UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LTD.
and APPLE INC.,
Petitioners,

v.

MARLIN SEMICONDUCTOR LTD.
Patent Owner.

Case No. IPR2025-00865
U.S. Patent No. 9,147,747 B2

PATENT OWNER'S REQUEST FOR DISCRETIONARY DENIAL OF INSTITUTION

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2102	Defendants' Unopposed Motion To Stay Action Pending ITC Determination (Dkt 28) (April 18, 2025) from Case No. 2:25-cv-00171-JRG (EDTX)
2103	Unopposed Motion To Stay Action Pursuant to 28 U.S.C. § 1659 Pending Parallel ITC Action (Dkt 24) (April 10, 2025) Case No. 1:25-cv-00215-ADA (WDTX)
2104	Order Granting Defendants' Unopposed Motion To Stay (Dkt 29) (April 23, 2025) from Case No. 2:25-cv-00171-JRG (EDTX)
2105	Order Granting Unopposed Motion To Stay Action (Dkt 25) (April 21, 2025) Case No. 1:25-cv-00215-ADA (WDTX)
2106	ITC Motion to Stay Pending IPR Stats
2107	Guidance on USPTO's Recission of 'Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation'" (the "Guidance Memo")
2108	Section 337 Statistics: Average Length of Investigations (April 11, 2025)
2109	Notice of Institution of Investigation (March 21, 2025) from 337-TA-1443
2110	Proposed Respondent Apple Inc.'s Action Request Not to Institute and Public Interest Statement Under Commission Rule 210.8(c) (March 4, 2025) from 337-TA-1443
2111	Proposed Respondent Taiwan Semiconductor Manufacturing Company Limited's Statement Regarding the Public Interest (March 4, 2025) from 337-TA-1443

I. Introduction

Discretionary denial of institution of the Petition is appropriate here under the totality of the circumstances because, for example: (1) under *Fintiv*, the parallel ITC investigation will conclude prior to a final written decision in the requested IPR; and (2) there are settled expectations in the challenged '747 Patent, which has been in force for nine years.

Fintiv: The *Fintiv* factors weigh heavily in favor of discretionarily denying the Petition, including the following facts establishing that a final written decision in this proceeding is unlikely to issue before the hearing and decision in the parallel ITC Investigation:

- all relevant deadlines and work in the parallel ITC Investigation are scheduled to conclude substantially before the projected final written decision date, including the ITC Trial/Hearing (roughly **eleven months before** the FWD), the ALJ's Initial Determination, (roughly **six months before** the FWD), and the Commission's Target Date (roughly **two months before** the FWD);
- the ITC's relevant history of conduct and time-to-final decision statistics establish that there is no reasonable likelihood that the ITC will reschedule these deadlines to after the FWD; and

- there is no reasonable likelihood that the ITC will stay the parallel Investigation if the PTAB were to institute this Petition—to the contrary, the ITC has **never** stayed an Investigation for a pending instituted IPR.

Settled Expectations: In addition to the *Fintiv* analysis and factors, settled expectations in the challenged patent provide another independent reason to discretionarily deny the Petition. The challenged '747 Patent has been in force for nine years, a period equal to or longer than that of other patents for which the Director already has found settled expectations that make institution an inappropriate use of Board resources.

II. Background

A. The Challenged '747 Patent and The Parties

The Patent Office issued challenged U.S. Patent No. 9,147,747 on September 29, 2015, nine years ago. The '747 Patent is titled "Semiconductor Structure with Hard Mask Disposed on the Gate Structure," and, consistent with that title, it discloses and claims innovative designs for semiconductors.

The '747 Patent issued to United Microelectronics Corporation ("UMC"), a NYSE company based in Taiwan that has been a leading semiconductor designer and manufacturer for 45 years.

Each of the Petitioners is heavily involved in the manufacture or sale of semiconductor transistors and would or should be well aware of UMC and its

semiconductor business and patent portfolio. Petitioner Taiwan Semiconductor Manufacturing Company Limited ("TSMC") is also a Taiwanese semiconductor designer and manufacturer and has been a direct competitor of UMC's since 1987. Petitioner Apple, Inc. is a customer of TSMC's, and its business and products rely heavily on semiconductor transistors. For example, TSMC semiconductor transistors are included in Apple smartphones, tablets, smartwatches, and personal computers.

