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

AUTHORIZED RESPONSE TO DIRECTOR REVIEW REQUEST

TABLE OF CONTENTS

Page

I. Summary 1

II. The Director Correctly Discretionarily Denied The Petition Because Of Settled Expectations 4

III. The Director Correctly Discretionarily Denied The Petition Under The *Fintiv* Factors Because Of The Parallel ITC Investigation 8

IV. The Director Should Again Reject Petitioner's Immaterial Arguments About Its Success, Investments, And Importance 11

V. Conclusion 14

I. Summary

The Director correctly discretionarily denied the IPR2025-00865 Petition challenging U.S. Patent No. 9,147,747 (Paper 11), and Petitioner's Request For Director Review identifies no basis for reviewing or changing that decision.

Petitioner's Request merely repeats and rehashes all the same arguments that the Director already correctly rejected, and they should be rejected here for the same reasons. The Director found discretionary denial was appropriate for two independent reasons: (1) settled expectations; and (2) the parallel ITC trial scheduled for February 2, 2026, more than ten months before the projected final written decision date. There is no reason for the Director to revisit or reverse these reasons because:

- The challenged '747 Patent still issued over ten years ago, supporting the Director's decision that discretionary denial is appropriate because "the patent[] challenged in IPR2025-00865 … [has] been in force for . . . nine [years], creating strong settled expectations for Patent Owner and Petitioner does not provide persuasive reading why an *inter partes* review is an appropriate" (Paper 11 at 2);

- In the parallel ITC Investigation, the parties (regardless of the current government shutdown) are still proceeding under the existing schedule and the hearing is still scheduled for February 2, 2026, supporting the Director's decision

that discretionary denial is appropriate because the ITC Hearing is scheduled for at least 10 months before the projected FWD, "it is unlikely that a final written decision in these proceedings will issue before the ITC trial occurs, resulting in significant duplication of effort, additional expense for the parties, and a risk of inconsistent decisions" (Paper 11 at 2); and

- Petitioner's repeated arguments about TSMC's success, investments, and general importance are still immaterial and do not support allocating PTAB resources here, supporting the Director's decision rejecting these arguments because "Petitioner, however, does not explain in sufficient detail why review of the challenged patents is in the interest of national security, the economy, or the public. That is, Petitioner's arguments are not narrowly-tailored towards particular products or manufacturing methods, and the Petitioner does not sufficiently explain how national security, economic, or public interests warrant review of the specific patents challenged in these proceedings." (Paper 11 at 3).

Despite Petitioner's burden, the Request does not identify (a) an abuse of discretion, (b) important issues of law or policy, (c) erroneous findings of material fact, or (d) erroneous conclusions of law. The Request merely repeats already-rejected arguments.

Indeed, the only new development here is the government shutdown, which the Petitioner's Request barely addresses, burying this development in a single

paragraph on page 14 of its 15-page brief. And with good reason. As Petitioner knows but does not address or disclose in its Request, the Parties are still proceeding under the same schedule (since the shutdown, they have completed fact discovery and are currently conducting in expert discovery) and the hearing is still scheduled for February 2, 2026. Moreover, in the unlikely event that the shutdown continues long enough to significantly delay that hearing, the shutdown will have an equal effect on delaying the requested IPR—the PTO's reserves are estimated to last for only two to three months,[1] and in the event of a PTO shutdown, PTAB trials will be stayed.[2] Further, the longest government shutdown in United States history was 35 days. Even if the current shutdown matched that length and somehow the shutdown only affected the ITC case and not the IPR, which there is no reason to think it would, the parallel ITC trial would still occur nine months before the projected final written decision date.

For at least these reasons and those discussed below, Patent Owner respectfully requests that the Director deny Petitioner's Request For Director Review.

---

[1] *See* https://www.debevoise.com/insights/publications/2025/10/consequences-of-a-federal-government-shutdown; https://www.uspto.gov/sites/default/files/documents/fy26pbr.pdf (table on page 6, patents column).
[2] *See* https://www.usitc.gov/press_room/2025_lapse_of_appropriations.

II. The Director Correctly Discretionarily Denied The Petition Because Of Settled Expectations

The Director correctly found that settled expectations provide an independent reason to discretionarily deny the Petition. (Paper 11 at 2). 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."

