

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

EXCELLIANCE MOS CORPORATION,

Petitioner,

v.

FORCE MOS TECHNOLOGY CO. LTD.,

Patent Owner

Inter Partes Review No. IPR2025-01433
U.S. Patent No. 7,629,634

**PATENT OWNER'S AUTHORIZED RESPONSE
TO DIRECTOR REVIEW REQUEST**

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37 C.F.R. § 42.210

37 C.F.R. § 42.753

PATENT OWNER'S EXHIBIT LIST

Exhibit	Description
2001	Complaint, as filed at ECF 1 in <i>Force MOS Tech., Co., Ltd. v. ASUSTeK Computer, Inc.</i> , No. 2:22-cv-460 (E.D. Tex. Nov. 28, 2022)
2002	ASUSTeK Computer, Inc., Consolidated Financial Statements (3rd Quarter 2019, September 30, 2019), (<i>available at</i> https://www.asus.com/event/investor/content/attachment_en/2019_q3_finacial_report.pdf)
2003	ASUSTeK Computer, Inc., Annual Report (2023), (<i>available at</i> https://www.asus.com/EVENT/Investor/Content/attachment_en/2023_Annual_Report.pdf)
2004	Excelliance MOS Corporation, Annual Report (2024), (<i>available at</i> https://www.excelliancemos.com/en/investors/report-detail/137/)
2005	Plaintiff's First Amended Infringement Contentions, as served in <i>Force MOS Tech., Co., Ltd. v. ASUSTeK Computer, Inc.</i> , No. 2:22-cv-460 (E.D. Tex. May 7, 2024)
2006	Defendant/Counterclaim-Plaintiff's Answer, Affirmative Defenses, And Counterclaims, as filed at ECF 6 in <i>Force MOS Tech., Co., Ltd. v. ASUSTeK Computer, Inc.</i> , No. 2:22-cv-460 (E.D. Tex. Feb. 27, 2023)
2007	Email from C. McMahon re: ASUSTeK (Force MOS) Summary of Pre-Trial Conference (Dec. 4, 2024), as filed in <i>Inergy Technology Inc., v. Force MOS Technology Co., Ltd.</i> , Case No. 2024-Min-Gong-Shang-Zih No. 2, Taiwan Intellectual Property and Commercial Court: Ping Judicial Section, as Exhibit 37 to Inergy Technology Inc.'s Civil Answer Brief No. III (April 11, 2025)

Exhibit	Description
2008	Email string including email from C. McMahon re: ASUSTeK Mediation and Trial Update (Feb. 15, 2025), as filed in <i>Inergy Technology Inc., v. Force MOS Technology Co., Ltd.</i> , Case No. 2024-Min-Gong-Shang-Zih No. 2, Taiwan Intellectual Property and Commercial Court: Ping Judicial Section, as Exhibit 38 to Inergy Technology Inc.'s Civil Answer Brief No. III (April 11, 2025)
2009	Invalidity Expert Report of Stanley R. Shanfield, Ph.D., as served in <i>Force MOS Tech., Co., Ltd. v. ASUSTeK Computer, Inc.</i> , No. 2:22-cv-460 (E.D. Tex. May 20, 2024)
2010	Amended Final Judgment, <i>Force MOS Tech., Co., Ltd. v. ASUSTeK Computer, Inc.</i> , No. 2:22-cv-460 (E.D. Tex. June 13, 2025)
2011	Trial Transcript, Vol. 1 (Feb. 7, 2025), as filed at ECF 369 in <i>Force MOS Tech., Co., Ltd. v. ASUSTeK Computer, Inc.</i> , No. 2:22-cv-460 (E.D. Tex. Feb. 7, 2025)
2012	Defendant ASUSTeK Computer, Inc.'s Motion to Stay Pending Resolution of <i>Inter Partes</i> Reviews, <i>Force MOS Tech., Co., Ltd. v. ASUSTeK Computer, Inc.</i> , No. 2:22-cv-460 (E.D. Tex. Nov. 30, 2023)
2013	Memorandum Opinion and Order Denying Defendant ASUSTeK Computer, Inc.'s Motion to Stay Pending Resolution of <i>Inter Partes</i> Reviews, <i>Force MOS Tech., Co., Ltd. v. ASUSTeK Computer, Inc.</i> , No. 2:22-cv-460 (E.D. Tex. Apr. 11, 2024)
2014	Defendant ASUSTeK Computer, Inc.'s Patent Initial Disclosures (Invalidity Contentions), as served in <i>Force MOS Tech., Co., Ltd. v. ASUSTeK Computer, Inc.</i> , No. 2:22-cv-460 (E.D. Tex. July 18, 2023)
2015	IPR2024-00093, Petition, Paper No. 1 (Oct. 27, 2023)
2016	Defendant's Notice of Final Invalidity Theories and Equitable Defenses, as served in <i>Force MOS Tech., Co., Ltd. v. ASUSTeK Computer, Inc.</i> , No. 2:22-cv-460 (E.D. Tex. Jan. 6, 2025)

