

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

YANGTZE MEMORY TECHNOLOGIES COMPANY, LTD.

Petitioner

v.

MICRON TECHNOLOGY, INC.

Patent Owner

IPR2025-00500

U.S. PATENT 10,475,737

PETITIONER'S REQUEST FOR DIRECTOR REVIEW

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All emphases in quotations are added unless otherwise noted.

Direct quotations of claim language are italicized.

This paper includes color illustrations and should be viewed in color.

I. INTRODUCTION

Petitioner respectfully requests Director review of the Decision Denying Institution of *Inter Partes* Review (“IPR”) (“Decision”).¹

Although the Decision purported to undertake a “holistic” review of all factors relevant to discretionary denial, the record demonstrates otherwise. The Decision denied institution solely based on a single, flawed factor of “settled expectations,” while other critical considerations—including the absence of parallel litigation, prior Board findings on related patents, and unrebutted evidence of material examiner error—were ignored. The Director has emphasized in prior decisions that these factors weigh heavily against discretionary denial. The Decision’s failure to conduct a genuine, balanced analysis constitutes an abuse of discretion and legal error.

The Decision’s finding of “strong settled expectations” is based only on the amount of time that had passed since the patent issued, without accounting for other relevant considerations. Particularly, the Decision rests on erroneous factual findings concerning the length of time the challenged ’737 and ’974 patents have

¹ The Decision is directed to IPR2025-00498 and IPR2025-00499 (“’498 IPR” and “’499 IPR”) for US 8,803,214 (“’214 patent”), IPR2025-00500 (“’500 IPR”) for US 10,475,737 (“’737 patent”), and IPR2025-00501 (“’501 IPR”) for US 10,373,974 (“’974 patent”).

been in force, resulting in the unsupported conclusion that “strong settled expectations” exist for Patent Owner. Moreover, the Decision’s finding of “strong settled expectations” is inconsistent with Director precedent, which has repeatedly held that patents with similar or even longer periods of enforceability do *not* give rise to such expectations.

Finally, the Decision’s reliance on PTO guidance that was issued after the filing of these IPRs violates both the Administrative Procedure Act (“APA”) and the Due Process Clause, as this retroactive application of new guidance robs Petitioner of the opportunity to take into account the many rule changes in crafting its Petitions.

II. ARGUMENT

A. The Decision Erred in Relying on “Settled Expectations” Alone to Deny Institution

The Decision relies on the alleged “strong settled expectations” for Patent Owner alone to deny institution and erroneously concludes that Petitioner failed to show why IPR would be an appropriate use of Board resources. Decision at 2. This finding, however, disregards the substantive arguments and overwhelming evidence presented in Petitioner’s Opposition to Discretionary Denial Request (“DD Opposition”)—and Director precedent—favoring referral to the Board.

1. The absence of parallel litigation weighs strongly against discretionary denial of the ’214, ’737, and ’974 patents

The challenged patents have been dismissed from the litigation in which they

were asserted against Petitioner, and thus, there is *no* parallel litigation here concerning these challenged patents. As the Decision acknowledges, “there is no immediate concern of inconsistent outcomes or significant duplication of efforts resulting from two proceedings operating in parallel.” Decision at 2. When faced with similar circumstances, the Director has routinely weighed this factor heavily and found that it counsels against discretionary denial even when the challenged patents have been in force for over seven years.

In *Arm*, the discretionary denial request was initially granted, but the Director vacated that decision after the parallel litigation between the parties was dismissed. *Arm Ltd. et al. v. Daedalus Prime LLC*, IPR2025-00207, Paper 14 (Director Aug. 6, 2025) (“*Arm*”). The Director concluded that discretionary denial was no longer warranted after “the litigation has been dismissed, the balance of factors weighs in favor of referral.” *Id.* at 2. The same reasoning for denying discretionary denial exists here because the challenged patents have been dismissed in parallel litigation.

Further, in *Arm*, the Board had determined that substantially identical claims in a related patent were unpatentable, and similarly here, the Board determined that it was reasonably likely that substantially identical claims in a related patent would be shown to be unpatentable. *Id.* at 3; *see infra* Section II.A.2. Notably, in *Arm*, the Director vacated the prior discretionary denial decision even though the challenged patent (US 8,984,228) had been in force for about 10 years.