The Patent Office issued the challenged patent on September 29, 2015, over ten years ago. Moreover, Petitioner TSMC has been, or should have been, well aware of the '747 Patent for many years because it was issued to a direct commercial competitor in the Petitioner's exact commercial space, and the challenged patent regards that very same commercial space.

The ’747 Patent is titled “Semiconductor structure with hard mask disposed on the gate structure,” and, consistent with that title, it discloses and claims an improved method for fabricating semiconductor devices. 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.

Accordingly, the Director correctly determined that discretionary denial was appropriate here because the ’747 Patent has “been in force for . . . nine [years], creating strong settled expectations for Patent Owner and Petitioner does not provide persuasive reading why an *inter partes* review is an appropriate.” (Paper 11 at 2).

On settled expectations, Petitioner's Request merely repeats the same arguments already rejected by the Director. For example, Petitioner again argues that Patent Owner cannot have settled expectations because it purchased the '747 Patent from the original owner. (*E.g.*, Request at 9-11). But this argument is baseless, and Petitioner points to no cases where the fact that a patent has been sold has been found to be relevant. Indeed, as explained below, the decisions on this matter confirm that it is irrelevant. *DataDome S.A. v. Arkose Labs Holdings, Inc.*, IPR2025-00693, Paper 13 (PTAB Aug. 14, 2025) (denying institution due to settled expectations where patent owner acquired the challenged patent a few years prior).

The settled-expectation analysis concerns the age of the patent, among other things, not the length of ownership by any individual entity. This is seen not only in the analysis itself in the decisions issued by the Director, but in the rationale for why actual notice of a patent is not required for settled expectations to attach: the patent is published and made available for interested entities to learn about it. The Director has held that "patent applications (after 18 months) and issued patents are almost always publicly available to provide notice to the public, other inventors, competitors, and commercial interests . . . [a]s such, actual notice of a patent or of possible infringement is not necessary to create settled expectations." *Dabico*, IPR2025-00408, Paper 21 at 3. There is no relevance in that rationale as to who

owns the patent at any given moment or how long they have owned it. Instead, the focus is on the patent itself, the fact that it has been in force for a sufficient amount of time, and that it is sufficiently available to interested entities.

This follows the general principle that the full set of rights as to a patent, as with a piece of property generally, gets transferred with the sale of the patent or other property. Entities purchasing patents expect that the settled expectations of the prior owner, if they exist, carry forward and that the purchaser steps into the shoes of the prior owner, acquiring the same expectations the prior owner had at the time of transfer. Moreover, as a public policy matter, it would hurt the transferability of patents if selling a patent lessens the rights that the patent owner has to something less than the full set of rights, as it would diminish the patent's value.

Indeed, in cases following nearly the same exact fact pattern of this case, discretionary denial has been granted. In *DataDome S.A. v. Arkose Labs Holdings, Inc.*, IPR2025-00693, Paper 13, decided August 14, 2025, just as here, the patents were owned by an entity that acquired them a few years prior, not the original patentee. *Id.* In total, one of the patents had been in force for 10 years, "creating strong settled expectations for Patent Owner," as the '747 patent has been. *Id.* Further, just as Petitioner argues here, in that case, "Petitioner argue[d] that ***it*** had settled expectations that the challenged patents would not be asserted against it

because the previous patent owner never asserted the challenged patents." *Id.* However, in that case, just like here, Patent Owner sent letters identifying the challenged patent and offering a license, an offer that was rejected by the petitioner. The Acting Director found that "Petitioner's assertions of settled expectations do not overcome Patent Owner's strong settled expectations" and the petition was discretionarily denied. The same result is appropriate here.

III. The Director Correctly Discretionarily Denied The Petition Under The *Fintiv* Factors Because Of The Parallel ITC Investigation

Patent Owner Marlin Semiconductor[3] 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.). In Patent Owner's Request For Discretionary Denial, it explained in detail how holistic assessment of the *Fintiv* factors in view of this parallel ITC Investigation heavily weighs for discretionarily denying the Petition. (Paper 7 at 3-22). For example, Patent Owner explained and established that by the (then) November 15, 2026, deadline for the final written decision, the parties and the ITC will have already completed the parallel ITC Investigation, including:

[3] 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.