Exhibit	Description
2017	IPR2024-00093, Final Written Decision, Paper No. 38 (May 16, 2025)
2018	IPR2024-00093, Petitioner's Notice of Appeal, Paper No. 39 (July 17, 2025)
2019	Trial Transcript, Vol. 4 (Feb. 12, 2025), as filed at ECF 372 in <i>Force MOS Tech., Co., Ltd. v. ASUSTeK Computer, Inc.</i> , No. 2:22-cv-460 (E.D. Tex. Feb. 10, 2025)
2020	PTACTS Docket of IPR2024-00093 (accessed October 20, 2025)
2021	PACER Docket of Force Mos Technology Co., Ltd. v. ASUSTeK Computer, Inc., Case No. 2:22-cv-00460-JRG (E.D. Tex.) (accessed October 20, 2025)
2022	Trial Transcript (Redacted), Vol. 2 (Feb. 10, 2025), as filed at ECF 403-1 in <i>Force MOS Tech., Co., Ltd. v. ASUSTeK Computer, Inc.</i> , No. 2:22-cv-460 (E.D. Tex. Feb. 10, 2025)
2023	Jury Verdict as filed at ECF 358 in <i>Force MOS Tech., Co., Ltd. v. ASUSTeK Computer, Inc.</i> , No. 2:22-cv-460 (E.D. Tex. Feb. 7, 2025)
2024	Trial Transcript (Redacted), Vol. 3 (Feb. 11, 2025), as filed at ECF 403-2 in <i>Force MOS Tech., Co., Ltd. v. ASUSTeK Computer, Inc.</i> , No. 2:22-cv-460 (E.D. Tex. Feb. 7, 2025)
2025	Findings of Fact and Conclusions of Law, as filed at ECF 420 in <i>Force MOS Tech., Co., Ltd. v. ASUSTeK Computer, Inc.</i> , No. 2:22-cv-460 (E.D. Tex. June 11, 2025)
2026	Specification Sheet for Excelliance EMB20N03V MOSFET
2027	Notice of Attorney Appearance by Charles M McMahon on behalf of ASUSTeK Computer, Inc., as filed at ECF 115 in <i>Force MOS Tech., Co., Ltd. v. ASUSTeK Computer, Inc.</i> , No. 2:22-cv-460 (E.D. Tex. Feb. 7, 2025)

Exhibit	Description
2028	Excelliance MOS Corporation, Annual Report (2025), (<i>available at</i> https://www.excelliancemos.com/en/investors_document-detail/0/291/)
2029	<i>LinkedIn</i> entry for V. Tsai (<i>available at</i> https://www.linkedin.com/in/tseng-catherine-518b9556/)
2030	Email string including email from R. Garsson re: Discovery Meet and Confer Summary, as exchanged in <i>Force MOS Tech., Co., Ltd. v. ASUSTeK Computer, Inc.</i> , No. 2:22-cv-460 (E.D. Tex. Feb. 8, 2024)
2031	Waiver of the Service of Summons, as filed at ECF 5 in <i>Force MOS Tech., Co., Ltd. v. ASUSTeK Computer, Inc.</i> , No. 2:22-cv-460 (E.D. Tex. Feb. 8, 2024)
2032	Ex. 1010 from IPR2025-00920, Declaration of Catherine Tseng

Pursuant to the Director's authorization (Ex. 3100), Patent Owner Force MOS Technology Co. Ltd. ("Force MOS" or "Patent Owner") submits this brief requesting that the Director deny Petitioner's Request for Director Review of the Director's Discretionary Denial Decision.

