

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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ANTHONY INC.,  
Petitioner,

v.

CONTROLTEC, LLC,  
Patent Owner.

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Case IPR2025-00559  
Patent 7,207,181

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**AUTHORIZED RESPONSE TO DIRECTOR REVIEW REQUEST**

## **I. Introduction**

ControlTec's Request for Director Review does not raise any changed circumstances or overlooked arguments. Instead, the Request suggests it was "an abuse of the Director's discretion" to not elevate ControlTec's settled expectations over all other factors, including a clear material error during examination. Paper 16 at 13. In effect, ControlTec wants a do-over, one where the Acting Director eschews "a holistic assessment of all of the evidence and arguments presented," (Paper 12 at 3), in favor of a bright-line rule against reviewing patents of a certain vintage. *But see Dabico Airport Sols. Inc. v. AXA Power ApS*, IPR202500408, Paper 21 at 2–3 (Director June 18, 2025) (explaining that "there is no bright-line rule" on settled expectations). Rather than an *abuse* of discretion caused by arbitrary and unreasonable decision making, ControlTec implies the Acting Director's *use* of her discretion was itself improper. *But see SAS Inst., Inc. v. Iancu*, 584 U.S. 357, 358 (2018) (noting that "§314(a) invests the Director with discretion on the question whether to institute review"). Because ControlTec shows no fault in the Acting Director's decision, the decision should be sustained.

## **II. The Acting Director Considered and Reasonably Weighed ControlTec's Settled Expectations**

ControlTec claims "[t]he decision not to exercise discretion in denying the present petition[s] is in *direct* conflict *with all of the cases* cited under the new

bifurcated review scheme” because the challenged patents “are unique outliers when looked at against the present backdrop given the length of time they have been in force.” Paper 16 at 6 (original emphasis) (citing Appendix). In ControlTec’s view, the Acting Director’s current decision is necessarily erroneous because it does not deny institution like certain other decisions addressing patents of advanced age. *Id.* But the Acting Director used the same approach here as before—applying her discretion based on a holistic assessment of the factual record. That those other cases came out differently does not imply error in this case. It means there were different operative facts. ControlTec fails to show (or even contend) otherwise.

Importantly, the Acting Director did not overlook or disregard ControlTec’s settled expectations. She pointed them out explicitly and weighed them in the context of the Office’s available resources to review a material error in the examination process:

Although the challenged patents have been in force for approximately eighteen and seventeen years, Petitioner appears to show a material error by the Office, and it is an appropriate use of Office resources to review the potential error.

Paper 12 at 2. The Acting Director’s basis for referring the petitions to a merits panel is well reasoned and consistent with her other decisions. ControlTec proves this point by listing *five* recent decisions where the Acting Director referred petitions

challenging patents of advanced age. *See* Paper 16 at 6–10. Missing the forest for the trees, ControlTec attempts to distinguish the specific facts of these decisions but fails to address the broader, salient point: The Acting Director has consistently (albeit infrequently) referred petitions challenging older patents for a merits review when circumstances indicate that it is an appropriate use of Office resources to do so. Indeed, this case closely parallels a more recent one: *Taiwan Semiconductor Manufacturing Company Ltd. v. Marlin Semiconductor Ltd.* There, as here, the Acting Director said, “Although the challenged patent has been in force for fifteen years, Petitioner appears to show a material error by the Office, and it is an appropriate use of Office resources to review the potential error.” IPR2025-00847, Paper 11 at 4 (Director Sep. 3, 2025).

Worse than hyperbole, ControlTec’s accusation that the Acting Director’s decision “is a complete departure” from the bifurcated institution framework and a “radical outlier” is just plain wrong. Paper 16 at 10, 4.

### **III. The Acting Director Reasonably Found a Material Examination Error**

The Acting Director found “that the patent examiner erred by overlooking the teachings of Carter.” Paper 12 at 2. ControlTec disagrees but fails to identify any unreasonable or arbitrary aspects of the Acting Director’s decision that might suggest an abuse of discretion. Paper 16 at 10–11. Searching elsewhere, ControlTec tries arguing that there cannot possibly be a material error concerning Carter

“because the USPTO already considered Carter in an international search report and written opinion and found that it did not provide a bar to patentability.” *Id.* at 11.

One threshold problem with ControlTec’s argument is that it departs from the Acting Director’s focus on “*the* patent examiner”—meaning the US examiner who allowed the challenged patents without a single rejection. *See* Paper 12 at 2 (“The patent examiner issued a notice of allowance...as the first office action.”). That a different PCT examiner cited Carter in a search report for a different application using a different legal standard does not mean the US examiner considered Carter. *See* IPR2025-00636, Paper 8 (Anthony’s Opposition Brief) at 16–19. ControlTec could have, and should have, cited Carter and/or the search report to the US examiner. But ControlTec chose not to do so, and thus lacks footing on this point.

A more fundamental problem is that ControlTec’s argument implies a rigid and unworkable rule where no examination error pertaining to a considered reference can be sufficiently “material” to justify review. Precedent says otherwise:

[A] petitioner may argue that it satisfies the second part of *Advanced Bionics* because the asserted prior art was not a basis for rejection during examination, is not substantially the same as prior art the Examiner applied, and includes specific teachings that impact patentability of the challenged claims.

*Ecto World, LLC, et al. v. RAI Strategic Holdings, Inc.*, IPR2024-01280, Paper 13 at 5 (PTAB May 19, 2025) (precedential) (quotes omitted); *see also Advanced*

*Bionics, LLC v. MED-EL Elektromedizinische Geräte GmbH*, IPR2019-01469, Paper 6 at 8 n9 (PTAB Feb. 13, 2020) (similar). Given the Board's sound and unchallenged conclusion that Carter renders the '181 patent's independent claims 1 and 14 likely unpatentable (*see* Paper 13 at 26), there is no question that the *Ecto World* standard is met and that the Acting Director correctly found a material error. Far from an abuse of discretion, an agency head applying the agency's own precedent and policy is the very definition of rational and reasonable.

#### **IV. Conclusion**

ControlTec's Director Review Request is bereft of any cognizable ground to reverse the discretionary decision the Acting Director already made. That ControlTec is unhappy with the initial decision does not warrant another bite at the apple. The standard is "abuse of discretion," and ControlTec fails to meet it.

Respectfully submitted,

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**CERTIFICATE OF SERVICE**

Pursuant to 37 CFR § 42.6(e), the undersigned certifies that on September 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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