

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

VIDENDUM PRODUCTION SOLUTIONS, INC.,
Petitioner,

v.

ROTOLIGHT LIMITED,
Patent Owner.

IPR2023-01218
Patent 10,845,044 B2

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

DECISION

Granting Director Review, Vacating the Decision on Institution,
and Remanding to the Patent Trial and Appeal Board
for Further Proceedings

I. INTRODUCTION

Videndum Production Solutions, Inc. (“Petitioner” or “Videndum”) filed a Petition (Paper 1, “Petition” or “Pet.”) requesting *inter partes* review of claims 1–19 of U.S. Patent No. 10,845,044 B2 (Ex. 1001, “the ’044 patent”). Rotolight Limited (“Patent Owner”) filed a Preliminary Response, arguing that the Board should exercise discretion to deny institution under 35 U.S.C. § 314(a), following the principles set forth in *General Plastic Industries Co., Ltd. v. Canon Kabushiki Kaisha*, IPR2016-01357, Paper 19 (PTAB Sept. 6, 2017) (precedential as to § II.B.4.i) (“*General Plastic*”). Paper 6 (“Prelim. Resp.”), 15–25. With Board authorization, Videndum filed a Reply to the Preliminary Response addressing Patent Owner’s discretionary denial arguments (Paper 7), and Patent Owner filed a Sur-reply (Paper 8).

Videndum is not the first party to request an *inter partes* review of the ’044 patent. Arnold & Richter Cine Technik GmbH & Co. Betriebs KG (“ARRI”) previously filed a petition (Ex. 2004) requesting review of the ’044 patent in IPR2022-00099 (“the ARRI IPR”), and the Board instituted review (Ex. 1007). One month before oral argument, ARRI and Patent Owner jointly moved to terminate the ARRI IPR due to settlement, and the Board granted the Motion. IPR2022-00099, Papers 36, 39.

In this proceeding, on January 25, 2024, the Board exercised discretion to deny institution of Videndum’s Petition as a follow-on of ARRI’s petition. Paper 9 (“Decision” or “Dec.”). In the Decision, the Board analyzed the factors articulated in *General Plastic*, and the majority exercised discretion to deny institution under 35 U.S.C. § 314(a). Dec. 9–18. The dissent would not have exercised discretion to deny institution and

expressed that the majority did not take into account certain facts that weighed against exercising discretion. *Id.* at 21–29.

On February 23, 2024, Petitioner requested Director Review of the Board’s Decision, arguing that the Board abused its discretion. Paper 11 (“Request”); Ex. 3100. After reviewing Petitioner’s Request, the Board’s Decision, and the relevant papers and exhibits of record in this proceeding, I determine that Director Review of the Board’s Decision is appropriate. *See Revised Interim Director Review Process*¹ §§ 4.B, 5.A. For the reasons set forth below, I vacate the Board’s Decision and remand to the Board to issue a decision on institution that considers the merits of the Petition.²

II. ANALYSIS

Under 35 U.S.C. § 314(a), the Director has discretion to deny institution of an *inter partes* review.³ *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) (“[35 U.S.C.] § 314(a) invests the Director with discretion on the question *whether* to institute review.”).

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 that “[a]llowing similar, serial challenges to the same patent, by the same petitioner, risks harassment of patent owners and frustration of Congress’s

¹ Available at www.uspto.gov/patents/ptab/decisions/revised-interim-director-review-process.

² Patent Owner did not argue in the Preliminary Response that institution should be denied on other discretionary bases.

³ The Board institutes trial on behalf of the Director. 37 C.F.R. § 42.2(a).

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 Corp. v. Elec. Scripting Prods., Inc.*, IPR2019-00062, Paper 11 at 2, 9 (PTAB Apr. 2, 2019) (precedential) (“*Valve*”). *Valve* explains that when different petitioners challenge the same patent, the Board will consider the relationship between them and, if the petitioners 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.

Here, the parties and Board agreed that the instant Petition is the first filed by Petitioner against the claims of the ’044 patent. Dec. 10, 22; Prelim. Resp. 16; Reply 1. The Board also agreed that there is not a significant relationship, as set forth in *Valve*, between Petitioner and ARRI. Dec. 10–11, 22. In particular, the Board majority determined that “Petitioner’s reliance on ARRI’s earlier-filed petition in [the ARRI IPR], even ‘as a menu and roadmap,’” is not sufficient “to create ‘a significant relationship’ that favors denial under the first *General Plastic* factor.” *Id.* at 11. The dissent agreed, reasoning that “Petitioner is not a real party in interest or in privity with ARRI” and “no significant relationship has been shown to exist between Petitioner and ARRI.” *Id.* at 22. Accordingly, the Board majority determined that the first *General Plastic* factor does not weigh in favor of exercising discretion to deny institution; the dissent agreed and found that this factor “weighs strongly” against exercise of discretion. *Id.* at 11, 22. The majority also recognized that “the lack of a significant relationship between first and second petitioners can diminish the relevance of the other *General Plastic* factors.” *Id.* at 11.

After evaluating the other *General Plastic* factors, placing particular relevance on the third factor, the majority determined that “the evidence and circumstances as whole weigh in favor of denying institution in this case.” *Id.* at 11–18. The dissent would have determined that the *General Plastic* factors as whole weigh against exercising discretion to deny institution. *Id.* at 22–29.

Having reviewed the record, I disagree with the majority’s conclusion that discretionary denial is appropriate in this case. In particular, applying

existing USPTO policy and precedent, I determine that where, as here, the first and second petitioners are neither the same party, nor possess a significant relationship under *Valve*, *General Plastic* factor one necessarily outweighs the other *General Plastic* factors.

General Plastic addressed the situation where an earlier petition is filed by “the same petitioner.” *General Plastic*, Paper 19 at 16; *see also id.* at 6–7, 10. *Valve* extended the *General Plastic* framework to petitioners having a “significant relationship.” *Valve*, Paper 11 at 9–10. Under USPTO policy and precedent, *General Plastic* has not been extended to any cases in which the first and second petitioners *do not have* a significant relationship. *See Ford Motor Co. v. Neo Wireless LLC*, IPR2023-00763, Paper 28 at 11 (Vidal March 22, 2024) (explaining that a *General Plastic*-based discretionary denial was not justified when a “significant relationship” vis-à-vis the challenged patent was not present); *Cellco P’ship v. Gen. Access Sols., Ltd.*, IPR2023-00978, Paper 20 at 19 (PTAB Dec. 14, 2023) (where a legally significant relationship between the two petitioners has not been established, finding that *General Plastic* factors 2–5 “bear little relevance” absent extenuating circumstances) (quoting *Alcatel-Lucent USA Inc. v. Oyster Optics, LLC*, IPR2017-02146, Paper 12 at 12 (PTAB Feb. 28, 2018)); *Micron Tech., Inc. v. Sonrai Memory Ltd.*, IPR2023-00909, Paper 7 at 8 (PTAB Nov. 28, 2023) (finding that *General Plastic* factors 1–5 weigh against denying institution where it is the first time the second petitioner has challenged the patent and there is no relationship between the first and second petitioners).

The majority’s Decision in this proceeding improperly expanded the discretionary principles set forth in *General Plastic* and *Valve* to apply to petitioners that are not the same and do not have a “significant relationship.”

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Because I agree that the record here establishes that Videndum and ARRI do not have a significant relationship, exercising discretion to deny the Petition is not justified. 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.

III. ORDER

Based on the foregoing, it is hereby:

ORDERED that the Decision Denying Institution (Paper 9) is *vacated*; and

FURTHER ORDERED that the case is remanded to the Board for further proceedings consistent with this decision.

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