UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

VIZIO, Inc.,
Petitioner,

v.

Polaris PowerLED Technologies, LLC,
Patent Owner.

IPR2020-00043
Patent 8,223,117 B2

Before PHILLIP J. KAUFFMAN, KALYAN K. DESHPANDE, and KARA L. SZPONDOWSKI, *Administrative Patent Judges.*

SZPONDOWSKI, *Administrative Patent Judge*.

DECISION
Denying Institution of *Inter Partes* Review
35 U.S.C. § 314

I. INTRODUCTION

VIZIO, Inc. ("Petitioner") filed a Petition (Paper 2, "Pet." or "Petition") to institute an *inter partes* review of claims 1, 2, 4–7, 9, 13–16, and 18 of U.S. Patent 8,223,117 B2, issued on July 17, 2012 (Ex. 1001, "the '117 patent"). Polaris PowerLED Technologies, LLC ("Patent Owner") filed a Preliminary Response (Papers 10, 11, "Prelim. Resp.") to the Petition. With our authorization (Paper 12), Petitioner filed a Reply to Patent Owner's Preliminary Response (Papers 16, 17, "Reply"), and Patent Owner filed a Sur-Reply (Papers 22, 23, "Sur-Reply"). We have jurisdiction under 35 U.S.C. § 314.

We have authority to determine whether to institute an *inter partes* review under 35 U.S.C. §314(a) and 37 C.F.R. §42.4. Institution of an *inter partes* review is authorized when "the information presented in the petition . . . and any response . . . shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition." 35 U.S.C. § 314(a) (2012); *see also* 37 C.F.R. § 42.4(a) (2019) ("The Board institutes the trial on behalf of the Director.")

For the reasons set forth below, upon considering the arguments and evidence of record, we determine that it is appropriate to exercise our discretion under § 314(a) to deny the Petition.

II. BACKGROUND

A. Related Proceedings

The parties advise that the '117 patent is the subject of the following related proceedings:

(1) *Polaris PowerLED Technologies, LLC v. VIZIO, Inc.*, 8:18-cv-01571 (C.D. Cal.) (hereafter "the California District Court proceeding");

(2) *Polaris PowerLED Technologies, LLC v. AmTRAN Technology Co., Ltd. et al.*, 8:19-cv-01630 (C.D. Cal.);

(3) *Polaris PowerLED Technologies, LLC v. Top Victory Electronics Taiwan Co. Ltd. et al.*, 8:19-cv-01580 (C.D. Cal.);

(4) *Polaris PowerLED Technologies, LLC v. Hon Hai Precision Industry Co., Ltd. d/b/a Foxconn Technology Group*, 8:19-cv-01926 (C.D. Cal.); and

(5) *Polaris PowerLED Technologies, LLC v. Wistron Corporation*, 8:19-cv-01935 (C.D. Cal.).

Pet. 2–3; Paper 4, 2.

B. The '117 Patent (Ex. 1001)

The '117 patent is titled "Method and Apparatus to Control Display Brightness with Ambient Light Correction" and generally relates to "adjusting the brightness level to compensate for changes in ambient lighting" for "a visual information display system." Ex. 1001, (54), 1:19–22. The '117 patent discloses an embodiment having a fully automated brightness adjustment mode that takes into account both ambient lighting conditions and user preference for brightness, as well as an embodiment allowing the user to switch between an automatic mode and a manual mode, which only takes into account user preference for brightness. *Id.* at 1:60–2:6, 2:17–30, 6:37–41.

In a fully automated mode, the '117 patent describes a user input, such as a dimming control, and a light sensor, which detects the ambient light level and generates a corresponding light sensor output. *Id.* at 4:45–52, 5:3–

5, 5:15–20, Figs. 1, 2. In one embodiment, a multiplier outputs a combined signal that is the product of the user input and a scaled light sensor output. *Id.* at 5:20–22, Fig. 2. The product is added to a dark level bias, which is used to maintain the brightness above a predetermined level when the ambient light level decreases to approximately zero, and adjusted to generate a brightness control signal for a display driver. *Id.* at 2:57–60, 4:49–51, 5:22–27, 5:39–41, Fig. 2.