B. The Relevant Petition and ITC Deadlines

Patent Owner Marlin Semiconductor[1] filed an ITC Complaint asserting the '747 Patent against Petitioners TSMC and Apple (as well as other Respondents) on February 14, 2025. *See Certain Foreign-Fabricated Semiconductor Devices, Products Containing the Same, and Components Thereof*, Inv. No. 337-TA-1443 (U.S.I.T.C.) TSMC and Apple filed this IPR Petition (one of five filed by

[1] Patent Owner and Complainant Marlin acquired the challenged patent in 2021, and Marlin and the exclusive licensee, Longitude Licensing, Ltd., are the Complainants in the parallel ITC Investigation.

Petitioners against the patents-at-issue in the Investigation)[2] more than two months later and, if the requested IPR were instituted, the deadline for the final written decision would be November 15, 2026.

But the parallel ITC Investigation against Petitioners will already be over by then. Indeed, the parties and the ITC have already expended a great deal of time and resources on this dispute, and will expend even more before any institution decision on the merits. For example, as of the filing of this request for discretionary denial:

- The parties have already engaged in nearly four months of intensive discovery, including serving and responding to 143 interrogatories and 342 document requests, producing over 300,000 documents, and producing and reviewing additional confidential materials on secure computers located throughout the United States;
- The parties have engaged in claim construction discovery and exchanged proposed claim constructions;
- Patent Owner has prepared and served its infringement contentions;

[2] Patent Owner is filing similar Requests For Discretionary Denial Of Institution against the other four IPR Petitions in IPR Nos. 2025-00848, -00847, -00864, and -00879.

- Petitioners have prepared and served their non-infringement contentions responding thereto;
- Petitioners have prepared and served their invalidity contentions, totaling 4,725 pages;[3] and
- Patent Owner has prepared and served its validity contentions responding to Petitioners' extraordinarily voluminous invalidity contentions. (EX2101 at 3-4).

In addition, as of the time of the scheduled November 15, 2025 decision on institution:

- The parties (which include the ITC Commission Staff) will have conducted and finished all fact discovery;
- The parties will have completed all Markman briefing;
- The parties will have completed all discovery on claim construction, including expert reports and depositions;

[3] Patent Owner is not attaching Petitioners' ITC Invalidity Contentions as an exhibit because Petitioners marked the entire document and all its attachments as Confidential Business Information – Subject to Protective Order.

- The parties and the ITC will have conducted and completed the Markman hearing;
- Petitioners will have served their Final Notice of Prior Art;
- Patent Owner will have prepared and served its final infringement contentions;
- Petitioners will have prepared and served their final invalidity contentions;
- The parties will have started expert discovery; and
- The parties will have prepared and served all expert reports, including the Petitioners' expert reports on invalidity and the Patent Owner's reports rebutting those invalidity defenses. (EX2101 at 4-5).

In addition, all expert discovery is scheduled to end on November 26, 2025, just eleven days after the Board's institution decision deadline.

And by the November 15, 2026, deadline for the final written decision, the parties and the ITC will have already completed the parallel ITC Investigation, including:

- The parties completing all pre-hearing filing and exchanges;

- The parties and the ITC submitting, fully briefing, arguing, and ruling on all summary determination motions (including any potential motions concerning invalidity);
- The parties and the ITC submitting, fully briefing, arguing, and ruling on all Daubert motions and motions *in limine*;
- The parties submitting voluminous Pre-Hearing briefs;
- The parties and the ITC conducting the Pre-Hearing conference;
- The Parties and the ITC conducting the **Investigation's 5-day trial/evidentiary hearing** on all issues, including Petitioners' invalidity defenses (February 2-6, 2026);
- The ITC ALJ issuing the **Initial Determination** on all issues, including Petitioners' invalidity defenses (May 29, 2026); and
- The parties and the ITC **completing** the Investigation (September 29, 2026). (EX2101 at 5-6).