Other precedent is equally at odds with the Decision here. In *American Airlines, Inc. et al. v. Intellectual Ventures I LLC*, IPR2025-00785 *et al.*, Paper 11 at 2-3 (Director Aug. 29, 2025) (“*AA*”), although the two challenged patents had been in force for over 14 years, the Director still referred the IPRs to the Board because of the reduced concern of inconsistent outcomes or significant duplication of effort between the PTAB and district court litigation, and determination that the PTAB is better suited to review the relevant issues than the district court. Tracking closely with *AA*, the Petitions here have ***no concern*** of inconsistent outcomes or significant duplication of efforts at all, and the PTAB could be the ***only place*** to adjudicate the invalidity of the challenged patents. Moreover, the challenged patents here have been in force for significantly shorter periods than those challenged in *AA*.

Therefore, the Decision erred in disregarding the Director’s precedent in *Arm* and *AA* when considering the lack of parallel litigation.

2. Prior institutions of related patents weigh strongly against discretionary denial of the ’214 and ’737 patents

The Board has already instituted IPRs on patents in the same family as the ’214 and ’737 patents,² involving substantially similar claims and the same prior art.

² IPR2025-00099 (“’099 IPR”) for US 10,872,903 (“’903 patent”), which is a descendant patent of the ’214 patent, and IPR2025-00098 (“’098 IPR”) for US

See '099 IPR, Paper 15 at 14-19 (PTAB Jun. 10, 2025); '098 IPR, Paper 15 at 12-15 (PTAB Jun. 10, 2025). It is thus an efficient use of the Board's resources to review the patentability of claims where it has already found a likelihood that a substantially similar claim in each of these closely related patents is unpatentable.³ *See* '498 IPR, DD Opp. at 4-6; '499 IPR, DD Opp. at 4-6; '500 IPR, DD Opp. at 4-5.

The Director has repeatedly found that it is efficient for the Board to review an IPR where a similar claim in a related patent has been found likely unpatentable in an earlier IPR. *See, e.g., Mercedes-Benz Group AG v. The Phelan Group, LLC*, IPR2025-00919 *et al.*, Paper 10 at 2 (Director Sep. 12, 2025) (“*Phelan*”) (referring the petitions to the Board was warranted because the Board recently determined that the challenged patent in a related IPR has “similar claims to those challenged in these proceedings,” and the related IPR relies on “prior art similar to the prior art raised in these Petitions”); *Arm*, IPR2025-00207, Paper 14 at 3; *Nintendo Co., Ltd. et al. v. Resonant Sys., Inc.*, IPR2025-00680, Paper 18 at 3 (Director Aug. 14, 2025) (“*Nintendo*”) (similar); *Tesla, Inc. v. Intellectual Ventures II LLC*, IPR2025-00217 *et al.*, Paper 9 at 2 (Director Jun. 13, 2025) (“*Tesla*”) (reasoning “[t]he merits are

8,945,996 (“’996 patent”), which is an ancestor patent of the ’737 patent.

³ While Director Review was subsequently granted, that decision was *not* related to the merits of the challenges. *See* '098 IPR, Paper 29 at 2-3 (Director Aug. 28, 2025).

strong because the Board previously determined there was a reasonable likelihood that similar claims of an ancestor patent were unpatentable in three separate proceedings” and considering this factor against discretionary denial).

Notably, in each of these prior decisions, despite at least one patent at issue having been in force for more than seven years, purportedly creating strong settled expectations for the patent owner, the Director still referred the petition to the Board for consideration. *See, e.g.*, US 8,984,228 in *Arm*; US 9,493,149 in *Phelan*; US 8,860,337 in *Nintendo*; US 7,916,180, US 9,232,158, and US 9,706,500 in *Tesla*.

Here, the Board previously found a reasonable likelihood that claim 1 of the ’903 patent (a descendant of the ’214 patent) was unpatentable in the related ’099 IPR over Fukuzumi (US 2009/0146190)—a prior art reference that is also relied upon in the ’498 and ’499 IPRs challenging the ’214 patent. *See* ’099 IPR, Paper 15 at 14–19. As explained in detail in the DD Oppositions of the ’498 and ’499 IPRs, there is significant overlap in claimed subject matter between the challenged claims of the ’214 patent and claim 1 of the ’903 patent. *See* ’498 IPR, DD Opp. at 5; ’499 IPR, DD Opp. at 5. Moreover, the Petitions of the ’498 and ’499 IPRs rely on the same Fukuzumi reference, apply the same claim constructions, and advance substantially the same analysis that the Board previously found reasonably likely to anticipate or render obvious claim 1 of the ’903 patent. *Id.*

