

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE OFFICE OF THE UNDER SECRETARY OF COMMERCE
FOR INTELLECTUAL PROPERTY AND DIRECTOR OF THE
UNITED STATES PATENT AND TRADEMARK OFFICE

FORD MOTOR COMPANY,
Petitioner,

v.

NEO WIRELESS LLC,
Patent Owner.

IPR2023-00763
Patent 10,447,450 B2

Before KATHERINE K. VIDAL, *Under Secretary of Commerce for
Intellectual Property and Director of the United States Patent and
Trademark Office.*

DECISION

Vacating the Decision on Institution and Remanding to the
Patent Trial and Appeal Board Panel for Further Proceedings

I. INTRODUCTION

Ford Motor Company (“Petitioner” or “Ford”) filed a Petition (Paper 1, “Petition” or “Pet.”) requesting *inter partes* review of claims 7 and 11 of U.S. Patent No. 10,447,450 B2 (Ex. 1001, “the ’450 patent”). This is Ford’s first (and only) petition challenging this patent, but other companies previously sought to challenge it in *inter partes* reviews. In September 2021, Dell Inc. and Dell Technologies Inc. (collectively “Dell”) filed a petition that the Board denied. *See Dell Inc. v. Neo Wireless LLC*, IPR2021-01486 (“the Dell IPR”), Paper 10 (PTAB Mar. 16, 2022). In September 2022, Volkswagen Group of America, Inc. (“Volkswagen”) filed a petition, an *inter partes* review was instituted, and that proceeding is currently ongoing. *See Volkswagen Group of Am. v. Neo Wireless LLC*, IPR2022-01567 (“the Volkswagen IPR”), Paper 8 (PTAB May 4, 2023).

In response to Ford’s Petition in this proceeding, Neo Wireless LLC (“Patent Owner”) filed a Preliminary Response arguing that the Board should exercise discretion to deny institution of *inter partes* review in light of the prior Dell and Volkswagen IPRs. Paper 12 (“Prelim. Resp.”), 4–27.

On November 9, 2023, the Board exercised discretion to deny institution of Ford’s Petition as a follow-on of Volkswagen’s petition. Paper 17 (“Decision” or “Dec.”). Specifically, applying *General Plastic* and *Valve*, the Board found that a “significant relationship” exists between Ford and Volkswagen, and that most of the *General Plastic* factors weigh in favor of denying institution given Volkswagen’s petition. *Id.* at 10–25 (citing *Valve Corp. v. Elec. Scripting Prods., Inc.*, IPR2019-00062, Paper 11 (Apr. 2, 2019) (precedential); *General Plastic Indus. Co., Ltd. v. Canon Kabushiki Kaisha*, IPR2016-01357, Paper 19 at 15 (PTAB Sept. 6, 2017) (precedential only as to Section II.B.4.i)).

Petitioner requested Director Review of the Board’s Decision (Paper 18 (“Request” or “Req.”)), and I granted that Request (Paper 19). With my authorization (Paper 24), Patent Owner filed a response to Petitioner’s Request (Paper 25, “Resp.”), and Petitioner filed a reply (Paper 26, “Reply”).

For the reasons explained below, I find that Ford and Volkswagen do not have a “significant relationship” for purposes of the *General Plastic* analysis. Under existing Office policy and precedent, the Board does not recognize a “significant relationship” between parties having different accused products that merely engage in court-ordered pretrial coordination. In reaching this conclusion, this decision recognizes that existing policy does not support the result reached by the Board in this case.

Accordingly, I vacate the Board’s Decision and remand to the Board to issue a decision on institution that considers the merits of the Petition.¹

II. BACKGROUND

Under 35 U.S.C. § 314(a), the Director has discretion to deny institution of an *inter partes* review.² *Cuozzo Speed Techs., LLC v. Lee*, 579 U.S. 261, 273 (2016) (“[T]he agency’s decision to deny a petition is a matter committed to the Patent Office’s discretion.”); *SAS Inst. Inc. v. Iancu*, 138 S. Ct. 1348, 1356 (2018) (“[Section] 314(a) invests the Director with discretion on the question whether to institute review” (emphasis omitted)).