I. INTRODUCTION

Petitioner's Request for Director Review is improper, unsupported, and legally incorrect. As an initial matter, the Request is procedurally improper because it seeks Director Review of a decision already made by the Director (as opposed to a decision by a Board panel). Thus, Petitioner's request is nothing more than a request for reconsideration by the Director. Moreover, contrary to Petitioner's mischaracterization that "Patent Owner has now admitted" inherency, there are no new facts or changed circumstances that justify reconsideration.

In particular, the Request for Director Review relies on a purported "admission" by Patent Owner's expert, at a trial that occurred *nearly a year ago* and which was thoroughly addressed in the prior briefing in this IPR. Paper 7 at 16. Further, the Request improperly attempts to re-characterize that expert's trial testimony regarding *infringement* by the accused products as an admission regarding the *prior art*. But, the expert testimony plainly was not related to prior art because the defendant in the litigation did not pursue an invalidity defense at trial for the '634 Patent. Ex. 2016; Ex. 2025 at 7 (FF#35). Moreover, the Request

ignores that the District Court judge in that case has already rejected the *very argument* that Petitioner makes regarding the expert's testimony—noting that the expert's opinion at trial regarding the doping of the lateral contact layer was based on a variety of sources having more details than those disclosed in Hshieh '384. Ex. 2025 at 10 (FF#45). The Request fails to provide any reason why the District Court erred in its conclusion.

Furthermore, as Patent Owner explained in its request for discretionary denial, that very trial—where real-party-in-interest ASUSTeK Computer, Inc. (“ASUS”) voluntarily dropped its invalidity claim for the '634 Patent shortly before trial—also counsels towards discretionary denial. Paper 6 at 5-12, 15-18. Moreover, Petitioner attempts to argue for institution of a new petition against the '634 Patent even though the Patent Office had already determined patentability of the patent in a prior IPR, which represents an inefficient use of Patent Office resources. Paper 6 at 12-15. Finally, the long period of time for which the '634 Patent has been active—sixteen years—alone establishes that discretionary denial is appropriate under newly designated informative authority, and Petitioner's Request fails to address the settled expectations factor entirely. *Id.* at 18-20.

For all these reasons Petitioner's Request for Director Review is erroneous and should be denied.

II. ARGUMENT

A. Petitioner Fails to Present Any Proper Grounds for Reconsideration by the Director

Although institution decisions by the Board are included as one of the decisions subject to review by the Director under 37 C.F.R. § 42.75, in the present case, the decision for which Petitioner requests review is a decision of the Director rather than the Board. First, 35 U.S.C. § 314(d) states, “The determination by the Director whether to institute an inter partes review under this section shall be final and nonappealable.” Second, 37 C.F.R. § 42.75 plainly applies to Director review of decisions from the Board, stating in part that “the Director may review any interlocutory decision rendered by the Board in reaching that decision” which plainly indicates that such review is applicable to decisions made by the Board.

Moreover, Petitioner itself recognizes that “institution authority is delegated from the Director,” (Paper 10 at 1) but, in the present case, the Director has already issued a decision to not institute the Petition for discretionary reasons after reviewing the discretionary denial briefing from the Parties. Thus, plainly the present request is nothing more than a request for rehearing or reconsideration by the Director. However, Petitioner cites no changed circumstances that would warrant the Director reconsidering his decision. For example, the Petitioner presents no reason to believe the Director misapprehended or overlooked any

issue, nor does it cite to any change in facts or law since the Director's discretionary denial decision.¹ Consequently, the Director should deny this request as procedurally improper.