Likewise, for the ’737 patent, the Board has already found a reasonable

likelihood that claim 1 of the '996 patent (an ancestor of the '737 patent) was unpatentable in the related '098 IPR over Chae (US 2010/0133598)—prior art that is also relied upon in the '500 IPR challenging the '737 patent. *See* '098 IPR, Paper 15 at 12–15. As explained in the DD Opposition of the '500 IPR, there is significant overlap in claimed subject matter between the challenged claims of the '737 patent and claim 1 of the '996 patent. *See* '500 IPR, DD Opp. at 5. The Petition of the '500 IPR relies on the same Chae reference, applies the same claim construction, and advances substantially the same analysis that the Board previously found reasonably likely to anticipate or render obvious claim 1 of the '996 patent. *Id.*

Accordingly, consistent with the Director's decisions in *Phelan, Arm, Nintendo, and Tesla*, it would be an “efficient” use of the Board's resources to review the patentability of the challenged claims of the '214 and '737 patents here.

Moreover, because the Board has already instituted the related '098 and '099 IPRs, both Petitioner and the public have a reasonable expectation that the similarly challenged claims of the '737 and '214 patents are likewise unpatentable. That expectation of consistency weighs heavily against discretionary denial.

3. Unrebutted evidence of examiner errors warrants referral to the Board of the '214, '737, and '974 patents

Petitioner presented unrebutted evidence in the DD Oppositions that the examiners allowed the challenged claims after overlooking material prior art

references. *See* '498 IPR, DD Opp. at 8-12; '499 IPR, DD Opp. at 7-11; '500 IPR, DD Opp. at 9-15; '501 IPR, DD Opp. at 10-14.

Director precedent confirms that such evidence warrants review. *See, e.g., Microsoft Corp. v. Partec Cluster Competence Center GMBH*, IPR2025-00318, Paper 9 at 3 (Director Jun. 12, 2025). Notably, even when the challenged patents allegedly had “settled expectations”—which do not and should not exist here—the Director has specifically credited “material errors” as a factor counseling against discretionary denial and referred the proceeding to the Board. *See, e.g., Anthony Inc. v. Controltec LLC*, IPR2025-00559 *et al.*, Paper 9 at 2 (Director Jul. 16, 2025) (“*Anthony*”) (the challenged patents had been in force for approximately 18 and 17 years, but because “the Petitioner appears to show a material error by the Office,” the Director held “it is an appropriate use of Office resources to review the potential error”); *Eunsung Global Corp. v. HydraFacial LLC*, IPR2025-00445 *et al.*, Paper 14 at 3 (Director Jul. 10, 2025) (“*Eunsung*”) (similar); *Xencor, Inc. v. Merus N.V.*, IPR2025-00604 *et al.*, Paper 12 at 3 (Director Jul. 17, 2025) (“*Xencor*”) (similar).

As explained in detail in the DD Oppositions of the '498 and '499 IPRs, during prosecution of the '214 patent, the examiner found allowable subject matter of “*a second control gate*.” *See* '498 IPR, DD Opp. at 9-10; '499 IPR, DD Opp. at 8-9. However, the examiner overlooked Fukuzumi, which clearly discloses the purportedly allowable subject matter in claim 1. *Id.* That examiner error is clear and

undisputed because the Board in the Institution Decision of the related '099 IPR has already confirmed that the substantially identical claim limitation recited in claim 1 of the descendant '903 patent was disclosed by the same Fukuzumi reference, in substantially the same manner as presented in the Petitions of the '498 and '499 IPRs here. See '498 IPR, DD Opp. at 9-10; '499 IPR, DD Opp. at 8-9.

Likewise, as explained in the DD Opposition of the '500 IPR, during the '737 patent prosecution, the examiner found allowable subject matter of “*vertical contacts*.” See '500 IPR, DD Opp. at 10. However, the examiner overlooked Jeong (US 2017/0352674), which discloses the purportedly patentable subject matter in claims 18 and 20. *Id.* at 12-13. Similarly, as explained in the DD Opposition of the '501 IPR, during the '974 patent prosecution, the examiner found allowable subject matter of “*stair step structures*,” “*conductive vias*,” and “*a dielectric material within slots*.” See '501 IPR, DD Opp. at 10-11. The examiner overlooked Lee (US 2016/0322376), which discloses the alleged patentable subject matter. *Id.* at 11-12.

It is inconsistent that the patents in *Anthony*, *Eunsung*, and *Xencor*—which had been in force for way longer than the challenged patents here—were referred to the Board for review of material errors, yet the Decision did *not* address this factor.