III. The *Fintiv* Factors Compel Discretionary Denial Of The Petition

Based on the foregoing, instituting the requested IPR here would duplicate and waste resources, and the Petition should be denied on *Fintiv* grounds in light of the parallel ITC investigation. *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 at 8 (PTAB Mar. 20, 2020) (precedential) ("[A]n earlier ITC trial date may favor exercising authority to deny institution under *NHK* if the ITC is going to decide the

same or substantially similar issues to those presented in the petition."); (citing *NHK Spring Co. v. Intri-Plex Techs., Inc.*, IPR2018-00752, Paper 8 (PTAB Sept. 12, 2018) (precedential, designated May 7, 2019)).

A. The Parallel ITC Investigation Is The Relevant Parallel Proceeding For The *Fintiv* Analysis

In addition to the ongoing parallel ITC Investigation, there are pending district court actions between the Patent Owner and the Petitioners. But because those district court lawsuits are stayed, the ITC Investigation is the relevant proceeding for the *Fintiv* analysis: when a district court lawsuit is stayed due to an ongoing ITC investigation at a Petitioner's request, then "the ITC investigation is now the relevant proceeding we must evaluate under the *Fintiv* factors." *Intel Corp. v. Koninklijke Philips N.V.*, IPR2021-00328, Paper 9 at 9 (PTAB July 16, 2021).

Here, the pending district court lawsuits[4] were filed on February 13, 2025. Each of the Petitioners then moved to stay their respective district court lawsuit

[4] Patent Owner and Petitioner TSMC are parties to an ongoing district court litigation in the Eastern District of Texas. *See Longitude Licensing Ltd. et. al. v. Lenovo Grp. Ltd. et. al.*, Case No. 2:25-cv-00171-JRG (E.D. Tex.). Patent Owner and Petitioner Apple are parties to an ongoing district court litigation in the

pending the ITC investigation. (EX2102; EX2103). Patent Owner did not oppose the motions, and the district court in each respective proceeding granted the motions to stay pending resolution of the ITC investigation. (EX2104; EX2105).

Thus, each district court case is now stayed pending the completion of the ITC Investigation. Accordingly, "the ITC investigation is now the relevant proceeding we must evaluate under the *Fintiv* factors." *Intel Corp. v. Koninklijke Philips N.V.*, IPR2021-00328, Paper 9 at 9 (PTAB July 16, 2021).

B. The *Fintiv* Factors Weigh Heavily For Discretionarily Denying The Petition

Pursuant to 35 U.S.C. § 314(a), the PTAB has discretion to deny a petition based on ITC proceedings related to the same patent. *See* Consolidated Trial Practice Guide 58 (Nov. 2019), https://www.uspto.gov/TrialPracticeGuide Consolidated. The PTAB enumerated six non-dispositive factors to determine whether efficiency, fairness, and the merits support exercising discretion to deny a petition based on a related proceeding:

> **Factor 1:** Whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted;

Western District of Texas. *See Longitude Licensing Ltd. et. al. v. Apple, Inc. et. al.*, Case No. 1:25-cv-00215-ADA (W.D. Tex.).

Factor 2: Proximity of the court's trial date to the Board's projected statutory deadline for a final written decision;

Factor 3: Investment in the parallel proceeding by the court and the parties;

Factor 4: Overlap between issues raised in the petition and in the parallel proceeding;

Factor 5: Whether the petitioner and the defendant in the parallel proceeding are the same party; and

Factor 6: Other circumstances that impact the Board's exercise of discretion, including the merits.

Apple Inc. v. Fintiv, Inc., IPR2020-00019, Paper 11 at 5-6.

A holistic assessment of these *Fintiv* factors in view of the parallel ITC Investigation heavily weighs for discretionarily denying the Petition.

1. Factor 1: There Is No Evidence That The ITC Will Stay The Parallel ITC Investigation If The Petition Were Instituted

This factor weighs heavily against institution because it is highly unlikely that the ITC will stay its parallel Investigation if the PTAB were to institute this Petition—indeed, the ITC has **never** stayed an Investigation for a pending instituted IPR.