B. Petitioner's Request Falsely States that Patent Owner's Expert in the Litigation Provided Admissions Regarding the Prior Art

Petitioner re-argues the same argument that it presented in its Response to Patent Owner's Request for Discretionary Denial. Specifically, Petitioner re-argues its previously rejected argument that Patent Owner's expert in the parallel EDTX case testified that "differential" doping occurs during MOSFET fabrication. Paper 10 at 2; Paper 7 at 5. However, the cited testimony of Patent Owner's expert in the EDTX litigation related to doping concentration *in the accused products* (including Petitioner's MOSFETs), not to whether and how much doping concentration was taught (or inherent) in any *prior art* references. Ex. 1019 at 143-147. Moreover, Petitioner tellingly fails to disclose that in the EDTX case, ASUS (Petitioner's customer), explicitly withdrew its validity defenses for the '634 Patent shortly before the jury trial. Ex. 2016; Ex. 2025 (JMOL hearing); Ex. 2025 at 7 (FF#35). Thus, there can be no plausible argument that Patent Owner's

¹ Petitioner relies on a statement by Patent Owner's expert which occurred on February 10, 2025—months before the Petition was even filed. Paper 10 at 2.

expert made any admission at that trial about validity or the prior art.

Moreover, the jury in the EDTX case considered Dr. Neikirk's infringement evidence at trial and found that Petitioner's products did infringe the '634 Patent. In that case, Force MOS demonstrated that certain accused MOSFETs incorporated in ASUS products infringed claims 1-3 of the '634 Patent and U.S. Patent No. 7,812,409. More specifically, the accused products included Petitioner's EMB20N03V MOSFET. Ex. 2022 (Trial Tr. Vol. 2) at 345:20-346:17, 396:20-397:6, 432:14-436:4. The jury issued a verdict after hearing Dr. Neikirk's testimony which found for Force MOS on all issues—including the infringement of the '634 Patent—and awarded \$10.5 million in damages. Ex. 2023 (Dkt. 358, Verdict Form) at 5, 9.

As such, the jury found Dr. Neikirk's testimony regarding doping concentration in the accused products to be convincing on the issue of infringement. However, because invalidity of the '634 Patent was not elected by the Petitioner's customer for trial, the doping concentration of any purported lateral contact layer in the prior art was not at issue at trial; only infringement of the accused products, including those supplied by Petitioner. Although Petitioner makes a veiled assertion that the Patent Office "has an interest in ensuring that patent owners are forthcoming with all material information relating to a patent application," (Paper 10 at 3) Petitioner fails to identify any material from the

EDTX litigation that has not been disclosed regarding any prior art or patentability.

Indeed, any argument that Dr. Neikirk's infringement testimony was inconsistent with anticipation or obviousness has already been rejected by the EDTX District Court. In particular, as discussed in Patent Owner's discretionary denial request, the District Court *did* hold a bench trial on inequitable conduct, where ASUS argued that the '634 Patent was unenforceable due to the alleged failure to disclose Hshieh '384—the primary prior art reference in the present Petition. Paper 6 at 5, 16 (citing Ex. 2025 at 7-11, 38, 40-41 (FF#31-52; CL#9, 21-28)). The District Court rejected all of ASUS's inequitable conduct arguments. *Id.* In particular, the Court rejected ASUS's allegation that Dr. Neikirk's infringement testimony at the jury trial was inconsistent with his non-anticipation / non-obviousness testimony at the inequitable conduct bench trial. Rather, the Court held that Dr. Neikirk's opinion at the jury trial regarding the doping of the lateral contact layer was based on a variety of sources having more details than those disclosed in Hshieh '384. Ex. 2025 at 10 (FF#45). Petitioner ignores that finding.

