC invalidity determination does not have preclusive effect, parallel adjudications on the same patent can create duplication and increased expense when the ITC target date precedes the Board's final written decision deadline. Guidance on USPTO's Recission of "Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation" ("Guidance Memo") at 1-2 (Mar. 24, 2025). Petitioners therefore are wrong to characterize the Order as an improper preclusion ruling. *See* Request, 6-7. The Order reflects a discretionary efficiency determination of the very kind the USPTO's guidance contemplates.

Nor do Petitioners' specific examples of alleged differences between arguments show any misapprehension or overlooking. The issues Petitioners now

label ITC-specific were raised in this IPR as well. For example, PO's Response argued, among other things, that Palmer's handpiece is not connected to the claimed console and that Greenberg's dry abrasive particles do not satisfy the claimed treatment-fluid/treatment-material limitations. Paper 23 at 23-30, 55-64. Petitioners' disagreement with the weight to be given those arguments, or with the ITC's resolution of overlapping questions, is not a basis for rehearing.

2. Petitioners' Due-Process and "Issue Preclusion" Framing Fails

Petitioners' assertion that the Order effectively imposed issue preclusion on a non-party mischaracterizes the Order. The Director did not estop Petitioners from litigating its defenses against the '287 patent. Rather, the Director denied institution under § 314(a) after concluding that continuing a duplicative AIA trial would be inefficient because the ITC had already adjudicated the validity of the same patent, prior art, and asserted grounds. Order, 2. Petitioners affirmed the duplicative nature of the AIA and ITC proceedings by filing a copycat of the earlier Eunsung Petition. The March 2025 guidance makes the same distinction: it acknowledges that ITC invalidity determinations do not have preclusive effect, yet still directs the Board to account for the practical duplication and expense created by parallel ITC proceedings. Guidance Memo at 2.

Petitioners are not entitled to an AIA trial merely because they prefer the PTAB forum or believed they had better merits arguments than the ITC respondents

advanced. Section 314(a) confers discretion to deny institution for independent reasons, even when the petitioner has satisfied the threshold merits standard. *See BioDelivery Scis. Int'l, Inc. v. Aquestive Therapeutics, Inc.*, 935 F.3d 1362, 1365-66 (Fed. Cir. 2019). The Order simply exercised that discretion. Recasting that exercise as unconstitutional issue preclusion does not make it so.

B. Petitioners Were Afforded Ample Opportunity to be Heard

Petitioners also argue that the Director violated due process by declining to permit an additional round of briefing after the ITC ID issued. Request, 7. That argument fails for at least three reasons.

First, Petitioners had multiple opportunities to be heard regarding the ITC proceeding and ID. They opposed PO's earlier request for Director Review based on the parallel ITC action. Paper 16. They opposed PO's motion to submit the ITC ID as supplemental information. Paper 29. And, even before PO filed its Sur-Reply, Petitioners used their Reply to address the ID in detail, including the very points they now present again: the treatment of Palmer, the "connected to" limitation, Greenberg, and commercial success. Paper 39, 7, 9, 21, 26-27. Petitioners then submitted a December 29, 2025 email to the Director elaborating their position and asking for still more briefing. Request, 6; Ex. 3101. Thus, Petitioners submitted ample argument relating to the ID, including the issues now before the Director.

Second, Petitioners identify no rule requiring the Director to allow another round of briefing. The March 2025 USPTO Guidance states only that timely requests for additional briefing will be considered "on a case-by-case basis." Guidance Memo at 2. It does not create an entitlement to supplemental briefing whenever a party asks. And nothing about the Board granting PO's motion to submit supplemental briefing altered that result. Paper 32. At most, the Board had conditionally contemplated further briefing if PO later relied on the ID in a Sur-Reply. Before that occurred, Petitioners themselves placed their views on the ID before the Director. There was no due-process deficiency.

Third, Petitioners cannot show prejudice. The Order did not rely on all factual findings in the ID as binding. Instead, it relied on the general overlap between the two proceedings and on the duplication, expense, and inconsistency risks that would arise from continuing trial. Order, 2. Because Petitioners already presented their disagreements with the ID, and because the Director's decision turned on discretionary efficiency concerns rather than on the need to resolve each underlying merits dispute anew, Petitioners have not shown that any additional briefing could have changed the result.

C. The ITC ID Was Affirmed by the Commission—Not Vacated

Petitioners argued that the ITC ID was "likely" to be vacated because the ITC target date was six days before the '287 patent would expire. Request, 8. That

contention was speculative when made and did not identify a material matter the Director overlooked or misapprehended. In any event, contrary to Petitioners' speculation, on March 23, 2026, the Commission issued its final determination, supplemented and affirmed the ID's violation finding, and denied Cartessa's motion to terminate as untimely. *Certain Hydrodermabrasion Systems and Components Thereof*, Inv. No. 337-TA-1408, Notice of the Commission's Final Determination Finding a Violation of Section 337; Issuance and Suspension of Limited Exclusion Order and Cease and Desist Order; Termination of the Investigation, at 2-4 (U.S.I.T.C. Mar. 23, 2026). The Commission further explained that, because it had earlier declined to review the ID's validity and domestic industry findings, its final determination was that Cartessa violated Section 337 with respect to the '287 patent. *Id*. at 3. Petitioners' vacatur premise therefore provides no basis for rehearing.