B. The Decision Erred in Finding Settled Expectations

The Decision’s finding of “strong settled expectations” is fundamentally flawed. *First*, such a finding is based solely on the amount of time that the '214, '737,

and '974 patents have been in force, without considering other relevant factors. Such a monotonic analysis is both arbitrary and capricious. Tellingly, even Patent Owner has never argued settled expectations in its Requests, much less provided any “good reasons” why it could have developed strong settled expectations in the '737 and '974 patents that had been in force for no more than 5 years and 6 months. *See Amgen Inc. v. Bristol-Myers Squibb Co.*, IPR2025-00601 *et al.*, Paper 9 at 2-3 (Director Jul. 24, 2025). And as a matter of common sense, settled expectation should not be found based solely on post-issuance time where the claims of a family member are deemed likely to be unpatentable. *See supra* Section II.A.2.

Second, the Decision incorrectly states that “the challenged patents have been in force for ***approximately ten, six, and six years***, respectively, creating strong settled expectations for the Patent Owner.” Decision at 2. But the '737 and '974 patents issued on November 12, 2019 and August 6, 2019, respectively. ***This is a clear factual error***: at the time of filing,⁴ those patents had been in force for only 5

⁴ The '500 IPR and '501 IPR were filed on February 12 and 13, 2025, respectively. The Director has repeatedly measured the time that a challenged patent has been in force in determining settled expectations by the filing date of the IPR. *See, e.g., Xencor*, IPR2025-00604, Paper 12 at 2; *Charles River Laboratories, Inc. v. Seikagaku Corp.*, IPR2025-00440 *et al.*, Paper 9 at 2 (Director Jul. 10, 2025).

years and 3 months and *5 years and 6 months*, respectively—not six years as stated.

Director precedent confirms that patents in force for comparable or even longer periods do *not* create settled expectations, and there was no explanation why the conclusion was different. The table below summarizes, in multiple prior Director decisions, patents with comparable or even longer durations in force than the '737 and '974 patents were consistently found to lack settled expectations—highlighting the inconsistency in the Decision’s conclusion as to the challenged patents here.

Case	Patent No.	Issue Date	Time in Force at IPR Filing	Settled Expectations?
<i>Cambridge</i>	10,313,024	Jun. 4, 2019	5 yrs 7 mos	No ⁵
<i>Cambridge</i>	10,379,301	Aug. 13, 2019	5 yrs 5 mos	No ⁵
<i>Berkshire</i>	10,343,114	Jul. 9, 2019	5 yrs 6 mos	No ⁶
<i>TankLogix</i>	10,488,871	Nov. 26, 2019	5 yrs 3 mos	No ⁷
'500 IPR	'737 patent	Nov. 12, 2019	5 yrs 3 mos	Yes
'501 IPR	'974 patent	Aug. 6, 2019	5 yrs 6 mos	Yes

⁵ *Cambridge Industries USA Inc. v. Applied Optoelectronics, Inc.*, IPR2025-00434 *et al.*, Paper 11 at 2-3 (“*Cambridge*”) (Director Jun. 26, 2025) (filed Jan. 17, 2025).

⁶ *Berkshire Hathaway Energy Co. et al. v. Birchtech Corp.*, IPR2025-00274 *et al.*, Paper 23 at 3 (“*Berkshire*”) (Director Jul. 2, 2025) (filed Jan. 17, 2025).

⁷ *TankLogix, LLC v. SitePro, Inc.*, IPR2025-00650 *et al.*, Paper 10 at 2-3 (“*TankLogix*”) (Director Jul. 31, 2025) (filed Feb. 28, 2025).

Notably, in each of *Cambridge*, *Berkshire*, and *TankLogix*, the Director found no settled expectations based solely on the time a patent had been in force, without relying on any other considerations.

It makes little sense that patents in force for about the same—or even longer—periods were found by the Director *not* to create settled expectations, yet the Decision here concludes that “strong settled expectations” exist for the ’737 and ’974 patents. Decision at 2. That conclusion rests on clear factual errors and is further undermined by the Decision’s failure to follow Director precedent in *Cambridge*, *Berkshire*, and *TankLogix*, resulting in both erroneous findings of fact and legal error. This conclusion also fails to follow the guidance provided in the “Interim Director Discretionary Process,” in which the Director will consider additional facts and circumstances “[t]o maintain consistency with Discretionary Decisions that the Director has already issued.” See “Interim Director Discretionary Process” at I.A.