In certain circumstances, the Board will discretionarily deny a petition because another petition challenging the same patent was filed previously. *See General Plastic*, Paper 19 at 15–16; *see also id.* at 18 n.14 (explaining

¹ Patent Owner did not otherwise argue that institution should be denied on other discretionary bases.

² The Board institutes trial on behalf of the Director. 37 C.F.R. § 42.2(a).

that “[a]llowing similar, serial challenges to the same patent, by the same petitioner, risks harassment of patent owners and frustration of Congress’s intent in enacting the Leahy-Smith America Invents Act”). As outlined in *General Plastic*, the following non-exclusive factors are relevant to this discretionary determination:

1. whether the same petitioner previously filed a petition directed to the same claims of the same patent;
2. whether at the time of filing of the first petition the petitioner knew of the prior art asserted in the second petition or should have known of it;
3. whether at the time of filing of the second petition the petitioner already received the patent owner’s preliminary response to the first petition or received the Board’s decision on whether to institute review in the first petition;
4. the length of time that elapsed between the time the petitioner learned of the prior art asserted in the second petition and the filing of the second petition;
5. whether the petitioner provides adequate explanation for the time elapsed between the filings of multiple petitions directed to the same claims of the same patent;
6. the finite resources of the Board; and
7. the requirement under 35 U.S.C. § 316(a)(11) to issue a final determination not later than 1 year after the date on which the Director notices institution of review.

Id. at 16. Application of these factors “is not limited solely to instances when multiple petitions are filed by the same petitioner.” *Valve*, Paper 11 at 2, 9. “Rather, when different petitioners challenge the same patent, we consider any relationship between those petitioners when weighing the *General Plastic* factors” and, if the second petitioner and the first petitioner have a “significant relationship . . . with respect to [the challenged patent],”

then the Board will consider the first petition in its *General Plastic* analysis. *Id.* at 9–10.

In its Petition, Ford argued that “there is no relevant relationship between Ford and [either] Dell [or Volkswagen],” so neither of the prior petitions should weigh in favor of discretionary denial. Pet. 54. Ford stressed that the allegedly infringing products for which Patent Owner sued Ford and Dell are not the same. *Id.* Similarly, Ford argued that Volkswagen is Ford’s “*direct competitor*[.]” who is simply involved in the same multidistrict litigation (“MDL”) for pretrial purposes. *Id.* at 54–55. Ford represented that it “had no involvement with, much less input into, [Volkswagen’s] IPR, and vice versa,” and that these two companies “independently came to [] different conclusion[s]” regarding the best prior art. *Id.* at 57; *see id.* at 50–53 (discussing substantive differences between Ford’s and Volkswagen’s contentions).

In its Preliminary Response, Patent Owner argued that the Board should discretionarily deny the Petition because of the Dell and Volkswagen IPRs. Prelim. Resp. 4–27. Patent Owner submitted that Ford and Volkswagen “are co-defendants in the district court,” “are accused of infringement by implementing the LTE and/or 4G/5G standards,” and “have been ordered by the Court to jointly present their invalidity contentions to the district court” (and have done so). *Id.* at 10–12 (citing Ex. 1010 (E.D. Mich. Order), 1, 3; Ex. 1013 (MDL Transfer Order), 1–2; Ex. 2019 (Defendants’ Invalidity Contentions)). Patent Owner also argued that Ford used the prior Volkswagen and Dell IPRs as a roadmap for its Petition, which “created an ‘implicit[.]’ relationship sufficient to deny institutions.” *Id.* at 14–15; *see also id.* at 7–9 (alteration in original).

In the Decision, the Board relied on the Volkswagen IPR to discretionarily deny institution under *General Plastic*. Dec. 10–25. The Board found that the first *General Plastic* factor (whether this petitioner previously filed a petition directed to the same claims) weighs against institution because Ford and Volkswagen have a “significant relationship,” stating:

[T]he relationship between Petitioner and Volkswagen falls within the purview of the type of “significant relationship” contemplated by *Valve*. Although Petitioner and Volkswagen are not co-defendants in same the district court litigation where Patent Owner asserted the ’450 Patent against Volkswagen nor the same district court case where Patent Owner asserted the ’450 Patent against Petitioner, there is sufficient evidence indicating that Petitioner and Volkswagen have a significant relationship due to the filing of joint claim construction and invalidity contentions.

