UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

AESTHETIC MANAGEMENT PARTNERS, LLC AND AESTHETIC MANAGEMENT PARTNERS, INC.,
Petitioners,

v.

HYDRAFACIAL LLC,
Patent Owner.

Case No. IPR2025-01217[1]
Patent No. 11,446,477

PETITIONERS' BRIEF IN RESPONSE TO *SUA SPONTE* DIRECTOR REVIEW

[1] This word-for-word identical paper is being filed in Case No. IPR2025-01169.

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The Director's Order initiated *sua sponte* review to determine whether these two IPRs, concerning the '052 and '477 patents, should be discretionarily denied (*i.e.*, de-instituted) in view of the ITC's findings regarding the related '287 patent. However, ***Director Squires already considered this exact issue*** during the discretionary denial phase of both IPRs, and concluded that discretionary denial in view of the ITC's findings was not appropriate. Paper 13 (November 20, 2025).[2]

Four months earlier, in July 2025, Acting Director Stewart also declined to discretionarily deny identical IPRs due to "***material error***" during examination. IPR2025-00445, -00453, Paper 14, 3. HydraFacial settled those IPRs, but only after AMP had filed understudy petitions leading to the present IPRs.

A bedrock principle of the PTAB's operations is that "[t]he Director has an interest in … ensuring consistent decisions within and across Board jurisdictions." PTAB Standard Operating Procedure 2 (Rev. 11) at 2. Reaching an inconsistent decision now—after finding material examination error that negated discretionary denial, and then concluding that the ITC's findings also do ***not*** justify discretionary denial—would undermine that important interest.

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[2] Paper 13 is materially identical in both IPR2025-01169 and IPR2025-01217. Separate citations will be provided when either the contents or the numbering of a Paper or an Exhibit materially differ between the two IPRs.

Furthermore, the ITC's conclusions about the prior art directly contradict the Office's own repeatedly-expressed views. With respect to the Karasiuk-Palmer grounds, while the ITC found Palmer "non-analogous" based on manifestly incorrect reasoning, the Office's Patent Examiners reached the opposite conclusion, finding that the Karasiuk-Palmer combination renders obvious claims materially identical to those at issue here. With respect to the Greenberg-based grounds, in the absence of meaningful argument from the respondents—which did not include Petitioners ("AMP")—the ITC found that Greenberg's particles are not "treatment material," but the Office's Patent Examiners again reached the opposite conclusion. Further, Director Squires instituted both IPRs despite HydraFacial's POPRs arguing both of these points based on the ITC's decision.

The Director's Order cites the possibility of "inconsistent decisions," but in that respect, these IPRs are the solution, not the problem. The Office and the ITC have ***already*** reached inconsistent conclusions about the prior art, and these IPRs present an opportunity for the Office to resolve the parties' dispute and avoid further potentially inconsistent results as HydraFacial continues to prosecute suits on the '052 and '477 patents against AMP and others in district courts around the country. *Berkshire Hathaway Energy Co. v. Birchtech Corp.*, IPR2025-00274, Paper 23, 2-3 (Dir. July 2, 2025) (rejecting discretionary denial because an IPR is more efficient than multiple district court cases separately addressing validity).

I. PROCEDURAL HISTORY

A. Eunsung Files IPR Petitions Against the ’052 and ’477 Patents, Which the Acting Director Declines to Discretionarily Deny

Eunsung Global Corp., a respondent in the 1408 ITC Investigation, filed IPR petitions against the’052 and ’477 patents in January 2025. The ’052 patent IPR petition included grounds based on the combination of Karasiuk and Palmer. IPR2025-00445, Paper 2, 1. The ’477 patent IPR petition included similar grounds, plus additional grounds based on Greenberg. IPR2025-00453, Paper 2, 1. HydraFacial sought discretionary denial, but the Acting Director dismissed that request, finding “material error” during underlying prosecution because “the patent examiner overlooked certain teachings in Karasiuk that appear to disclose the allowable features of the claims.” IPR2025-00445, -00453, Paper 14, 3.

B. AMP Files Understudy Petitions Before Eunsung Settles, and Director Squires Twice Declines to Discretionarily Deny Them, Despite the ITC’s Finding

HydraFacial promptly settled with Eunsung to avoid institution, but not before AMP copied Eunsung’s petitions, initially in an understudy capacity, and filed them as the petitions now at issue here.

HydraFacial again sought discretionary denial, in significant part based on the ITC’s decision regarding the ’287 patent (EX2161), which had issued a month earlier. IPR2025-01169, Paper 7, 7-11; IPR2021-01217, Paper 7, 7-13.