C. Petitioner Fails to Present any Reasons Why the Director Failed to Properly Consider the Discretionary Factors

As explained in Patent Owner's request for discretionary denial, there are a plethora of reasons why discretionary denial of institution was appropriate. First, the '634 Patent was already the subject to an IPR—which like the present IPR, was

filed on behalf of ASUS—and that IPR upheld all of the challenged claims. Paper 6 at 4, 6-12. Thus, discretionary denial was appropriate under *General-Plastics* and the Interim Process Memorandum's consideration of claims which have already been adjudicated by the PTAB. *Id.* at 5-6, 12-15. Moreover, the '634 Patent was the subject to the pending *Force MOS v. ASUS* case in the Eastern District of Texas (currently pending post-trial motions), where ASUS litigated the validity of the '634 Patent through expert discovery and pre-trial motions, and only abandoned it shortly before trial. Thus, discretionary denial was also appropriate under *Fintiv*. *Id.* at 3, 15-18. And, as noted, the District Court in *Force MOS v. ASUS* case rejected the argument that Hshieh '384—the primary prior art reference in this Petition—anticipated or rendered obvious the '634 Patent. *Id.* at 5, 16, 17-18. And, as noted, the same reasoning applies to the Uno reference as well. *Id.* Finally, settled expectations also weighed in favor of discretionary denial because the '634 Patent issued over sixteen years ago. *Id.* at 18-19. ASUS's Request for Director Review wholly fails to substantively engage with the multitude of facts supporting discretionary review, and thus should be rejected.

D. The Director's Denial Decision Does Not Require an Explanatory Opinion

Petitioner also argues that the 35 U.S.C. § 314(a) requires that discretionary denial “must not be applied to avoid substantive review of patents that have not

been fully examined on all relevant grounds.” Paper 10 at 6. However, § 314(a) merely states one condition requisite to institution, specifically a determination by the Director “that the information presented in the petition . . . shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least” one challenged claim. It does not state that institution is required, using the permissive language “may.” Nor does § 314 require that the Director provide any particular opinion or explanation for their institution decision, only that the Director “notify the petitioner and patent owner, in writing, of the Director’s *determination*.” 35 U.S.C. § 314(c) (emphasis added). Thus, there can be no reasonable dispute that the Director did exactly what § 314 requires.

Further, the AIA provides for plenary decision-making power as to the institution decision by the Director, stating, “The Director shall determine whether to institute an inter partes review,” and that determination “shall be final and nonappealable.” 35 U.S.C. § 314(b), (d); *see Apple Inc. v. Vidal*, 63 F.4th 1, 7 (Fed. Cir. 2023) (“Congress not only left the discretion to the Director but also protected its exercise from judicial review”). Furthermore, unreviewability of the discretionary denial institution decision does not “turn[] on whether the Director has provided an explanation” for the denial. *Id.* at 13. Still further, courts have held that “[i]f the decision is unreviewable, then there is no need for explanations.” *Lalani v. Perryman*, 105 F.3d 334, 338 (7th Cir. 1997).

Petitioner cites the Acting Director's decision in *Skechers U.S.A., Inc. v. Nike, Inc.*, IPR2025-00141, Paper 23 (U.S.P.T.O. Director Aug. 21, 2025). However, this decision involved review by the Director of a discretionary denial decision made by the *Board* rather than review of a decision already decided by the Director. As shown above, the statutory authority, as well as the caselaw, shows that discretion as to institution is vested in the Director, and the present case does not involve consideration on an institution decision issued by a panel of the Board.

Petitioner also cites 35 U.S.C. § 311 as providing “guaranteed” statutory access to inter partes review. Paper 10 at 7. However, this section provides no guaranteed rights of access to institution, and the statute nowhere provides any obligation to institute. Rather, as shown above, the Director has unreviewable discretion over the decision as to whether to institute. 35 U.S.C. § 314(d); *United States v. Arthrex, Inc.*, 594 U.S. 1, 8-9 (2021).

E. The Regulations Do Not Require a Decision from a Board Panel Because the Statute Assigns Institution Power to the Director and Because the Director is Included in the Definition of the Board

Petitioner argues that the regulations, specifically citing 37 C.F.R. § 42.108, assigns responsibility of determining whether to institute *inter partes* review to the Board. Paper 10 at 9. However, this regulation specifically states, “At any time prior to a decision on institution of inter partes review, the Board may deny all grounds for unpatentability for all of the challenged claims.” 37 C.F.R. §

42.108(b). Consequently, the regulation already explicitly provides for denial of a Petition at any time prior to institution.