- The parties and the ITC completing all claim construction briefing and decisions;
- The parties completing all fact discovery;
- Petitioners completing their final Invalidity Contentions;
- Patent Owner completing its final Invalidity Rebuttal Contentions;
- The parties completing and serving all expert reports, including all reports concerning invalidity;
- The parties completing all expert reports;
- 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; and
- The Parties and the ITC conducting the **Investigation's 5-day trial/evidentiary hearing** on all issues, including Petitioners' invalidity defenses, on February 2-6, 2026.

(Paper 7 at 4-7).

The Director correctly agreed and found "a holistic assessment" of these *Fintiv* factors was another independent reason for discretionarily denying the Petition:

> In particular, the projected final written decision due date for each of the [requested IPR trials] is November 15, 2026. The hearing in the parallel U.S. International Trade Commission ("ITC") investigation is set for February 2, 2026. As such, it is unlikely that a final written decision in these proceedings will issue before the ITC trial occurs, resulting in significant duplication of effort, additional expense for the parties, and a risk of inconsistent decisions.

(Paper 11 at 2, 4) (internal citations omitted).

But Petitioner's Request For Director Review completely ignores the relevant *Fintiv* factors, evidence, and analysis, failing to address a single factor, much less all of them. Instead, Petitioner's Request merely devotes a single paragraph to the issue, arguing that the government shutdown somehow compels another result here. (Request at 14-15). It does not.

Petitioner knows but does not address or disclose in its Request, the Parties are still proceeding under the same schedule (since the shutdown, they have completed fact discovery and are currently conducting expert discovery) and the hearing is still scheduled for February 2, 2026, more than 10 months before any projected FWD deadline. Moreover, in the unlikely event that the shutdown

continues long enough to significantly delay that hearing, the shutdown will have an equal effect on delaying the requested IPR—the PTO's reserves are estimated to last for only two to three months,[4] and in the event of a PTO shutdown, PTAB trials will be stayed.[5]

Thus, the *Fintiv* factor analysis is unaffected by the current government shutdown because (1) the ITC Investigation is proceeding as scheduled: (2) even giving credit to Petitioner's speculation about a new hearing date, it is highly unlikely that the hearing will be postponed more than 10 months to close the enormous gap between it and any November 15, 2026 Final Written Decision; and (3) if the government shutdown were to somehow continue for so long that the ITC hearing was delayed that long, there would be no November 15, 2026 Final Written Decision because PTAB would close right along with the ITC—in other words, as the Director already found, "it is unlikely that a final written decision in these proceedings will issue before the ITC trial occurs." (Paper 11 at 2).

IV. The Director Should Again Reject Petitioner's Immaterial Arguments About Its Success, Investments, And Importance

[4] *See* https://www.debevoise.com/insights/publications/2025/10/consequences-of-a-federal-government-shutdown; https://www.uspto.gov/sites/default/files/documents/fy26pbr.pdf (table on page 6, patents column).
[5] *See* https://www.usitc.gov/press_room/2025_lapse_of_appropriations.

Unable to reasonably dispute the Director's prior decisions concerning settled expectations and the parallel ITC Investigation, the leading and primary focus of the Request is it repeating its argument that—unlike other Petitioners—TSMC is just too important and successful for its Petition to be discretionarily denied for well-founded settled expectations or *Fintiv* reasons.

But wealthy petitioners should not receive biased favorable treatment over smaller petitioners. Nor does Petitioner explain (with support or otherwise) how its success and investments are somehow relevant here. To the contrary, Petitioner has only argued that its 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 Petitioner should continue to bring its invalidity defenses, without needlessly wasting the PTAB's time and resources.

And the Director already correctly agreed and rejected this argument:

> Petitioner, however, does not explain in sufficient detail why review of the challenged patents is in the interest of national security, the economy, or the public. That is, Petitioner's arguments are not narrowly-tailored towards particular products or manufacturing methods, and the Petitioner does not sufficiently explain how national security, economic, or public interests warrant review of the specific patents challenged in these proceedings.

(Paper 11 at 3).

But the Petitioner simply blithely ignores the Director and once again repeats its previously-rejected arguments, protesting that it should not need to provide the missing explanations or support. Petitioner in fact has it backward in every regard. Patent Owner is a small company whose ITC Investigation against Petitioner **protects** the U.S. computer chip industry from importation of the infringing products that Petitioner is attempting to bring into the country to illegally compete with the products of U.S. companies.