Id. at 15–16 (citing *Valve*, Paper 11 at 10; Exs. 2003–2005, 2019 (citation omitted)).

The Board applied its finding that Ford and Volkswagen have a significant relationship when weighing *General Plastic* factors two (knowledge of the prior art in the later petition), four (length of time elapsed between petitions), and five (adequate explanation for elapsed time) in favor of a discretionary denial of institution. *Id.* at 16–19. Specifically, the Board found that Petitioner knew or should have known of the prior art at the time Volkswagen filed its petition, that a substantial amount of time (at least seven months) elapsed before the Petition was filed, and that adequate justification for the delay was not provided. *Id.* at 19.

The Board found the third factor (whether this petitioner received earlier preliminary responses or institution decisions before filing the

Petition) to be neutral because there was insufficient evidence of road-mapping; however, the Board found *General Plastic* factors six and seven (efficiency considerations) to weigh in favor of a discretionary denial of institution. *Id.* at 20–24; *see also id.* at 19.

Ford filed a Request for Director Review, arguing that the Decision represents an abuse of discretion. Req. 1. According to Ford, the Board’s reliance on the Volkswagen IPR improperly extends *General Plastic* factor one “to find direct *competitors* who sell *different* products to have a ‘significant relationship’ by virtue of their involuntary inclusion . . . in a consolidated multidistrict litigation.” *Id.* I agree.

III. ANALYSIS

A. *Legal Background*

Although *General Plastic* addressed an earlier petition filed by “the same petitioner,” *Valve* extended the *General Plastic* framework to petitioners having a “significant relationship.” *General Plastic*, Paper 19 at 16; *Valve*, Paper 11 at 9–10. In *Valve*, the Board found a “significant relationship” between petitioner Valve and prior petitioner HTC where Valve and HTC: (1) were co-defendants in the same co-pending district court litigation and (2) had an on-going licensing relationship regarding technology accused of infringing the challenged patent. *See Valve*, Paper 11 at 2–3, 9–10. Specifically, in the same district court litigation, both Valve and HTC “were accused of infringing the [challenged] patent *based on the same product*, namely HTC’s VIVE devices that incorporate technology licensed from *Valve*.” *Id.* at 9–10 (emphasis added). In fact, Valve represented that it licensed its technology to HTC and provided technical assistance during the development of the accused product. *Id.* at 10. As a result, the Board found that the relationship between these companies was

“significant” such that HTC’s earlier petition should be considered when analyzing whether to discretionarily deny Valve’s later-filed petitions. *Id.*

B. The Parties’ Arguments on Director Review

Ford argues that the Board abused its discretion in finding a significant relationship between Ford and Volkswagen. Req. 7–11. First, Ford argues that it and Volkswagen are not co-defendants because they were sued in different venues, *id.* at 7, and that their inclusion in an MDL for pre-trial proceedings is insufficient to create a significant relationship, *id.* at 8–9. Second, Ford argues that, to have a significant relationship under *Valve*, petitioners must be accused of infringement based on the same product, which is not the case here. *Id.* at 9–10. Ford adds that, “unlike HTC and Valve, Ford did not incorporate [Volkswagen’s] technology under license or receive [Volkswagen’s] technical assistance with respect to the accused products, or *vice versa*.” *Id.* at 10. Finally, Ford points out that if there is no significant relationship between Ford and Volkswagen, *General Plastic* factors two, four, and five are moot. *Id.* at 10–11.

Patent Owner responds that *Valve* considers “any” relationship between petitioners. Resp. 3–4 (*citing Valve*, Paper 11 at 9). Thus, Patent Owner argues that discretionary denial does not require that petitioners be co-defendants or be accused of infringing based on the same product. *See id.* at 4–5, 11. Instead, Patent Owner argues that *Valve* should broadly apply to “address all the possible ways unfair and inefficient serial petitioning may occur” and to meet the policy goal of avoiding repeated challenges to the same patent. *Id.* at 6–8 (*citing Valve*, Paper 11 at 9) (*citing* USPTO Executive Summary, Public Views on Discretionary Institution of AIA

Proceedings (Jan. 2021));³ *see also* Ex. 2014 (letter from Senators Tillis and Coons to Director Iancu, urging the Director to “prioritize solutions to the problem of abusive serial petitions—multiple follow-on petitions attacking the same patent claims and asserting new or modified arguments—either by the same petitioner or different petitioners”).