C. Exemplary Claim

Petitioner challenges claims 1, 2, 4–7, 9, 13–16, and 18 of the ’117 patent. Pet. 1. Among the challenged claims, claims 1 and 15 are independent. Independent claim 1 is representative:

> 1. A brightness control circuit with selective ambient light correction comprising:
>
> a first input configured to receive a user signal indicative of a user selectable brightness setting;
>
> a light sensor configured to sense ambient light and to output a sensing signal indicative of the ambient light level;
>
> a multiplier configured to selectively generate a combined signal based on both the user signal and the sensing signal; and
>
> a dark level bias configured to adjust the combined signal to generate a brightness control signal that is used to control a brightness level of a visible display such that the brightness control signal is maintained above a pre-determined level when the ambient light level decreases to approximately zero.

Ex. 1001, 12:28–43.

D. References

Petitioner relies on the following references (*see* Pet. 6), as well as the Declaration of Richard T. Mihran, Ph.D. (Ex. 1010).

Reference	Exhibit	Patent/Printed Publication
Oki	1004	English-language translation of Japanese App. Pub. No. 2003-150291 to Oki published May 23, 2003
Toffolo	1006	U.S. Patent No. 6,337,675 B1 to Toffolo issued January 8, 2002
Morris	1007	U.S. Patent Pub. No. 2003/0112353 A1 to Morris published June 19, 2003
Weindorf	1008	U.S. Patent Pub. No. 2002/0118182 A1 to Weindorf published August 29, 2002
Bruning	1009	U.S. Patent Pub. No. 2002/0070914 A1 to Bruning published June 13, 2002

E. Asserted Grounds

The specific statutory ground of unpatentability, claims challenged, and references relied on for the grounds is summarized in the table below. *See* Pet. 5–6.

Ground	Claims Challenged	35 U.S.C. §	Reference(s)
1	1, 2, 4–7, 9, 15, 16, 18	102	Oki
2	1, 2, 4–7, 9, 15, 16, 18	103	Oki
3	13	103	Oki, Morris
4	14	103	Oki, Morris, Weindorf
5	1, 2, 4, 5, 9, 15, 16, 18	102	Toffolo
6	1, 2, 4, 5, 9, 15, 16, 18	103	Toffolo
7	6	103	Toffolo, Bruning
8	13	103	Toffolo and Morris
9	14	103	Toffolo, Morris, Weindorf
10	7	103	Toffolo, Weindorf

III. DISCRETION UNDER 35 U.S.C. § 314(a)

Under 35 U.S.C. § 314(a), the Director has discretion to deny institution of an *inter partes* review, and the Board institutes trial on behalf of the Director. *See Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2140 (2016) ("[T]he agency's decision to deny a petition is a matter committed to the Patent Office's discretion."); 37 C.F.R. § 42.4(a).

Patent Owner presents the threshold issue of whether we should exercise our discretion and deny institution under 35 U.S.C. § 314(a) due to the advanced state of the California District Court proceeding, in which the same issues have been presented and trial has been set for September 15, 2020. Prelim. Resp. 10–13 (citing *NHK Spring co., Ltd. v. Intri-Plex Tech., Inc.*, IPR2018-00752, Paper 8 at 20–21 (PTAB Sept. 12, 2018) (precedential) ("*NHK*")). We authorized additional briefing on this issue. Paper 12 at 5 ("the Board would find additional briefing useful on the § 314(a) arguments in evaluating whether the same prior art, asserted in the same way, is asserted in the related district court litigation, and whether the

status of the district court litigation weighs in favor of exercising our discretion to deny institution of *inter partes* review."). As explained in detail below, we are persuaded that the evidence weighs in favor of discretionary denial of the Petition.

