UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

CLEARCORRECT OPERATING, LLC,
Petitioner,

v.

ALIGN TECHNOLOGY, INC.,
Patent Owner.

Case No. IPR2025-00818
Patent 10,973,613

PATENT OWNER'S REQUEST FOR DIRECTOR REVIEW PURSUANT TO 37 C.F.R. §42.75

TABLE OF CONTENTS

I. INTRODUCTION 1

II. LEGAL STANDARD 4

III. CHANGED CIRCUMSTANCES WARRANT DENIAL UNDER *FINTIV* 5

IV. THE BOARD ERRED IN GRANTING INSTITUTION 7

V. PETITIONER HAS FAILED TO IDENTIFY ALL REAL-PARTIES IN INTEREST IN THESE PROCEEDINGS 10

VI. CONCLUSION 14

Pursuant to 37 CFR § 42.75(c), Patent Owner submits this request for Director Review of the Director's Discretionary Denial Decision (DD Decision, Paper 14) and the Decision to Institute Trial (DI, Paper 17).

I. Introduction

This inter partes review arises from an ongoing intellectual property dispute between Straumann Group, a Swiss-based multinational conglomerate, and Align Technology, Inc. (Patent Owner), a U.S.-based dental technology innovator and manufacturer of Invisalign® orthodontic treatment system. Institut Straumann AG, which manages the Straumann Group, is a real party in interest in this proceeding. The petitioner, ClearCorrect Operating LLC, together with Bay Materials, LLC, and Chinese entity AlliedStar Medical Equipment Co., Ltd. (a manufacturer of intraoral scanners) are all part of the Straumann Group. Moreover, Straumann and ClearCorrect have recently announced strategic partnerships and ownership stakes in Shanghai Smartee Denti-Technology Co., Ltd., one of China's largest dental companies.

On July 8, 2025, Patent Owner moved for discretionary denial in light of an early scheduled trial date (May 2026) in the co-pending district court proceedings predating the projected FWD date (November 2026) by nearly six months. Nevertheless, on August 29, 2025, the Director concluded that *Fintiv* did not favor discretionary denial based on Petitioner's argument that time-to-trial statistics

dictated "trial will not begin until November 2027." DD Decision, 2. The Director then referred the petition to the merits panel.

Petitioner's argument about the trial's timing now has been proven to be incorrect. On October 2, 2025, the district court confirmed a "hard" trial date for June 22, 2026—***nearly 5 months before the FWD due date in this case***. This "hard" trial date came at Petitioner's urging (in conflict with Petitioner's argument to the Director). Petitioner assured the district court no less than three times that the case was "on track" for a June 2026 trial. As the district court trial undoubtedly will be held well in advance of any FWD, discretionary denial is warranted.

Furthermore, the merit panel's institution decision confirms that denial was warranted all along. The petition advanced grounds that arrive at the claimed multilayer appliance by cherry-picking individual materials from multiple different references and combining them without good reason. To arrive at the invention recited in the claims, the petition conveniently proposed using adhesive lamination to bond together appliance layers in an attempt to avoid implicating its own infringing product. However, despite it being essential to its combination, the petition never identified a reason why a POSA would use adhesive lamination.

Nevertheless, the Board instituted review. The panel apparently mistook the Director's referral as a mandate to institute review despite the deficiencies of the case brought in the petition. Finding no rationale provided by the petition, the

Board devised its own, proposing an obvious-to-try rationale. As the petition never argued an obvious-to-try rationale, the Board's institution decision runs contrary to Supreme Court precedent and is a poor use of Office resources.

Finally, denial of institution is warranted due to Petitioner's failure to identify all real parties in interest. As Patent Owner noted in its discretionary denial briefing, the aligners accused in the parallel district court litigation are manufactured using materials from Bay Materials, LLC. Bay Materials is part of the Straumann Group headed by identified real party in interest Institut Straumann AG (*see* EX2008, 18-19 ¶18). The arguments advanced by Petitioner in the present IPR are contrary to arguments previously made by Bay Materials in IPR2022-01214, yet Bay Materials has not been named as a real party in interest.