Additionally, even though § 42.108 refers to the “Board,” other regulations and statutes clarify that the Director is part of the Board, and therefore the Director retains power to exercise decision-making on behalf of the Board. Specifically, the statute already expressly identifies the Director as a member of the Board. 35 U.S.C. § 6(a). And, 37 C.F.R. § 42.2 provides that references to the “Board” with respect to “petition decisions” means “a Board member or employee acting with the authority of the Board.” Thus, the regulations themselves are entirely consistent with the Director issuing the decision on discretionary denial.

Still further, the Board has explained in its prior decisions that “where the Board merely exercises the Director’s unilateral, delegated authority over institution decisions, there is no doubt that the Director may exercise the ‘Board’s’ regulatory authority.” *Patent Quality Assurance, LLC v. VLSI Tech. LLC*, IPR2021-01229, Paper No. 131 at 22 n.15 (PTAB Aug. 3, 2023). As explained above, the Director has unreviewable discretion over the institution decision. 35 U.S.C. § 314(d); *Arthrex*, 594 U.S. at 8-9. As such, the Director has the authority to make institution decisions because the Director is included in the definition of the Board and because the Director retains authority over institution decisions.

Additionally, even assuming that the regulations vested authority over

institution decisions exclusively in a panel of the Board (it does not), the Federal Circuit has held that the Director nevertheless retains the power “to revoke the delegation or to exercise [his] review authority in individual cases despite the delegation.” *In re Palo Alto Networks, Inc.*, 44 F.4th 1369, 1375 (Fed. Cir. 2022); *see also Vidal*, 63 F.4th at 7. The Director’s decision denying institution was therefore fully within his authority.

F. The Director’s October 17, 2025 Memorandum Does Not Violate the Administrative Procedures Act

Petitioner appears to argue that the Administrative Procedure Act requires notice-and-comment rulemaking in order to promulgate the changes contained within the Director’s Institution of AIA Trial Proceedings Memorandum issued on October 17, 2025. Paper 10 at 9-10. Petitioner’s argument ignores that only “substantive” (or “legislative”) rules require notice-and-comment rulemaking. *Lincoln v. Vigil*, 508 U.S. 182, 196 (1993). However, such requirements are not applicable to “general statements of policy” or “agency ... procedure, or practice.” 5 U.S.C. § 553(b)(4)(A). Procedures and policies regarding institution decisions are accordingly not subject to the APA’s rule-making requirements.

For instance, the Director previously issued the June 2022 Memorandum which provided for circumstances in the PTAB would not deny institution of an IPR applying the *Fintiv* factors. *See also Apple Inc. v. Fintiv, Inc.*, IPR2020-

00019, Paper No. 11 (PTAB Mar. 20, 2020). In deciding whether the Director had authority to issue the June 2022 Memorandum, the district court in *Vidal* found that the determination as to whether *Fintiv* factors would apply to an institution decision did not “alter the landscape of individual rights and obligations” because “there is no set of circumstances under which the Director is required to authorize IPR institution.” *Apple Inc. v. Vidal*, No. 20-CV-06128-EJD, 2024 WL 1382465, at *9 (N.D. Cal. Mar. 31, 2024). Because the institution decision “is entirely discretionary” the fact that a policy makes that discretionary action more or less likely does “not alter, create, or impose any individual rights or obligations” necessitating notice-and-comment rulemaking. *Id.*

G. The Content of the Director’s Denial Decision Does Not Violate the Administrative Procedures Act

For the same reasons explained above, the Director’s discretionary denial decision does not require substantive explanation because the Director’s institution decision is not reviewable and therefore does not “turn[] on whether the Director has provided an explanation” for the denial. *Vidal*, 63 F.4th at 13; *see supra* at II.D. Petitioner argues that 5 U.S.C. § 706 requires a “reasoned, record-based explanation” for judicial review of the action. Paper 10 at 10. Moreover, because the Director’s decision to deny institution is a discretionary decision which is explicitly not reviewable by a court, the requirements of 5 U.S.C. § 706 are not

applicable. 5 U.S.C. § 701(a)(2) (entirely exempting agency action from APA's Chapter 7 requirements where "statutes preclude judicial review" or "agency action is committed to agency discretion by law").