D. Section 318(a) Does Not Prohibit De-Institution on Reconsideration

Petitioners next argue that, once instituted, this IPR must proceed to a final written decision under 35 U.S.C. § 318(a). Request, 9. That position is foreclosed by the very authorities cited in the Order. In *BioDelivery*, the Federal Circuit held that "there is no requirement that once instituted, IPRs must proceed through final written decisions" and explained that § 318(a) itself contemplates that a proceeding may be dismissed after institution. *BioDelivery*, 935 F.3d at 1366. The court also reaffirmed that administrative agencies possess inherent authority to reconsider

institution decisions absent a clear statutory withdrawal of that authority. *Id*.; *see also Medtronic, Inc. v. Robert Bosch Healthcare Sys., Inc.*, 839 F.3d 1382, 1385-86 (Fed. Cir. 2016); *GTNX, Inc. v. INTTRA, Inc.*, 789 F.3d 1309, 1311-13 (Fed. Cir. 2015).

In *Sling TV*, the Federal Circuit confirmed this same principle in the context of an IPR: the Board has "inherent authority to reconsider institution decisions" and to later issue a decision to deinstitute, which like an original decision not to institute, is final and nonappealable under §314(d). *Sling TV, L.L.C. v. Realtime Adaptive Streaming LLC*, 840 F.App'x 598, 598-99 (Fed. Cir. 2021). This directly undermines Petitioners' argument that the "only exception to the requirement that the Board 'shall' issue a final written decision" is if an IPR is dismissed under Chapter 31. Termination due to settlement or estoppel provisions are merely examples in addition to the Board's authority to reconsider institution decisions. Petitioners even admit that the Board has authority to reconsider an institution decision where an intervening change in the law materially affects the decision. Request, 10. Petitioners' efforts to confine the cited decisions and limit the Boards authority to deinstitute are baseless.

E. Petitioners' Constitutional Challenge Lacks Merit and Is Not a Proper Rehearing Issue

Finally, Petitioners contend that if § 314(a) allows the Director to deny institution here, then the statute would be an unconstitutional delegation. Request,

11-12. That argument is not a proper basis for rehearing because Petitioners do not identify where this constitutional theory was previously presented to the Director before the Order issued, as § 42.71(d) requires. Petitioners' argument does not even mention any potential overlooking or misapprehension. A rehearing request is not the place to unveil a new constitutional challenge.

The argument also fails on the merits. Petitioners acknowledge that this argument assumes that the "Director's Order is premised on the idea that the Director enjoys unbridled authority to deny institution of IPRs for reasons not set forth in the Patent Statute." Request, 12. The Order did not invoke some free-floating, unbridled authority to deny institution for any reason whatsoever. It relied on concrete and judicially recognized considerations: the existence of another adjudication involving the same patent, prior art, and asserted grounds; the resulting duplication of effort and added expense; and the risk of inconsistent outcomes. Order, 2. Those are exactly the type of considerations reflected in § 316(b), the March 2025 USPTO guidance, *Fintiv*, and the Federal Circuit's institution-reconsideration cases. Petitioners' "unfettered discretion" premise therefore does not describe the statue as applied here or the Director's Order.

III. CONCLUSION

Petitioners have not shown that the Order misapprehended or overlooked any material matter previously presented. The Request instead repackages

disagreements on the merits and new legal theories that do not justify rehearing. PO respectfully requests that the Director deny Petitioners' Request for Rehearing.

Respectfully Submitted,

Dated: March 26, 2026

/ Jacob L. Peterson /
Jacob L. Peterson (Reg. No. 65,096)
Attorney for Patent Owner
HydraFacial LLC

CERTIFICATE OF SERVICE

Pursuant to 37 C.F.R. § 42.6(e)(4), I certify that on March 26, 2026, a copy of this **AUTHORIZED RESPONSE TO REHEARING REQUEST** was served via the email correspondence address of record for Petitioner's counsel of record:

Scott A. McKeown
Wolf, Greenfield & Sacks, P.C.
601 Massachusetts Avenue, NW
Washington, DC 20001
202-389-6025
SMcKeown-PTAB@WolfGreenfield.com

Roberto J. Fernandez
Foley & Lardner, LLP
321 North Clark St., Suite 3000
Chicago, IL 60654
312-832-4530
rfernandez@foley.com
EunsungIPR@foley.com

Respectfully Submitted,

Dated: March 26, 2026

/ Jacob L. Peterson /
Jacob L. Peterson (Reg. No. 65,096)