Recent revelations underscore Patent Owner's concerns regarding unnamed interested parties. The named Institut Straumann AG is a large non-US entity. It has affiliations not just with Bay Materials and ClearCorrect, but with multiple Chinese companies unnamed here. After pre-institution briefing was closed, but before the institution decision, Straumann and ClearCorrect publicly announced "strategic partnerships" and ownership stakes in one of the largest Chinese dental companies, Shanghai Smartee Denti-Technology Co., Ltd. Straumann and ClearCorrect characterized this new relationship with a large Chinese competitor as "a forward-looking initiative aimed at shaping the future of the dental industry."

These are precisely the types of "[o]paque investment structures" and foreign entities of concern identified the Director's October 28, 2025, memorandum regarding the Precedential Designation of *Corning Optical Communications*. The Straumann SIRIOS™ intraoral scanner that is subject to the district court action is manufactured by AlliedStar Medical Equipment Co., Ltd., a Chinese entity that is part of the Straumann Group.

In light of the new *Corning* precedent and Petitioner's failure to identify all real parties in interest, institution of this inter partes review should be vacated.

II. Legal Standard

Director review of an institution decision is appropriate when "to avoid unnecessary trials for patent owners," and particularly where the institution decision involves "(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. A Director Review request is appropriate, for example, where trial was instituted based on a *Fintiv* analysis in which the overall weighing of the *Fintiv* factors was erroneous. *See Cisco Sys., Inc. v. WSOU Investments LLC*, IPR2025-00188, Paper 14 (Aug. 22, 2025) (vacating institution decision and denying institution where incorrect weight was assigned to *Fintiv* factors).

III. Changed Circumstances Warrant Denial Under *Fintiv*

The Director previously found *Fintiv* did not favor denial based on a projected November 2027 trial date. The district court, however, has now confirmed a hard trial date of June 2026. Accordingly, the *Fintiv* analysis strongly favors denial.

In its opposition to discretionary denial, Petitioner argued that trial would take place "potentially a full year, after the final written decision." In support, Petitioner cited "time-to-trial" statistics as predicting a "November 2027" trial date. Paper 10 at 22, 25-26.

Accepting Petitioner's argument, the Director found discretionary denial under *Fintiv* inappropriate based on the assumption that the district court trial would be moved and occur well after the projected final written decision deadline of November, 2026. DD Decision, 2. Although that decision acknowledged that trial had been previously scheduled for May 2026, it credited Petitioner's erroneous and gratuitous argument that "trial w[ould] not begin until November 2027." DD Decision, 2. The Director therefore concluded that considerations arising from overlap with the parallel district court proceedings "neither favor[ed] nor counsel[ed] against discretionary denial." *Id.*

In view of current circumstances, the Director's reliance on Petitioner's assertion of a November 2027 trial date was misplaced. In a hearing on October 2,

2025, the district court stated it was setting a "hard trial date of June 22, 2026, before Judge Albright." *Align Technology, Inc. v. ClearCorrect Operating, LLC*, No. 6-24-cv-00187 (W.D. Tex. Oct. 2, 2025), dkt. 271, Hearing Tr. 44:22-45:2. At this hearing, Petitioner's counsel thrice asserted that the district court case was "on track" and that Petitioner was "fine with [June 22, 2026] for a trial date":

> we're on track for a trial in June. Align has proposed June 22nd. We're fine with that. You know, we're fine with that for a trial date. … we're on track. We're on track to bring this case to resolution in June, and we'd agree to their trial date….