In response, AMP explained that (1) these IPRs involve additional prior art references that the ITC did not address; (2) the record before the ITC was very different—and deficient—compared to these IPRs; and (3) the ITC's conclusions about the prior art (and alleged commercial success) were plainly erroneous. IPR2025-01169, Paper 8, 9-12; IPR2025-01217, Paper 8, 10-14.

In November 2025, Director Squires declined to discretionarily deny. "[A]fter review of discretionary considerations," he explained, these IPRs "will be reviewed for merits and non-discretionary considerations." Paper 13, 2.

Thereafter, in IPR2025-01169, HydraFacial ***again*** sought discretionary denial on the ground that Petitioners allegedly advanced inconsistent claim constructions before the Board and the district court. *Id.*, Paper 14. After Petitioners explained the inaccuracy of HydraFacial's argument (*id.*, Paper 16), Director Squires again dismissed HydraFacial's discretionary denial request, concluded that both petitions demonstrate "a reasonable likelihood of prevailing," and instituted both IPRs—but stayed them in view of the Director Review of IPR2025-00145 concerning the '287 patent. IPR2025-01169, Paper 17, 3; IPR2025-01217, Paper 14, 3.

In sum, Director Squires and Acting Director Stewart collectively dismissed HydraFacial's discretionary denial requests of these petitions three separate times as to the '052 patent, and two separate times as to the '477 patent.

II. ARGUMENT

Maintaining these IPRs, despite the ITC's determination in the 1408 Investigation, will resolve already-existing inconsistencies and reduce both duplication of effort and expense to the parties.

A. These IPRs Will Allow the Office to Resolve Existing Inconsistencies Between the Office and the ITC

Petitioners had no involvement in the 1408 Investigation that led to the ITC decision at issue (EX2161). That decision reflects two fundamental, ***existing*** inconsistencies between the Office and the ITC that can and should be resolved by allowing these IPRs to proceed to final written decision.

1. The Karasiuk-Palmer Combination

The ITC ALJ premised her rejection of the Karasiuk-Palmer combination on the idea that Palmer is not "analogous art." EX2161, 148 ("Palmer is not analogous art"), 157 ("Cartessa's obviousness argument fails at the outset because Palmer is not analogous art."). The ITC ALJ incorrectly found Palmer limited to dental applications (EX2161, 150), when in fact it broadly discloses "delivering a selected one of multiple liquid solutions to a treatment site" ***not*** limited to teeth. EX1005, Title ("to a treatment site"), Abstract (same), 1:10-16 ("to treatment sites, ***such as*** in connection with periodontic procedures"), 2:48-51 ("to a treatment site"), 2:52-56 (same), 2:57-62 (same), 2:63-66 (same), 3:3-8 (same), 3:9-14 (same), 3:15-26 (same), 4:50-68 (same).

To qualify as analogous art, a reference need only be "from the same field of endeavor" or "reasonably pertinent" to the invention. *In re Bigio*, 381 F.3d 1320, 1325-26 (Fed. Cir. 2004) (toothbrush is "analogous art" with respect to hair brush). Palmer sails over this threshold.

Two of the Office's Patent Examiners, considering a continuation application in the same family (and with the same specification and very similar proposed claims) as both the '052 and '477 patents, repeatedly rejected the proposed claims over Karasiuk in view of Palmer. *See* Serial No. 18/638,470. They first did so on January 6, 2025, and then, after considering HydraFacial's responsive arguments, maintained the rejection on August 26, 2025. *Id.* (1/6/25 Final Rejection, 10; 8/26/25 Final Rejection, 10). Thus, it is clear that the Office's Patent Examiners disagree with the ITC's view that Palmer is "non-analogous art."

Subsequently, HydraFacial pressed the "non-analogous art" argument in its POPRs, stressing the ITC ALJ's decision. IPR2025-01169, Paper 11, 14-15; IPR2025-01217, Paper 11, 15-17. However, Director Squires was unpersuaded. He found that AMP has a "reasonable likelihood of prevailing" and instituted both IPRs. IPR2025-01169, Paper 17, 3; IPR2025-01217, Paper 14, 3.

Far from posing a "risk" of inconsistency, these IPRs have the potential to ***resolve the already-existing inconsistency*** between the Office's view of Karasiuk-Palmer and the ITC's contrary, incorrect, "non-analogous art" finding.

2. The Greenberg Reference

HydraFacial contends that including multiple containers in a skin treatment system is the core of its invention. IPR2025-001169, EX2004, ¶¶ 234-239; IPR2025-01217, EX2004, ¶¶ 324-329. Greenberg indisputably discloses this feature. EX1006, ¶ [0077].