The ITC has not granted a stay, Petitioners have not requested a stay, and Petitioners have not represented that they would seek a stay if this Petition were

instituted.[5] And any such motion would be futile because the ITC has never granted a motion to stay an Investigation for a pending instituted IPR. To date, the ITC has denied **every** motion to stay an investigation for a pending instituted IPR.[6] (EX2106).

The Petition identifies no reason why the ITC would depart from its clear precedent and grant a stay here. Indeed, the Petition does not even address this factor.

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[5] While the co-pending district court litigations have been stayed, the Board has made clear that when a district court litigation is stayed pending resolution of an ITC investigation "[t]he fact that the parallel district court litigation is stayed is, . . . not the focus of this *Fintiv* factor." *See Arashi Vision Inc. US d/b/a Insta360 v. GoPro, Inc*., IPR2025-00017, Paper 11 at 9 (PTAB Apr. 28, 2025).

[6] The ITC has granted one stay motion related to an IPR, but that stay motion was unopposed and did not concern a pending instituted IPR trial. Rather, that single stay was on an unopposed motion and concerned an already completed IPR: the parties agreed to stay the ITC Investigation pending appellate review of an IPR final written decision invalidating the patent-in-suit. *See Certain Integrated Circuits with Voltage Regulators and Products Containing the Same*, Inv. No. 337-TA-1024, Order No. 55 (Aug. 31, 2018).

Thus, there is no stay, the ITC is highly unlikely to grant a stay, and this factor weighs heavily against institution.

2. Factor 2: The ITC Trial And Investigation Will Be Completed Before The Projected FWD Deadline

Factor 2 weighs heavily against institution because the ITC trial/hearing and Investigation will be completed before the projected final written decision date:

- all relevant deadlines and work in the parallel ITC Investigation are scheduled to conclude substantially before the projected final written decision date, including the ITC Trial/Hearing (**eleven months before** the FWD), the ALJ's Initial Determination, (**six months before** the FWD), and the Commission's Target Date (**two months before** the FWD); and
- the ITC's relevant history of conduct and time-to-final decision statistics establish that there is no reasonable likelihood that the ITC will reschedule these deadlines to after the FWD.

The USPTO's "Guidance on USPTO's Recission of 'Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court

Litigation'" (the "Guidance Memo")[7] re-establishes that "the Board will apply the *Fintiv* factors when there is a parallel proceeding at the International Trade Commission." (EX2107 at 2). The Guidance Memo states "instituting an IPR . . . where the ITC has set a target date for completing its investigation (i.e., the full Commission's final determination) to occur earlier than the Board's deadline to issue a final written decision in a challenge involving the same patent claims means that multiple tribunals may be adjudicating validity at the same time, which may increase duplication and expenses for the parties and the tribunals.[8] (EX2107 at 2).

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[7] Available at https://www.uspto.gov/sites/default/files/documents/guidance_memo_on_interim_procedure_recission_20250324.pdf.

[8] Petitioners suggest that the PTO's Guidance Memo be ignored because the "ITC lacks authority to invalidate claims." (Pet. at 86). But the Guidance Memo addresses this very issue, confirming that the ITC must be considered as a parallel proceeding because "as the *Fintiv* decision explains, although and ITC final invalidity determination does not have a preclusive effect, it is difficult as a practical matter to assert patent claims that are invalid." Indeed, Petitioner's argument that the ITC decision will not preclude a later district court decision

That is the exact circumstance here. If the Board were to institute the Petition, the Final Written Decision deadline would be November 15, 2026, nearly two months after the ITC's September 29, 2026 Target Date for Completion of the Investigation. And it is unlikely that the ITC will reschedule this deadline so that the FWD precedes the completion of the ITC Investigation. Since 2022, the average time between the ITC instituting and completing a full Investigation is 17.7 months.[9] (EX2108). Here, the September 29, 2026 deadline for completing the ITC investigation is more than 18 months after the date the ITC instituted the Investigation, which is well within that 17.7 month average and, indeed, even gives the ITC additional wiggle room in which to complete the Investigation before the projected FWD. (EX2109).

Moreover, the 5-day ITC Hearing is scheduled for February 2-6, 2026, over eleven months before the projected FWD deadline. Therefore, over eleven months

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belies its complaint that it has no options to invalidate the challenged claims—if the Petitioners fail to invalidate the claims at the ITC, they could have a second chance at doing so in the district court.