Id., 44:7-16. As shown, Petitioner's argument before the district court stands in stark contrast to its argument to the Director. Accordingly, and contrary to Petitioner's time-to-trial argument relied on in the Discretionary Denial Decision, there has been no significant delay in the scheduled trial date even after rescheduling. The trial date remains "on track" and will occur nearly five months before the projected final written decision deadline. *See also id.*, dkt. 259 (Oct. 2, 2025) (minute entry) ("The jury trial will be set for June 22, 2026 at 9am"); *id.*, dkt. 264 (Oct. 10, 2025) (scheduling order confirming June 22, 2026, trial date).

In the Discretionary Denial Decision, the Director indicated that the *Fintiv* factors were neutral based on an assumption that the district court trial date would occur in November 2027. DD Decision, 2. Because, at Petitioner's own urging, the district court trial will precede the projected final written decision date by several

months, the *Fintiv* factors favor non-institution to eliminate duplicative efforts between parallel proceedings. As the Director recently held, where no stay has been granted and a district court trial is scheduled approximately three months before the statutory date for the Board's final written decision, discretionary denial is favored even where petitioner has offered a *Sotera* stipulation. *Cisco*, IPR2025-00188, Paper 14 at 3. Here, trial is scheduled almost five months before the statutory date for the Board's final written decision and no stay has been granted; accordingly, the *Fintiv* analysis even more strongly favors non-institution. *Cf. Arm Ltd. v. Daedalus Prime LLC*, IPR2025-00207, Paper 14 at 2-3 (where change of circumstances shifts *Fintiv* factors, revision of discretionary denial decision is appropriate).

IV. The Board Erred in Granting Institution

In his Open Letter and Memorandum of October 17, 2025, the Director noted that the bifurcated process for discretionary considerations had "inadvertently produced extraordinarily high institution rates," as the Board appeared to have taken referrals as a mandate to institute trial. John A. Squires, *An Open Letter From America's Innovation Agency*, 2 (Oct. 17, 2025). The concerns raised by the Director in his Open Letter and Memorandum apply in this case.

As the panel recognized at institution, in each ground, Petitioner proposed forming a multilayer appliance using tie layers as a glue to bond adjacent layers

together via adhesive lamination. DI, 12-13. This was an essential aspect of Petitioner's proposed combinations, as the petition argued that using other forms of combining (e.g., using coextrusion or extrusion lamination) would alter the properties of the polymer layers. *See, e.g.*, Pet., 14-15 n.3. As pointed out in the POPR, Petitioner argued only that adhesive lamination existed, not that a POSA would have had a good reason to use it. *See* POPR, 16-17, 31-32 (citing Pet., 29, 33, 35, 54).

Petitioner's Reply did not dispute that use of adhesive lamination via tie layers was essential to the grounds. *See* Paper 15 at 3-5. Rather, Petitioner argued merely that its prior art used the word "laminated," then leaned on expert say-so to argue adhesive lamination is a type of lamination. *Id.* Yet the petition materials confirm that the prior art "lamination" itself does not necessarily refer to adhesive lamination, but rather a method of combining layers into a multilayer material. EX1007, ¶39 ("'Lamination,' as understood in the art, broadly refers to a means of combining thin layers of distinct materials into a thicker, layered composite."); *see also* Paper 16 at 4-5.

The panel nevertheless instituted trial. Regarding rationale for Petitioner's proposed use of adhesive lamination, the panel introduced an obvious-to-try rationale that the petition had never advanced. Specifically, the Board observed that "the parties have identified limited types of known lamination for aligners:

coextrusion, extrusion lamination, and adhesive lamination," and cited *KSR*'s obvious-to-try reasoning relying on a "finite number of identified, predictable solutions." DI, 15-16.