C. The PTO’s Guidance Leading to the Discretionary Denials Violates the APA and the Due Process Clause

Petitioner filed the petitions between February 12 and 14, 2025, when discretionary denial decisions were guided by the “binding” memo from former Director Vidal. See “Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation” (“Vidal Memo”). The Vidal Memo provided guidance that Petitioner relied upon in drafting and filing its

Petitions and incurring the associated costs and fees, including instructing that “the PTAB will not deny institution based on *Fintiv* if there is compelling evidence of unpatentability,” as exists here. *Id.* Two weeks after the IPRs were filed, the PTO withdrew the Vidal Memo without prior notice. A month later, the PTO announced a new procedure through two new memos: “Guidance on USPTO’s rescission of Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation” (“Boalick Memo”) and “Interim Processes for PTAB Workload Management” (“Stewart Memo”).

The promulgation of the new Boalick Memo and Stewart Memo violated the APA because these memos substantively changed the contour of discretionary denial, which is relied upon by the Decision here. Specifically, the Boalick Memo announced the retroactive effect of the Vidal Memo’s rescission, and the Stewart Memo introduced a new procedure for considering discretionary denial and a host of new, additional discretionary factors, including the “settled expectations” factor that the Board relied on here. Because these memos “effect[ed] a change in existing law or policy or ... affected individual rights and obligations” but did not go through notice-and-comment rulemaking, they violate the APA. *See Coal. for Common Sense in Gov’t Procurement v. Sec’y of Veterans Affs.*, 464 F.3d 1306, 1317 (Fed. Cir. 2006); *see also In re Chestek PLLC*, 92 F.4th 1105, 1109 (Fed. Cir. 2024). Director Review is necessary to correct the reliance on these improper memos,

including when they are rescinded later as a result of pending legal challenges.

Further, the application of these new rules and procedures in the Boalick and Stewart Memos to the Petitions after they were filed violated the *Accardi* doctrine. An agency's ability to exercise discretion is constrained by the agency's own established rules and procedures. *See United States ex rel. Accardi v. Shaughnessy*, 347 U.S. 260, 267 (1954) ("*Accardi*") (reversing the agency's decision because the agency acted "contrary to existing valid regulations"); *see also Serv. v. Dulles*, 354 U.S. 363, 388 (1957). The established rules and procedures of the PTO at the time that the Petitions were filed did not include the new discretionary denial procedure under which the petitions were denied, nor did they include the new discretionary factors, including the "settled expectations" rationale that was used to deny the petitions. Reconsideration is necessary to rectify the PTO's failure to follow its own procedures in violation of the *Accardi* doctrine.

Finally, the retroactive application of the Boalick and Stewart Memos to impose new legal consequences after the Petitions were filed also violates the Due Process Clause. *See Landgraf v. USI Film Prods.*, 511 U.S. 244, 269–70 (1994). Congress did not grant the PTO the authority to retroactively enforce (or decline to enforce) rules or guidance. *Cf.* 35 U.S.C. §§ 2(b)(2), 316(a); *see also, e.g., Tafas v. Dudas*, 511 F. Supp. 2d 652, 666 (E.D. Va. 2007). The retroactive application of the Stewart and Boalick Memos is *ultra vires* and violates the Due Process Clause

because it altered the legal consequences of actions that Petitioner had already taken, without fair warning or explanation. *See Mexichem Fluor, Inc. v. EPA*, 866 F.3d 451, 462 (D.C. Cir. 2017). “The Due Process Clause limits the Government's authority to retroactively alter the legal consequences of an entity’s or person’s past conduct. To satisfy the Due Process Clause, [an agency] must at a minimum ‘provide regulated parties fair warning of the conduct a regulation prohibits or requires.’” *Id.* Petitioner was legally harmed, at least through the costs associated with filing its petitions, and based on its reasonable reliance on the PTO’s regulations in force when Petitioner filed the Petitions, and Petitioner received no “fair warning” of the changes that affected these interests.

III. CONCLUSION

For all the foregoing reasons, Petitioner respectfully requests that the Director grant review, vacate the Decision, and refer the Petitions to the Board.

Respectfully submitted,

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CERTIFICATION UNDER 37 C.F.R. § 42.24

Pursuant to 37 C.F.R. § 42.24(d), the undersigned certifies that this Request for Director Review complies with the 15-page limit exclusive of the parts exempted as provided in 37 C.F.R. § 42.24(a).

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Lead Counsel for Petitioner

CERTIFICATE OF SERVICE

The undersigned certifies that the foregoing **Petitioner's Request for Director Review** was served on September 15, 2025, via email, as agreed to by counsel of record for the Patent Owner, at the following.

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