[9] 17.7 months is the average for ITC Investigations that are completed on the merits. The average time between institution and completion of all ITC Investigations since 2022 is 13.24 months. (EX2108).

before any FWD, the parties and the ITC will already have completed nearly all of the work on the parties' disputes—including Petitioners' invalidity defenses—including all fact discovery, claim construction, expert reports, expert depositions, discovery, pre-trial submissions and motion practice, and the 5-day trial itself. The only work left will be (1) the ITC Administrative Law Judge ("ALJ") presiding over the Investigation issuing her written rulings and opinions on those disputes (including invalidity) by the Initial Determination Date of May 29, 2026 (which is nearly six months prior to the projected FWD deadline); and (2) the parties then potentially petitioning the ITC to review some of the ALJ's determinations, which the ITC will resolve to complete the Investigation by the September 29, 2026 Target Date.

Accordingly, Factor 2 weighs heavily in favor of denying institution. *See Samsung Electronics Co., Ltd. v. Sionyx, LLC*, IPR2024-01431, Paper 21 at 13-14 (PTAB Apr. 10, 2025).

3. Factor 3: The Parties And The ITC Will Have Investigated Significant Time And Resources In The Parallel ITC Investigation By The time Of The Institution Decision

Under *Fintiv* Factor 3, the Board considers "the amount and type of work already completed in the parallel litigation by the court and the parties at the time of the institution decision." *Fintiv* at 9. The Board's Institution Decision is expected no later than November 15, 2025.

The Petition does not even address this factor, which weighs heavily against institution because the parties and the ITC have already expended a great deal of time and resources on this dispute, and will expend even more before an institution decision. For example, as of the filing of this request for discretionary denial:

- The parties have already engaged in nearly four months of intensive discovery, including serving and responding to 143 interrogatories and 342 document requests, producing over 300,000 documents, and producing and reviewing additional confidential materials on secure computers located throughout the United States;
- The parties have engaged in claim construction discovery and exchanged proposed claim constructions;
- Patent Owner has prepared and served its infringement contentions;
- Petitioners have prepared and served their non-infringement contentions responding thereto;
- Petitioners have prepared and served their invalidity contentions, totaling 4,725 pages; and
- Patent Owner has prepared and served its validity contentions responding to Petitioners' extraordinarily voluminous invalidity contentions. (EX2101 at 3-4).

In addition, as of the time of the scheduled November 15, 2025 decision on institution:

- The parties (which include the ITC Commission Staff) will have conducted and finished all fact discovery;
- The parties (which include the ITC Commission Staff) will have completed all Markman briefing;
- The parties will have completed all expert discovery on claim construction, including expert reports and depositions;
- The parties and the ITC will have conducted and completed the Markman hearing;
- Petitioners will have served their Final Notice of Prior Art;
- Patent Owner will have prepared and served its final infringement contentions;
- Petitioners will have prepared and served their final invalidity contentions;
- The parties will have started expert discovery; and
- The parties will have prepared and served all expert reports, including the Petitioners' expert reports on invalidity and the Patent Owner's reports rebutting those invalidity defenses. (EX2101 at 4-5).

In addition, all expert discovery is scheduled to end on November 26, 2025, just eleven days after the Board's institution decision deadline.

Therefore, because the parties and the ITC have invested and will continue to invest significant time and resources in the parallel ITC investigation, Factor 3 weighs heavily in favor of denying institution of the Petition.

4. Factor 4: There is Significant Overlap Between the Issues Raised in the Petition and the Parallel ITC Investigation

"[I]f the petition includes the same or substantially the same claims, grounds, arguments, and evidence as presented in the parallel proceeding, th[at] fact has favored denial." *Fintiv*, IPR2020-00019, Paper 11 at 12. This factor weighs heavily against institution because Petitioners are presenting the substantially the same invalidity grounds and evidence in the ITC as they included in the Petition.