The panel's adoption of this new rational is erroneous for multiple reasons. First, it was never advanced in the petition, contrary to the Supreme Court's admonition that "the petitioner's contentions… define the scope of the litigation all the way from institution through to conclusion." *SAS Institute v. Iancu*, 584 U.S. 357, 367 (2018). Second, the rationale requires a finite number of identified solutions, and Petitioner never argued that the three examples it discussed were comprehensive or even represented the first candidates to try. Indeed, Petitioner emphasized that "many manufacturing methods were well known in the art." Paper 15 at 5. And third, *KSR* requires the solutions be *predictable*, whereas the petition argued that the type of modifications it proposed were *unpredictable*. *See* Pet., 22-23 n.4, 48 n.9; *see also* DI, 12-13 (acknowledging this issue).

In sum, each obviousness ground advanced in the petition relied on the use of adhesive lamination, yet the petition never argued a reason a POSA would have used it. The panel's substitution of its own alternative rationale is contrary to law and unsupported in the record. Accordingly, institution should be vacated.

V. Petitioner Has Failed to Identify All Real-Parties in Interest in These Proceedings

A petition for *inter partes* review may be considered only if "the petition identifies all real parties in interest." 35 U.S.C. § 312(a)(2). Under prior precedent, the Board did not enforce the requirement to name all real parties in interest unless an estoppel or time bar was implicated. *See SharkNinja Operating LLC v. iRobot Corp.*, IPR2020-00734, Paper 11 at18-20 (October 6, 2020). On September 26, 2025, the *SharkNinja* case was de-designated, rendering it no longer precedential and restoring the requirement that all real parties in interest be named in the petition.

The newly designated precedential decision in *Corning Optical Communications RF, LLC v. PPC Broadband Inc.* now controls the real-party-in-interest analysis. IPR2014-00440, Paper 68 (PTAB Aug. 18, 2015) (designated precedential except as to § II.E.I, which would have shifted the burden to Patent Owner to show that a party is a real party in interest.). In the memorandum designating *Corning* as precedential and de-designating *SharkNinja*, the Director emphasized the renewed importance of the real-party-in-interest requirements. The Director highlighted the concern that foreign-backed actors have sought to manipulate the U.S. patent system and have entered into improper entanglements with litigants in IPR proceedings. *See* Memorandum, Precedential Designation of *Corning Optical Communications RF, LLC v. PPC Broadband Inc.*, IPR2014-

00440, Paper 68 (PTAB Aug. 18, 2015) (except for § II.E.1) ("RPI Memo"), 2-3 (Oct. 28, 2025) (identifying multiple Chinese entities associated with a "substantial and increasing number of IPRs"). As the Director explained, vigorous enforcement of the real-party-in-interest requirements is key to prevent "misuse of AIA proceedings by foreign adversaries." *Id.*, 4.

This IPR is of heightened concern in view of the recent de-designation of *SharkNinja*, the precedential designation of *Corning*, and the entanglements of Institut Straumann AG, the parent company of ClearCorrect.

As Patent Owner noted in its discretionary denial briefing, Straumann is the parent company of Bay Materials, LLC, the manufacturer of the aligners accused in the district court litigation. *See, e.g.*, Paper 7 at 7, 22-23; EX1023, ¶¶4, 42; EX2008, 8-9 ¶18. As Patent Owner has previously explained, Bay Materials has advanced arguments in prior proceedings before the Board that are inconsistent with those Petitioner advances here. These include statements regarding unpredictability in the art as well as arguments regarding objective indicia of non-obviousness. *See* Paper 7 at 23-24; *see 3M Co. v. Bay Materials, LLC*, IPR2022-01214, Paper 21 at 44, 46-47, 51-62 (Apr. 12, 2023).