Unlike Karasiuk, which delivers liquid to the treatment handpiece, Greenberg delivers particles. The ITC ALJ's conclusion that Greenberg fails to disclose the claimed "treatment material" was based on the assumption that liquid is required. EX2161, 133-137. This conclusion was plainly incorrect since the shared specification of the '287, '052 and '477 patents expressly defines "treatment material" as "a broad term" that "includes … a plurality of fine solids," which indisputably describes Greenberg's particles. IPR2025-01169, EX1001, 5:35-40; IPR2025-01217, EX1001, 5:38-43.

The ALJ reached this conclusion despite never having formally construed the term (EX2156, EX2157, EX2166) since no party proposed it for construction. EX2161, 109 n.35. Rather, the respondents—which did not include AMP—argued that Greenberg satisfies the "treatment material" limitation by virtue of its disclosure of oils mixed with solid particles, rather than arguing that the inventors' own definition in the specification embraces the solid particles themselves. EX2161, 133-137.

The Office's Patent Examiners have consistently concluded—contrary to the ITC ALJ—that Greenberg's particles ***are*** "treatment material." Indeed, the four Patent Examiners who handled the '477 and '052 patents all explained that Greenberg's particle-filled containers meet the HydraFacial claim limitations requiring a container containing "treatment material." IPR2025-01217, EX1002, 243-244 ("Greenberg discloses … a system for performing a skin treatment procedure … the container is releasably coupled to the manifold to allow an operator to change the ***treatment material*** at his/her discretion (paragraph 0079)."), 124-125 (same); PTAB2025-01169, EX1002, 106 ("Greenberg discloses … a system for performing a skin treatment … comprising … a fluid container (18) … wherein the display comprises a user input device … capable of controlling a flow of ***treatment materials*** from the at least one fluid container to the handpiece assembly."). Thus, it is clear that the Office's Patent Examiners disagree with the ITC's view that Greenberg's particles do not qualify as "treatment materials."

Subsequently, HydraFacial pressed this same argument in its POPR regarding the '477 patent, emphasizing the ITC ALJ's decision. IPR2025-01217, Paper 11, 1, 3, 55-60. However, Director Squires was unpersuaded. He found that AMP has a "reasonable likelihood of prevailing" and instituted the IPR. IPR2025-01217, Paper 14, 3.

In short, IPR2025-01217 has the potential to ***resolve the already-existing inconsistency*** between the Office's consistent view of Greenberg and the ITC ALJ's contrary, incorrect, conclusion that Greenberg's particles are not "treatment material" within the meaning of these patents, despite the exceedingly clear definition provided in the patent specification and the Patent Examiners' conclusions, which should also contribute to a proper claim construction analysis. *Alnylam Pharms., Inc. v. Moderna, Inc.*, 138 F.4th 1326, 1334 (Fed. Cir. 2025) ("[T]he applicant has ample control over provision of definitions, so when a definition is expressly stated, the public is generally entitled to expect clear notice of exceptions."); *Deere & Co. v. Bush Hog, LLC*, 703 F.3d 1349, 1358-59 (Fed. Cir. 2012) (a claim limitation should not be construed to exclude that which the Examiner found, during prosecution of the patent, that it covers).

B. These IPRs Will Also Reduce Duplication of Effort and Expense to the Parties

This is not a situation in which the Patent Owner and the Petitioner already litigated the IPR issues in another forum. Here, the ITC ALJ's decision came in Investigation No. 1408, in which AMP was ***not*** a respondent. HydraFacial did sue AMP at the ITC in a different case (Investigation No. 1416), but HydraFacial unilaterally dropped that case with less than two weeks left in discovery—after having forced AMP to spend a great deal of money and effort defending itself—thus preventing AMP from having its day in court at the ITC.

AMP has been seeking resolution of its invalidity arguments since being sued by HydraFacial almost two years ago, in Summer 2024. Having already passed both the discretionary denial stage (multiple times) and institution, these IPRs have progressed significantly. Further, the parties already filed their Patent Owner Response and Petitioner's Reply in IPR2025-00145 concerning the '287 patent, which involves overlapping issues and thus, in practice, most of the parties' work on these IPRs is already complete. Allowing these IPRs to proceed to final written decision would unquestionably be the most efficient way for the parties to resolve their dispute over the validity of the '052 and '477 patents. Otherwise, the parties will have to wait an unknown period of time for resolution of their validity disputes, since the district court litigation between AMP and HydraFacial is proceeding slowly and no trial date has been set.

III. CONCLUSION

Petitioners respectfully request that the Director lift the stay of these IPRs and allow them to proceed to final written decision.

Respectfully submitted,

Date: May 8, 2026

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CERTIFICATE OF SERVICE UNDER 37 C.F.R. § 42.6 (e)(4)

I certify that on May 8, 2026, a copy of the foregoing document, including any exhibits filed therewith, is being served via electronic mail, as previously consented to by Patent Owner, upon the following:

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