First, as in the Petition, Petitioners are asserting that claims of the '747 patent are invalid by prior art as anticipated under § 102 and as obvious under § 103. In addition, Petitioners' ITC prior art defenses against the '747 Patent are not limited to art that they could not have reasonably raised in the Petition, but instead rely on at least 45 patents and printed publications.

Second, in the ITC, the Petitioners are asserting the same exact references that they assert in the Petition. For example, in Petitioners' ITC Invalidity

Contentions, they assert the claims of the ’747 Patent are invalid in light of the same exact art asserted in this Petition.

Third, there is substantial overlap between the claims challenged in the ITC and those challenged in the Petition. Of the Petition’s eleven Grounds, up to three or four challenge a handful of dependent claims (dependent claims 4, 5, 8, and 9) not currently at issue in the ITC. But each of these claims depends from at least independent claim 1 and one other dependent claims (claim 2 and/or claim 3), each of which **is** at issue and challenged in the ITC. As a result, almost every limitation of claims 4, 5, 8, and 9 is in fact already the subject of Respondents’ invalidity grounds, arguments, and evidence in the ITC. Accordingly, the Petition does not argue (with support or otherwise) that this slight difference somehow means that the Petition does not include “substantially the same claims, grounds, arguments, and evidence as presented in the parallel [ITC] proceeding.” *Fintiv*, IPR2020-00019, Paper 11 at 12-13 (“[I]f a petition involves the same prior art challenges but challenges claims in addition to those that are challenged in the district court, it may still be inefficient to proceed because the district court may resolve validity of enough overlapping claims to resolve key issues in the petition.”). Instead, the Petition just ignores this substantial overlap.

Finally, despite having months to do so, Petitioners have not submitted a *Sotera* stipulation agreeing that if the Petition were granted, they will not pursue

any invalidity grounds they raised or could have raised in the Petition. *See Sotera Wireless, Inc. v. Masimo Corporation*, IPR2020-01019, Paper 12 at 18-19 (PTAB Dec. 1, 2020) (precedential) ("*Sotera*"). And even if they were to belatedly do so, the PTO's Guidance Memo makes clear that such a stipulation is no longer dispositive—regardless of a *Sotera* stipulation, the PTAB and the Director can now exercise its discretion to deny institution. (EX2107 at 2). And institution here would not serve the purpose of an IPR—a faster alternative to a district court or ITC invalidity challenge—because Petitioners are also challenging the validity of these same claims in the earlier ITC Investigation, and those ITC invalidity challenges will be tried and decided months **before** any FWD. Institution will not thus preserve judicial resources, it will waste them by allowing Petitioners to challenge the same claims first in the ITC and then again before the PTAB. The Board can save resources by discretionarily denying this petition and allowing the ITC to adjudicate the validity of these claims under the same art before the PTAB.

For each of the foregoing reasons, Factor 4 weighs heavily in favor of denying institution.

5. Factor 5: Petitioners And Patent Owner Are Parties In The Parallel ITC Investigation

Factor 5 also weighs heavily in favor of discretionary denial because the parties to this proceeding are the same parties in the parallel ITC investigation.

Fintiv, at 15 ("Because the petitioner and the defendant in the parallel proceeding are the same party, this factor weighs in favor of discretionary denial.").

Patent Owner Marlin is Complainant (along with the exclusive licensee Longitude Licensing) in the parallel ITC Investigation, and Petitioners TSMC and Apple are Respondents in the ITC Investigation.

Therefore, Factor 5 weighs heavily in favor of denying institution.

6. Factor 6: No Other Circumstances Justify Institution

The final *Fintiv* factor considers whether there are other circumstances that impact the exercise of discretion, including the merits of the Petition. But no other circumstances weigh against the PTAB and the Director exercising their discretion to deny institution. To the contrary, this factor (like all of the others) weighs in favor of exercising discretion and denying the Petition—as Patent Owner will show in its upcoming Preliminary Response, the Petition not only fails to establish compelling merits, it fails to establish even the required likelihood of success.

The Petition does not argue, much less establish, that compelling merits exist here. Nor would such an (incorrect) argument matter here in light of the other *Fintiv* factors and the holistic assessment weighing against institution. As the PTO's Guidance Memo states, "compelling merits alone is not dispositive in making the [balanced] assessment [of all the relevant circumstances in the case.]" (EX2107 at 3).