For example, Petitioner alleges "inconsistency between the characteristics of the *soft-hard-soft* ST30 aligner" for which the Examiner found unexpected results during prosecution and "Petitioner's *hard-soft-hard* aligner product" accused in

litigation, suggesting the absence of secondary indicia for Petitioner's product. Paper 15 at 1-2. Yet during the *3M* case, involving a patent with a later priority date, Bay Materials argued that there were secondary indicia of non-obviousness associated with Petitioner's product to claims encompassing a three-layer aligner comprising a hard co-polyester layer, a soft elastomer layer, and a third layer. *See* IPR2022-01214, Paper 21 at 51-62. *Compare id.*, *with* EX1001, claim 1. Despite Bay Materials' entanglement with Petitioner and Straumann, and contrary to Petitioner's duty under 35 U.S.C. § 312(a)(2) and *Corning*, Petitioner has still not identified Bay Materials as a real party in interest. *See Data Gen. Corp. v. Johnson*, 78 F.3d 1556, 1565 (Fed. Cir. 1996) ("where a party successfully urges a particular position in a legal proceeding, it is estopped from taking a contrary position in a subsequent proceeding"); *cf. Taylor v. Sturgell*, 553 U.S. 880, 894 (2008) (nonparty preclusion triggered by various substantive legal relationships); *WesternGeco LLC v. ION Geophysical Corp.*, 889 F.3d 1308, 1318 (Fed. Cir. 2018) (estoppel applies between related parties in privity).

Additionally, Straumann, a non-US conglomerate, has been active in acquiring ownership and forming strategic partnerships with various Chinese entities. Industry press and Straumann's own public statements openly confirm this. *See, e.g.*, *Straumann Group acquires AlliedStar, an intraoral scanner*

provider in China (Sep. 21, 2023)[1] ("Straumann Group has signed an agreement to acquire AlliedStar, an intraoral scanner (IOS) manufacturer in China"); *Straumann Group delivers strong organic growth and confirms full-year outlook*, (Oct. 29, 2025)[2] ("A key milestone this quarter was the launch of the SIRIOS X3 intraoral scanner…. serving as the entry point into Straumann Group's digital ecosystem…."); NIH Access GUDID Straumann SIRIOS X3 (06973993440303) (Aug. 22, 2025)[3] (Straumann SIRIOS manufactured by AlliedStar). Recent announcements also confirm that ClearCorrect is equally entangled with these entities, not just Straumann. *See, e.g.*, *Straumann Group transforms its orthodontics business through new strategic partnerships and a sharpened market approach* (Oct. 29, 2025)[4] ("Strategic partnership with Smartee to enhance

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[1] https://www.straumann.com/content/dam/data/media-release/en/2023/c6d0c389-f410-49a0-88e7-a1be681d5567/Straumann_Group_Media+release_AlliedStar_EN.pdf

[2] https://www.straumann.com/group/en/home/media/newsroom/mr/details.mr-detail.en.0314b136-7f83-4879-8d89-594363e2b7d9.html

[3] https://accessgudid.nlm.nih.gov/devices/06973993440303

[4] https://www.straumann.com/co/es/discover/news/about/archive/news.mr-detail.en.3d40e073-d5ab-441f-b468-17feb328b077.html

ClearCorrect's value proposition," including transferring "clear aligner manufacturing to Smartee" by "early 2026"); *Straumann Group refocuses orthodontics unit with new partnerships* (Nov. 6, 2025)[5] (Straumann "has entered a strategic technology partnership with Smartee Denti-Technology, a leading provider of aligners and digital orthodontic solutions in China," including an "equity stake in Smartee"). But Petitioner has disclosed none of these material relationships to the Office or identified these Chinese entities as a real party in interest in the present proceedings.

Accordingly, as Petitioner has failed to satisfy its obligation to identify all real parties in interest in this proceeding, institution should be vacated.

VI. Conclusion

For the reasons set forth above, Petitioner respectfully requests Director review and a decision withdrawing institution of trial in IPR2025-00818.

Respectfully submitted,

Dated: November 20, 2025

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[5] https://www.dental-tribune.com/c/straumann/news/straumann-group-refocuses-orthodontics-unit-with-new-partnerships/

CERTIFICATE OF SERVICE

The undersigned certifies that the foregoing Director Review Request was served on November 20, 2025, at the following electronic service addresses:

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