

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

TAIWAN SEMICONDUCTOR MANUFACTURING CO. LTD.,

Petitioner

v.

ADVANCED INTEGRATED CIRCUIT PROCESS LLC,

Patent Owner

Case IPR2025-01305

Patent 8,329,572

**PATENT OWNER'S REPLY BRIEF IN SUPPORT OF DISCRETIONARY
DENIAL PURSUANT TO THE BOARD'S MARCH 26, 2025
INTERIM PROCESSES FOR PTAB WORKLOAD MANAGEMENT
[PUBLIC REDACTED VERSION]**

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TSMC’s opposition (“Opp’n”) does not dispute that its five IPR petitions seek to invoke the Board’s limited resources to adjudicate 89 claims, most of which are ***both*** expired ***and*** not asserted in any lawsuit. Nor does TSMC dispute that the trial court can resolve all pertinent validity disputes in a ***single*** proceeding without requiring the Board to undertake ***five*** laborious IPR proceedings. And TSMC admits that the scheduled trial date precedes the projected FWD date by months, Opp’n at 16, meaning that the district court will likely do so well before the Board. Instead, TSMC advances four flawed arguments, none of which merits institution.

I. TSMC’s Examiner Error Arguments Are Flawed

The Petition does not assert examiner error. *See* Petition (no reference to “error” or “examiner”). This is for a very simple reason: none of the references that were of record during the prosecution of the ’572 patent supports an examiner rejection. TSMC does not argue otherwise. Instead, TSMC’s examiner error theory is predicated solely on alleged “mistakes in the examiner’s prior art ***search strategy***.” Opp’n at 3 (emphasis added). In short, TSMC thinks the examiner should have located different references. TSMC cites no legal authority for its novel theory, which is not—and has not even been—the standard for assessing examiner error. *Cf. Apotex Inc. v. Auspex Pharm., Inc.*, IPR2021-01507, Paper 9 at 35 (PTAB Mar. 9, 2022) (“[I]n the absence of any showing that the Examiner relied upon materially false or incomplete statements during prosecution, or otherwise failed to

properly apply the standard for assessing unexpected results, we find Petitioner's information insufficient to support a finding of material Examiner error.").

Further, even if TSMC's legal theory had merit—and it does not—TSMC's gripes about the Examiner's search strategy are the product of objective-oriented hindsight. After locating the Petition's references *more than a decade after the prosecution of the '572 patent*, TSMC developed a set of "search terms" designed in hindsight to produce those references. *See* Opp'n at 5-6. It is therefore no surprise that TSMC's cherry picked "search terms" yield the Petition's references. But hindsight makes no greater sense when considering an examiner's search strategy than when considering the examiner's evaluation of the references he or she does locate. *Cf. KSR Int'l Co. v. Teleflex Inc.*, 550 U.S. 398, 421 (2007) ("A factfinder should be aware, of course, of the distortion caused by hindsight bias and must be cautious of arguments reliant upon *ex post* reasoning."). Here, the Examiner used search terms that were reasonable based on the relevant claim language. There was no material error in the Examiner's search strategy just because TSMC thinks different terms or classifications should have been used.

Further, the "material examiner error" concept is not an open invitation for Monday morning quarterbacking, particularly in the discretionary denial analysis. Instead, this concept was intended to give IPR petitioners an opportunity to argue that references or arguments already considered by the Office should be

reconsidered. *See Advanced Bionics, LLC v. MEDEL Elektromedizinische Geräte GmbH*, IPR2019-01469, Paper 6 (PTAB Feb. 13, 2020) (precedential). The concept does not apply when, as here, “the same or substantially the same art or arguments were not previously presented” to the Office. *Slayback Pharma LLC v. Eye Therapies, LLC*, IPR2022-00142, Paper 13, at 54 (PTAB May 18, 2022).