Rather than addressing the *Fintiv* factors or arguing that compelling merits are present here, Petitioners claim (without support) that TSMC had a high success rate in **other prior IPRs**. (Pet. at 85). But Petitioners' claim has no relevance to **this** Petition, and Petitioners do not argue or provide any support to the contrary. Indeed, if Petitioners are confident in their abilities to invalidate patent claims, they can do so before the ITC and presiding ALJ (who has considerable experience in both invalidity determinations and semiconductor patents), without needing to waste the PTAB's limited resources to challenge the same claims in a later duplicative and inefficient parallel proceeding.

The Petitioners also argue that discretion should not be exercised here because they are large and successful companies with "substantial and sustained investments and economic activity in the U.S." (Pet. at 86). But wealthy petitioners should not receive biased favorable treatment over smaller petitioners. Nor do Petitioners explain (with support or otherwise) how their success and investments are somehow relevant here. To the contrary, Petitioners have only argued that their success and investments are relevant only to one question—whether the public interest should affect remedies in the parallel ITC Investigation—and in only one forum—**the ITC**. (EX2110 at 4-5; EX2111 at 3). And that is where Petitioners should continue to bring their invalidity defenses, without needlessly wasting the PTAB's time and resources.

The Petition fails to identify any **relevant** circumstances that would impact the exercise of discretion here, much less any circumstances outweighing the above factors and analysis, thereby compelling a discretionary denial here. Accordingly, Factor 6, like Factors 1-5, weighs in favor of denying institution.

For all of the above reasons, the Petition should be discretionarily denied.

IV. Settled Expectations In The Challenged Patent Provide Another Independent Reason To Discretionarily Deny The Petition

In addition to the foregoing *Fintiv* analysis and factors, settled expectations provide another independent reason to discretionarily deny the Petition. For example, in *Cambridge Industries USA, Inc. v. Applied Optoelectronics, Inc.*, IPR Nos 2025-00433 and -00435, Paper No. 11, at 3 (PTAB, June 26, 2025), the PTAB and the Director found that there were strong "settled expectations" as to the challenged patents because they had been in force for nine and seven years, respectively, and, for that reason, discretionarily denied the petitions. Similarly, in *Intel Corp. v. Proxense, LLC*, IPR Nos. 2025-00327, -00328, and –00329, Paper No. 12 at 2 (PTAB June 26, 2025), the PTAB and the Director discretionarily denied the three petitions—even though there was no longer an underlying district court trial date—because there were "settled expectations" as to the three challenged patents since they had been in force for nine years and, therefore, *inter partes* review was not "an appropriate use of Board resources."

Here, the challenged '747 Patent has been in force for nine years, equal to or longer than the foregoing patents for which the Director already has found settled expectations making institution an inappropriate use of Board resources. Accordingly, the settled expectations of the challenged patent alone establish that the Petition should be discretionarily denied.[10]

V. Conclusion

For at least the reasons discussed above, Patent Owner respectfully requests that the Director and the Board exercise their discretion and deny institution of the Petition.

Dated: July 15, 2025

/s/ William A. Meunier
William A. Meunier (Reg. No. 41,193)
Adam S. Rizk (Reg. No. 66,867)
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[10] Petitioners have not argued or provided any persuasive reasons for ignoring these settled expectations. Nor could they because, for example, the Petition identifies no significant change in law affecting the validity of the challenged patent. Moreover, the challenged patent was issued to a direct commercial competitor in the Petitioners' exact commercial space.

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CERTIFICATE OF WORD COUNT

Pursuant to 37 C.F.R. §42.24(d), Patent Owner hereby certifies, in reliance on the word count of the word-processing system (Microsoft Office Word 2010) used to prepare this preliminary response, that the number of words in this paper is 4,620. This word count excludes the tables of contents, tables of authorities, certificate of word count, certificate of service, and table of exhibits.

Dated: July 15, 2025

/s/ William A. Meunier
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CERTIFICATE OF SERVICE

I certify that a copy of Patent Owner's Discretionary Denial was served by electronic mail on the following counsel of record:

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