To be clear, no products manufactured by either Petitioner in the United States is at issue in the ITC case. Only infringing products manufactured abroad and imported into the United States are at issue. Petitioner's appeal in the Request that it is investing in United States manufacturing, or "bringing our supply chain home," (Request at 2) is both legally and factually irrelevant, because that activity is not at issue in the ITC. If Petitioner believes its importation of infringing products into the U.S. is so important, it can continue to do so by either (1) redesigning its infringing products to avoid the Patent Owner's patents; or (2) obtaining a license to Patent Owner's portfolio. Indeed, Patent Owner offered Petitioner TSMC a license to the portfolio but Petitioner refused.

Instead of paying a fair amount to be permitted to practice Patent Owner's patents in the United States, Petitioner TSMC chose to rely on a different strategy,

one based on litigation tactics and ever-increasing legal expense. Since filing IPRs on the five patents in suit in the ITC, Petitioner TSMC has sought to increase its leverage against its much smaller litigation rival by seeking *inter partes* review of five additional patents that are not in suit, including the patent challenged here. *See* Pet.; IPR2025-01054; IPR2025-01082; IPR2025-01484; IPR2025-01527.

These patents have been in effect ten years, nine years, twenty years (expired), nearly eight years, and ten years respectively, and all have had obvious settled expectations attach. The fact that Petitioner TSMC would ask the PTAB to spends its resources assessing the validity of an expired patent is emblematic of its scorched-earth approach to increase litigation costs on a small patentee. Petitioner should not be rewarded for this approach.

V. Conclusion

For the foregoing reasons and those already identified by the Director, Patent Owner respectfully requests that the Director deny Petitioner's Request For Director Review.

Dated: October 14, 2025

/s/ William A. Meunier

William A. Meunier (Reg. No. 41,193)
Adam S. Rizk (Reg. No. 66,867)
Michael T. Renaud (Reg. No. 44,299)
MINTZ, LEVIN, COHN, FERRIS,
GLOVSKY AND POPEO, P.C.
One Financial Center
Boston, MA 02111
Telephone: 617-348-1793
Facsimile: 617-542-2241
E-mail: WAMeunier@mintz.com
ARizk@mintz.com
MTRenaud@mintz.com
Mintz-Marlin-IPRs@mintz.com

Reza Dokhanchy (Reg. No. 62,795)
MINTZ, LEVIN, COHN, FERRIS,
GLOVSKY AND POPEO, P.C.
3580 Carmel Mountain Road, Suite 300
San Diego, CA 92130
Telephone: 858-314-1500
RDokhanchy@mintz.com

Tawfik Goma (Reg. No. 67,416)
MINTZ, LEVIN, COHN, FERRIS,
GLOVSKY AND POPEO, P.C.
777 Brickell Avenue, Suite 500
Miami, FL 33131
Tel: (786) 949-6600
TAGoma@mintz.com

Counsel to Patent Owner Marlin Semiconductor Ltd.

CERTIFICATE OF SERVICE

I certify that a copy of Patent Owner's Authorized Response to Petitioner's Request for Director Review was served by electronic mail on the following counsel of record:

Naveen Modi (Reg.# 46,224)
Joseph E. Palys (Reg.# 46,508)
Howard Herr (*pro hac vice* to be requested)
Joseph Rumpler (Reg.# 71,544)
Jeremy S. Rashid (Reg.# 76,229)
Jacob Rothenberg (Reg.# 77,891)
Paul Hastings LLP
2050 M Street NW
Washington, DC 20036
Tel: (202) 551-1700
PH-TSMC-Marlin-IPR@paulhastings.com

W. Karl Renner (Reg.# 41,265)
Fish & Richardson P.C.
60 South Sixth Street, Suite 3200
Minneapolis, MN 55402
PTABInbound@fr.com
IPR50095-0269IP1@fr.com
axf-ptab@fr.com

Jeremy J. Monaldo (Reg.# 58,680)
Fish & Richardson P.C.
1000 Maine Ave., S.W., Suite 1000
Washington, DC 20024
Tel: (202) 783-5070
jjm@fr.com

Gretchen DeVries (Reg.# 72,505)
Fish & Richardson P.C.
7 Times Square, 20th Floor
New York, NY 10036
Tel: (212) 765-5070
devries@fr.com

Dated: October 14, 2025

/s/William A. Meunier
William A. Meunier (Reg. No. 41,193)