TSMC’s examiner error theory is a thinly disguised merits argument. AICP has already explained that it is not addressing the Petition’s merits at this stage, partly because TSMC is using the IPR process “as a tactical stalking horse to learn AICP’s rebuttals to its validity challenges prior to the due date for its expert reports in the Lawsuit.” Paper 11 at 18. Further, while AICP prepared and filed preliminary responses exposing some of the numerous flaws in six of TSMC’s earlier IPR petitions, doing so created significant expense and duplication even though the Director ultimately granted discretionary denial. *See id.* at 18-19 (referencing IPR2025-00682, Paper 17 and IPR2025-00828, Paper 17). If proceedings are instituted here, AICP intends to develop rebuttals to the Petition’s grounds and vigorously defend the ’572 patent’s validity.

II. TSMC’s “Settled Expectations” Arguments Are Flawed

The ’572 patent issued almost thirteen years ago and is now expired. The Director has already (1) held that other similarly situated AICP patents create strong settled expectations for AICP; and (2) rejected the very same arguments TSMC now

makes. *See id.* and 19-20. AICP’s settled expectation arguments are even stronger here because [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]. *Intel Corp. v. Proxense LLC*, IPR2025-00327, Paper-12, 2-3 (June 26, 2025). Moreover, the licenses doubtless are in TSMC’s technology space because, as TSMC concedes, the four patents are focused on a single technology: namely, “semiconductor design and manufacture.” Opp’n at 19.

III. TSMC’s Arguments Relating to the Other *Fintiv* Factors Are Flawed

While TSMC’s *Fintiv* arguments are flawed, two merit special attention. First, although TSMC admits the trial date precedes the projected FWD due date by months, Opp’n at 16, TSMC nevertheless says *Fintiv* Factor 2 is “at least neutral,” *id.* TSMC is incorrect. *See* Paper 11 at 11-12. And TSMC’s trial statistics have little weight because a firm trial date exists and no evidence suggests that trial will be delayed. TSMC’s example of a trial that was delayed by just three weeks (*i.e.*, from October 3rd to 27th), Opp’n at 17, highlights why, even if trial was delayed, it would likely not invert the order of the trial and FWD dates.

Second, TSMC does **not** dispute that discovery available only in the district court could eliminate some of the five IPR petitions’ grounds. *See* Paper 11 at 17-18. While TSMC labels such evidence “speculat[ive],” Opp’n at 20, it does **not**

dispute that: (1) regardless of institution, AICP must continue litigating validity in court to obtain the evidence; and (2) if AICP does so successfully, thereby defeating some invalidity theories in court, the tribunals could arrive at inconsistent decisions.

IV. TSMC's Arguments Relating to National Security Are Flawed

TSMC's feigned fears over national security are meritless. First, TSMC's alleged fear that its products will be enjoined because boilerplate language in AICP's complaint "seeks an injunction," Opp'n at 3, is nonsense. TSMC admits the '572 patent is expired, Opp'n at 14, and black letter law establishes that "the district court cannot enjoin [an accused infringer] from infringing an expired patent," *Lans v. Digital Equip. Corp.*, 252 F.3d 1320, 1328 (Fed. Cir. 2001).

Second, even if a theoretical risk of an injunction existed, AICP has already waived injunctive remedies with respect to the '572 patent. *See* Paper 11 at 19.

Third, the Director has already explained the two requirements for TSMC to advance its national security argument—namely, TSMC's arguments must be "narrowly-tailored towards particular products or manufacturing methods" and must explain how national security interests warrant review of the challenged '572 patent. *See* Paper 11 at 18-19 (quoting the Director's prior ruling). But TSMC's opposition outright refuses to "specifically identify the affected military products." Opp'n at 21. And TSMC also refuses to explain how the '572 patent allegedly relates to national security or the other asserted public interests.

Dated: November 5, 2025

Respectfully submitted,

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CERTIFICATE OF SERVICE

The undersigned certifies that pursuant to 37 C.F.R. § 42.6(e), a copy of the foregoing **Patent Owner's Reply Brief in Support of Discretionary Denial Pursuant to The Board's March 26, 2025 Interim Processes for PTAB Workload Management [Public Redacted Version]**, was served to the following counsel of record for Petitioner addressed as follows:

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