More specifically, 35 U.S.C. § 314(d) makes the "determination by the Director whether to institute an inter partes review . . . final and nonappealable." *See also Vidal*, 63 F.4th at 13. Still further, 35 U.S.C. § 314(c) only requires that "[t]he Director shall notify the petitioner and patent owner, in writing, of the Director's determination." As such, the AIA only requires that the Director provide notice of the decision to the Parties; there is no requirement in the statute that the Director provide the reasoning behind the Decision.

Furthermore, the cases cited by Petitioner are not applicable because they involve agency decisions that are subject to review by federal courts. The *State Farm* decision involved "orders 'revoking' and 'establishing' safety standards" and therefore found that revocations of standards were subject to judicial review similar to orders establishing such standards. *Motor Vehicle Manufacturers Ass'n of the United States, Inc. v. State Farm Mut. Auto. Ins. Co.*, 463 U.S. 29, 41 (1983). *Burlington Truck* involved the decision to issue a certificate of convenience and necessity to a carrier. *Burlington Truck Lines, Inc. v. United States*, 371 U.S. 156, 167-168 (1962). *Chenery* involved an order approving a plan of reorganization for the Federal Water Service Corporation. *Sec. & Exch. Comm'n v. Chenery Corp.*,

318 U.S. 80, 81 (1943). Like *Burlington Truck, Bowman* similarly involved the issuance of certificates for routes to carriers. *Bowman Transp., Inc. v. Arkansas-Best Freight Sys., Inc.*, 419 U.S. 281, 283 (1974). In the present case the requirement for a reasoned explanation under the APA is not applicable specifically because the Director's institution decision is non-reviewable and non-appealable. *In re Power Integrations, Inc.*, 899 F.3d 1316, 1319 (Fed. Cir. 2018) (“The purpose of facilitating review does not apply in this case, however, because this court has no reviewing authority over the agency's non-institution decision”).

H. The Director's October 17, 2025 Memorandum Is Not a Retroactive Change

The Director's Institution of AIA Trial Proceedings Memorandum issued on October 17, 2025 is not a retroactive application of an agency rule or procedural change because the Memorandum is applicable to proceedings pending on the date of the Memo going forward. There is no retroactive requirement because the Memorandum explicitly provides that it does not apply to later decisions, stating, “all petitions referred to the PTAB for consideration of the merits and non-discretionary considerations under the Interim Processes prior to October 20, 2025 will remain with a three-member panel.” Institution Proceedings Memorandum at 2. Petitioner cites *Bowen* for the proposition that retroactive changes are improper. Paper 10 at 13. However, *Bowen* is readily distinguishable because it involved a

February 1984 notice seeking to reissue a previously rejected rule change retroactively to July 1, 1981, “as if the original rule had never been set aside.” *Bowen v. Georgetown Univ. Hosp.*, 488 U.S. 204, 207 (1988). Because the Memorandum is applicable to institution decisions going forward, but not to institution decisions already entered, the Memorandum is not an improper retroactive change for at least this reason.

In any event, as noted, petitioners have no legal entitlement to institution of an IPR, and thus the Director is free to change the policies and procedures regarding discretionary factors—which fall within “general statements of policy” and “agency procedure, or practice” —without prior notice or formal rule-making. 5 U.S.C. § 553(b)(4)(A); *Apple Inc. v. Vidal*, 2024 WL 1382465 at *9.

III. CONCLUSION

Petitioner provides no basis to disturb the Director’s Discretionary Denial Decision. The Request for Director Review should accordingly be denied.

Dated: January 23, 2026

Respectfully submitted,

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CERTIFICATE OF SERVICE

Pursuant to 37 C.F.R. § 42.6(e), I certify that on this 23rd day of January, 2026, a true and correct copy of the foregoing **PATENT OWNER'S AUTHORIZED RESPONSE TO DIRECTOR REVIEW REQUEST** was served by electronic mail on Petitioner's counsel at the following email addresses:

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