As to the facts of the case, Patent Owner contends that “the court joined Ford and [Volkswagen] into a single MDL because having to jointly select and raise their invalidity contentions would be ‘just and efficient’ because of strong overlap of issues, ranging from claim construction to validity.” Resp. 12. Patent Owner argues that when “petitioners jointly develop invalidity theories in the district court, they should jointly present them in the Office.” *Id.* Patent Owner further argues that it is irrelevant whether Ford was involved in preparing Volkswagen’s petition, as “explicit coordination of serial challenges is not required for discretionary denial.” *Id.* at 14–15. In sum, Patent Owner argues that the Board “had ample reason to deny IPR, both under binding precedent and under any fair policy.” *Id.* at 15.

*C. Ford and Volkswagen Do Not Have a
Significant Relationship Under Valve*

Having reviewed the record, I disagree with the Board’s conclusion that Ford and Volkswagen have a “significant relationship” vis-à-vis the challenged patent that justifies application of a *General Plastic* analysis. The relationship between Ford and Volkswagen as to the challenged patent is materially different than that in *Valve*. In *Valve*, both petitioners were

³ Available at www.uspto.gov/sites/default/files/documents/USPTO_ExecutiveSummaryofPublicViewsonDiscretionaryInstitutiononAIA_ProceedingsJanuary2021.pdf.

accused of infringing the same patent based upon the same product for which they had an ongoing licensing relationship. Valve and HTC thus had closely aligned interests with respect to the challenged patent. Here, any relationship between Ford and Volkswagen is premised on the allegation that they each infringe the same patent, but with different allegedly infringing products and in different district court proceedings. Patent Owner argues that both accused products use the same allegedly infringing wireless standard, which creates a “significant relationship” (*see* Prelim. Resp. 10–14), but this argument is not persuasive. There is no evidence that Ford and Volkswagen had any interactions or agreements regarding the implementation of the accused wireless standard into their respective accused products. Thus, the infringement allegations do not provide a basis for finding that they have a “significant relationship.”

The Board relied upon the pretrial coordination between Ford and Volkswagen in the MDL, but those actions did not create a “significant relationship” for purposes of *General Plastic/Valve*. Dec. 15–16. The court ordered Ford and Volkswagen to coordinate in the MDL for pretrial proceedings at Patent Owner’s request and over objections from Ford and Volkswagen. *See* Ex. 1013, 1; Ex. 1010, 3. Per the court’s orders, Ford and Volkswagen jointly filed invalidity contentions (*see* Ex. 2019, 2) and jointly submitted a claim construction statement (*see* Exs. 2003–2005). This court-ordered case-management coordination does not by itself create the type of “significant relationship” contemplated by *Valve*.

In conclusion, the Decision in this proceeding improperly extended *General Plastic* and *Valve* by determining that Ford and Volkswagen have a

“significant relationship.”⁴ I am not persuaded by Patent Owner’s invitation to expand the discretionary denial principles set forth in *General Plastic* and *Valve* to include the relationship at issue here. Court-ordered pretrial coordination between parties having different accused products does not present a “significant relationship” vis-à-vis the challenged patent that justifies application of a *General Plastic* analysis, unless there are other relevant or extenuating facts or circumstances. As a result, I vacate the Decision and remand to the Board to issue a decision on institution that addresses the merits of the Petition.

IV. ORDER

Accordingly, based on the foregoing, it is hereby:

ORDERED that the Decision Denying Institution (Paper 17) is *vacated*; and

FURTHER ORDERED that the case is remanded to the Board for further proceedings consistent with the instructions above.

⁴ While the Board did not base its discretionary denial on the Dell IPR, any connection between Dell and Ford is even more tenuous, at least because Dell is not part of the MDL at issue here. The record does not demonstrate a “significant relationship” between Dell and Ford that would justify a *General Plastics* analysis.

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