

Filed on behalf of:

Date: September 16, 2025

Petitioner

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UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE PATENT TRIAL AND APPEAL BOARD

UNITED MICROELECTRONICS CORPORATION,
AND
UMC GROUP (USA),
Petitioner,

v.

ADVANCED INTEGRATED CIRCUIT PROCESS LLC,
Patent Owner.

Case IPR2025-01090
U.S. Patent No. 8,907,425

**PETITIONER'S OPPOSITION TO PATENT OWNER'S
DISCRETIONARY DENIAL REQUEST**

I. Introduction

The patent owner, Advanced Integrated Circuit Process LLC (“AICP”), is the plaintiff in two consolidated patent cases in United States District Court in Marshall, Texas. The defendant in the lead case is present petitioner United Microelectronics Corporation (“UMC”). The defendant in the second case is Taiwan Semiconductor Manufacturing Company Ltd. (“TSMC”). AICP is asserting seven semiconductor patents in each of these cases. Its infringement contentions against UMC alone comprise nearly 270 pages of claim charts, illustrated with transmission electron microscopy images of the accused semiconductors.

UMC's burden with this brief is a heavy one. The Director has already discretionarily denied institution of seven *inter partes* review (“IPR”) petitions filed by TSMC, including one directed to U.S. Patent No. 8,907,425 (the “’425 patent”) that is in issue in this proceeding.

So, this brief will not rehash all the *Fintiv* arguments made in the extensive briefing directed towards the TSMC petition. Instead, it is focused on the core question underlying all that briefing: Did Congress intend for the Patent Office to institute an IPR in a case like this one? AICP's arguments that institution should be denied turn the answer to that question on its head and pull it inside-out.

II. Argument

It is undisputed that Congress's fundamental intent in creating the IPR system was to provide an alternative to complex patent litigation in District Courts. *Cuozzo Speed Techs., LLC v. Lee*, 579 U.S. 261, 278 (2016) (“See H. R. Rep., at 48 (*Inter partes* review is a “quick and cost effective alternativ[e] to litigation”); *id.*, at 46–47 (“The Act converts inter partes reexamination from an examinational to an adjudicative proceeding”); see also S. Rep. No. 110-259, p. 20 (2008) (*Inter partes* review is “a quick, inexpensive, and reliable alternative to district court litigation”); 157 Cong. Rec. 3429-3430 (2011) (remarks of Sen. Kyl) (“Among the reforms that are expected to expedite these proceedings [is] the shift from an examinational to an adjudicative model”).

AICP itself acknowledges this in its brief requesting denial of UMC's petition. See AICP brief (Paper 8) at 19 (“Congress sought to promote by creating, in IPRs, a quick and cost effective alternative to litigation,” internal punctuation omitted).

But AICP then spends more than twenty pages arguing that instituting an IPR proceeding on this petition “would undermine the policy goals that Congress sought to promote.” *Id.* That position is ridiculous. It is perfectly clear that Congress's express purpose in creating IPRs was to provide an *alternative* to litigating two technically and legally complex seven-patent semiconductor cases to two jury trials on patent validity. This case is the poster child for IPRs.

AICP might have a point if it could plausibly argue that instituting this IPR would result in duplicative litigation. But that argument cannot be made. It is clearly Judge Gilstrap's practice to grant stay requests filed after institution of IPRs covering all asserted patents. *See, e.g., Uniloc U. S. v. Avaya Inc.*, No. 6:15-CV-01168-JRG, 2017 U.S. Dist. LEXIS 168855, at *5 (E.D. Tex. Apr. 19, 2017); *Image Processing Techs., LLC v. Samsung Elecs. Co.*, No. 2:16-CV-505-JRG, 2017 U.S. Dist. LEXIS 223321, at *3 (E.D. Tex. Oct. 25, 2017); *Customedia Techs., LLC v. Dish Network Corp.*, Civil Action No. 2:16-cv-129-JRG, 2017 U.S. Dist. LEXIS 167972, at *4 (E.D. Tex. Aug. 9, 2017); *Intellectual Ventures II LLC v. BITCO Gen. Ins. Corp.*, No. 6:15-cv-59, 2016 U.S. Dist. LEXIS 79778, at *10 (E.D. Tex. May 12, 2016).

