

Filed on behalf of: Kolon Industries, Inc.

Entered: July 28, 2025

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

HS HYOSUNG ADVANCED MATERIALS CORP.,
Petitioner,

v.

KOLON INDUSTRIES, INC.,
Patent Owner.

Case IPR2025-00662
Patent 9,789,731

**PATENT OWNER'S REPLY TO PETITIONER'S
RESPONSE TO PATENT OWNER'S
REQUEST FOR DISCRETIONARY DENIAL OF INSTITUTION**

EXHIBIT LIST

Exhibit	Description
2001	RESERVED
2002	Civil Minutes – General, <i>Kolon Indus., Inc. v. HS Hyosung Advanced Materials Corp., et al.</i> , No. 8:24-cv-00415-JVS-JDE (C.D. Cal. Apr. 4, 2025), ECF No. 149
2003	Civil Minutes – General, <i>Kolon Indus., Inc. v. Hyosung Advanced Materials Corp., et al.</i> , No. 8:24-cv-00415-JVS-JDE (C.D. Cal. Aug. 21, 2024), ECF No. 68
2004	Proof of Service of Summons, Complaint, and related documents, <i>Kolon Indus., Inc. v. Hyosung Advanced Materials Corp., et al.</i> , No. 8:24-cv-00415-JVS-JDE (C.D. Cal. Mar. 5, 2024), ECF No. 15
2005	Hyosung Invalidation Trial Petition, dated Apr. 13, 2022 (original Korean document)
2006	Certified English translation of Hyosung Invalidation Trial Petition, dated Apr. 13, 2022
2007	RESERVED
2008	RESERVED
2009	Exhibit of Defendant Hyosung Advanced Materials Corp.'s Invalidity Contentions, <i>Kolon Indus., Inc. v. Hyosung Advanced Materials Corp., et al.</i> , No. 8:24-cv-00415-JVS-JDE (C.D. Cal. Mar. 17, 2025), ECF No. 146-7
2010	Patent L.R. 4-3 Joint Claim Construction and Prehearing Statement, <i>Kolon Indus., Inc. v. Hyosung Advanced Materials Corp., et al.</i> , No. 8:24-cv-00415-JVS-JDE (C.D. Cal. Feb. 20, 2025), ECF No. 133
2011	RESERVED
2012	RESERVED

Exhibit	Description
2013	RESERVED
2014	Letter from Kolon Industries, Inc. to Hyosung Advanced Materials, dated Feb. 4, 2021 (original Korean document)
2015	Certified English translation of Letter from Kolon Industries, Inc. to Hyosung Advanced Materials, dated Feb. 4, 2021 (certified English translation)
2016	RESERVED
2017	Declaration of Dr. David Brookstein in Support of Patent Owner's Preliminary Response ("Brookstein")
2018	<i>Curriculum Vitae</i> of David Brookstein, Sc.D.
2019	RESERVED
2020	B.C. Goswami, J.G. Martindale, F.L. Scardino, <i>Textile Yarns: Technology, Structure, and Applications</i> (1977) (excerpts)
2021–2027	RESERVED
2028	<i>HS Hyosung Advanced Materials Corp. v. Kolon Indus., Inc.</i> , IPR2025-00663 ('765 Patent), Paper 1 (Petition) (P.T.A.B. Feb. 27, 2025)
2029	Exhibit 1003 ([Corrected] Declaration of Jon Rust, Ph.D. in Support of Petition for Inter Partes Review of U.S. Patent No. 10,196,765) (Feb. 27, 2025), <i>HS Hyosung Advanced Materials Corp. v. Kolon Indus., Inc.</i> , IPR2025-00663
2030	<i>HS Hyosung Advanced Materials Corp. v. Kolon Indus., Inc.</i> , IPR2025-00664 ('663 Patent), Paper 1 (Petition) (P.T.A.B. Feb. 27, 2025)
2031	Exhibit 1003 ([Corrected] Declaration of Jon Rust, Ph.D. in Support of Petition for Inter Partes Review of U.S. Patent No. 9,617,663) (Feb. 27, 2025), <i>HS Hyosung Advanced Materials Corp. v. Kolon Indus., Inc.</i> , IPR2025-00664

Exhibit	Description
2032	U.S. Patent No. 6,799,618 B2 (“Reuter”)
2033	U.S. Patent Application Publication No. 2014/0230947 A1 (“Zandiyeh”)

Patent Owner submits this authorized reply (Ex.3101), in support of its Brief on Discretionary Denial (“DDBrief,” Paper 7), addressing Petitioner’s arguments about the Korean High Court’s Judgment (Ex.1049)¹ regarding the Korean counterpart of Patent Owner’s U.S. Patent 9,789,731 (“’731 patent, Ex.1001”). Pet’r’s Resp. to Pat. Owner’s Req. for Discretionary Denial (“Pet.Opp.,” Paper 9), 4-9, 23, 34, 36-37. Petitioner argues that, because the Korean court found claims of the Korean counterpart invalid, “whatever settled expectations Patent Owner claims it once had were uprooted.” *Id.* 36. To the contrary, both the Korean court’s reasoning and Petitioner’s deliberate choice to not challenge the ’731 patent until the statutory deadline support exercising discretion to deny institution of *inter partes* review (“IPR”).