Judge Gilstrap did recently deny TSMC's motion to stay . . . but only because AICP convinced the Director to discretionarily deny TSMC's IPR petitions:

It has been this Court's consistent and long established practice to deny motions to stay pending IPR when the PTAB or PTO have instituted review on less than all asserted claims of all asserted patents because at least one or more originally asserted claims will be unaffected by the outcome of those parallel proceedings and left intact before this Court to be tried.

AICP LLC v. TSMC, No. 2:24-cv-730 (E.D. Tex. Aug. 28, 2025).

There is little doubt that *if these IPRs are instituted*, Judge Gilstrap will stay both the UMC case and the TSMC case, and there will be no duplicative litigation. AICP's argument that the Director should deny institution because Judge Gilstrap

has not stayed the District Court case is backwards. In accordance with Congressional intent, the Patent Office should institute these IPRs precisely because if they are instituted, the District Court cases will be stayed. If they are discretionarily denied, Judge Gilstrap will never get an opportunity to order a stay.

And all that assumes that AICP is actively opposing a stay. Really, if AICP were concerned about duplicative litigation, it would agree to jointly seek a stay of the District Court cases if these IPRs are all instituted. Then, there would be zero risk of duplicative litigation. (AICP has in fact expressed its preference to decide validity “at the same time in a single proceeding that binds all relevant parties,” which can only be achieved before the PTAB. *See* IPR2025-00683, Paper 6, 42 (emphasis omitted).)¹

AICP's second primary argument (after duplicative litigation) is settled expectations. There again, AICP has things backwards. AICP did not acquire these patents until July 30, 2024. How settled could its expectations be after just over a year as a patent owner?

¹ Notably, TSMC has already stipulated to drop its prior-art invalidity defenses in District Court if UMC's IPRs reach final written decision. *See* EX2043.

The '425 patent was issued in 2014 to *Panasonic*.² While Panasonic, the alleged innovator, might have an argument that after ten years without challenge its expectations are settled, nothing entitles *AICP* to essentially assume validity based on the previous patent owners' experience. Patent trolling would be too easy if new patent owners like *AICP* could avoid Congressionally intended IPRs simply by making sure to buy only old patents.

Moreover, the truly settled expectations here are those of the semiconductor industry. These patents have never been enforced. UMC and TSMC (and the rest of the industry) could, after the patents spent years sitting in a Panasonic file cabinet, plausibly expect that they would never be enforced—particularly when, as TSMC explained in its discretionary-denial briefing (IPR2025-00683, Paper 10 at 8, 36), the products that *AICP* is accusing of infringement include products on the market long before the '425 patent even issued. *See Shenzhen Tuozhu Tech. Co., LTD v. Stratasys Inc.*, IPR2025-00531, Paper 10 at 3 (Acting Dir. Stewart July 17, 2025) (finding “evidence that the challenged patents have never been ‘commercialized,

² The challenged patents were originally assigned to Panasonic Corporation, who assigned them to Panasonic Semiconductor Solution Co. Ltd., which was acquired by Nuvoton, who sold the patents to *AICP*.

asserted, marked, licensed, or otherwise applied' . . . weighs against Patent Owner's claim of strong settled expectations" with respect to its patent that had been in force for approximately ten years.) If it is a question of whose expectations were more reasonably settled, it cannot be that AICP's expectations were reasonably settled, and UMC's were not.

Moreover, patents serve a public-notice purpose. That purpose is frustrated, and the U.S. patent system is unbalanced contrary to Congressional intent, if new patent owners can avoid IPRs as discussed above. The public's expectations that the '425 patent does not apply to the accused technology are long-settled and demand referral.

III. Conclusion

The Patent Office's Administrative Patent Judges have the technical expertise to understand these patents and the prior art. 35 U.S.C. § 6(a) ("The administrative patent judges shall be persons of competent legal knowledge and scientific ability"). And, in the PTAB, there is a well-oiled procedural machinery in place to consider UMC's petition and decide on its merits, rapidly, finally, and with judicial economy. It would absolutely contravene Congressional intent, and defy the long-settled expectations of the semiconductor industry and the public, to throw away the Patent Office's expertise and rapidly moving procedural machinery in favor of two District Court trials, as AICP demands.

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Respectfully submitted,

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CERTIFICATE OF SERVICE

Pursuant to 37 C.F.R. §42.6(e), the undersigned certifies that on this 16th day of September, 2025, I caused to be served a true and correct copy of the foregoing **Petitioner's Opposition to Patent Owner's Discretionary Denial Request** by e-mail (as agreed in the Service Information section of Patent Owner's Mandatory Notice)

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