The Korean court’s decision (which has been appealed) revoking the Korean Intellectual Property Trial and Appeal Board’s decision as to claims of the ’731 patent’s Korean counterpart does not undermine the settled expectations that the over seven year-old ’731 patent is valid. Indeed, even putting aside that Korean courts apply different legal standards than those applicable here, Petitioner did not,

¹ Ex.1049 does not comply with 37 C.F.R. § 42.63(b) because Petitioner did not submit an affidavit attesting to the accuracy of the translation, and it has obvious defects, see, e.g., the word “code” throughout, which presumably should be “cord.”

and could not, present arguments here consistent with the Korean court's reasoning.

First, the Korean court expressly found that Tamura—Petitioner's primary reference in Grounds 1-3 here—**“does not disclose ... the ‘strength retention rate after the disc fatigue test conducted according to the JIS-L 1017 method.’”** Ex.1049, 20; *see also id.* 4 (identifying Tamura, JP 2009-68549 (Ex.1006), as “Cited Reference 1”). Patent Owner agrees. *See, e.g.*, DDBrief 15. But Petitioner argues **exactly the opposite** here, contending that Tamura discloses this claim limitation in the '731 patent. Petitioner argues, “Tamura discloses embodiments wherein the secondarily-twisted yarn ... has a strength retention rate of 80% or more” and that its “disclosed strength retention rates were determined after a disc fatigue test is performed according to JIS-L 1017 method of Japanese Standard Association.” Pet. 34-35; *see also* Pet.Opp. 17 (“Tamura ... in fact disclose[s] the strength retention rate limitation.”). In Korea, Petitioner made a different argument that the strength retention rate was an “inherent characteristic[.]” (Ex.2006, 32), and the Korean court agreed that this was a “naturally derived” effect under Korean law (Ex.1049, 25). Not surprisingly, Petitioner did not argue here that the strength retention rate claimed in the '731 patent is an inherent characteristic because Patent Owner overcame that very argument in the U.S. prosecution. Ex.1002, 193-194 (Examiner arguing that “strength retention” was a “resultant propert[y]”), 29-31 (Patent Owner explaining this was incorrect), 11 (allowance).

Second, the Korean court held that the claim term ““same structure[]” did not meet the requirements of Article 42 (4) 2” of the Korean “Patent Act,” which requires “that the invention must be clearly and concisely written in the claims.” Ex.1049, 9, 15. Petitioner does not contend in its Petition that the corresponding claim term “identical structures” in the ’731 patent is unclear, nor could the PTAB consider such an argument. Petitioner, however, asserts indefiniteness of this term in District Court, confirming that District Court would be a more efficient forum to resolve the parties’ disputes about validity. DDBrief 39.

The Korean court’s decision thus explains why Petitioner, despite being expressly notified of the ’731 patent and its Korean counterpart in 2021 (Ex.2015, 2), chose only to challenge the Korean counterpart in 2022 (Pet.Opp. 5), but waited until the statutory deadline to file its Petition: Petitioner’s arguments in Korea were either contrary or inapplicable to its arguments here. Patent Owner’s settled expectations that the over seven year-old ’731 patent is valid over the prior art are reinforced by Petitioner’s deliberate choice to challenge only the Korean counterpart, despite being expressly notified about the ’731 patent, based on arguments it did not—and could not—raise in its Petition. *Amgen Inc. v. Bristol-Myers Squibb Co.*, IPR2025-00601, -00602, -00603, Paper 9 at 2-3 (PTAB July 24, 2025) (denying IPR institution of patents in force for “seven and six years ... creating strong settled expectations”). Thus, the Director should exercise discretion to deny institution.

Respectfully submitted,

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CERTIFICATE OF SERVICE

Pursuant to 37 C.F.R. § 42.6(e), I certify that on this 28th day of July, 2025, a true and correct copy of the foregoing **Patent Owner's Reply to Petitioner's Response to Patent Owner's Request for Discretionary Denial of Institution** was served by electronic mail on Petitioner's lead and backup counsel at the following email addresses:

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