In *NHK*, the Board exercised its discretion to deny institution under both 35 U.S.C. § 325(d) and 35 U.S.C. § 314(a). *NHK* at 19–21. As to its discretion under § 314(a), the Board found that "the advanced state of the district court proceeding is an additional factor that weighs in favor of denying the Petition under § 314(a)." *NHK* at 20. In the parallel district court case, the petitioner had asserted "the same prior art and arguments," expert discovery was scheduled to end in approximately seven weeks, and a jury trial was scheduled to begin in approximately six months. *Id.* at 1, 20. The Board found that "[i]nstitution of an *inter partes* review under these circumstances would not be consistent with 'an objective of the AIA . . . to provide an effective and efficient alternative to district court litigation.'" *Id.* at 20 (citing *Gen. Plastic Indus. Co. v. Canon Kabushiki Kaisha*, IPR2016-01357, Paper 19 at 16–17 (PTAB Sept. 5, 2017) (precedential as to § II.B.4.i).

"[T]he Board's cases addressing earlier trial dates as a basis for denial under *NHK* have sought to balance considerations such as system efficiency, fairness, and patent quality." *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 at 5 (PTAB Mar. 20, 2020). When applying *NHK*, the Board has balanced various factors, including whether the petitioner and the defendant in the parallel proceeding are the same party, the proximity of the court's trial date to the Board's projected statutory deadline for a final written decision, investment in the parallel proceeding by the court and the parties,

whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted, overlap between issues raised in the petition and in the parallel proceeding, and other circumstances that impact the Board's exercise of discretion, including the merits. *Id.* at 5–16 (collecting cases).

The relevant facts before us are similar to those presented in *NHK*. Petitioner is the defendant in the California District Court proceeding. Pet. 2.[1] The District Court has scheduled a pre-trial conference for August 31, 2020, and a trial date for September 15, 2020. Ex. 2022. If we were to institute trial, our final written decision would be due no later than May 6, 2021. Thus, the District Court's trial is scheduled to precede our final written decision by more than seven months. Accordingly, as in *NHK*, a trial date has been set substantially before we would issue a final written decision, which weighs in favor of exercising our discretion to deny institution of *inter partes* review.

Patent Owner has also presented evidence that both the parties and the District Court have invested substantial time and resources in the California District Court proceeding over the past year and a half, exemplified by submission of arguments and evidence, and rulings by the court. *See* Prelim. Resp. 10–13; Sur-Reply 6–7; Ex. 2008 ("Order re VIZIO's Motion for Clarification"); Ex. 2009 ("Order re Joint Stipulation for Extension of Time"); Ex. 2018 (VIZIO, Inc.'s Invalidity Contentions"); Ex. 2022 ("Order for Jury Trial Setting Dates"); Ex. 3002 ("Order re Claim Construction"; Ex. 3003 ("Order re Supplemental Claim Construction Disputes"); *see also* Ex.

[1] The Complaint was filed on September 4, 2018. Ex. 1027 at 1. Petitioner was served on October 15, 2018. Ex. 1021. Petitioner filed this Petition on October 15, 2019. Pet. 68.

1027 ("Joint Claim Construction and Prehearing Statement"); Ex. 1018 ("[Polaris] Disclosure of Asserted Claims and Infringement Contentions"). For example, fact discovery closed in January 2020, and the parties will have completed expert discovery, including serving opening and rebuttal expert reports and taking expert depositions, in April 2020, prior to the time of our institution decision for this proceeding. Prelim. Resp. 11; Sur-Reply 6–7; Ex. 2009; Ex. 2022. Furthermore, following a claim construction hearing on November 20, 2019, the District Court issued three detailed claim construction orders in November 2019, December 2019, and January 2020. Exs. 1027, 2008, 3002, 3003; Pet. 16–20; Prelim. Resp. 1–3. Petitioner has not disputed any of the aforementioned facts as to the status of the California District Court proceeding. We are, therefore, persuaded that the California District Court proceeding is at such an advanced stage, and that both the parties and Court have invested such time and resources, that it weighs in favor of discretionary denial.

Patent Owner argues that Petitioner is asserting essentially the same prior art in the same way, except for the Bruning reference, which is not asserted against the '117 patent in the California District Court proceeding. Prelim. Resp. 11, 12; Sur-Reply 4. In support, Patent Owner provides Petitioner's invalidity contentions from the California District Court proceeding, which identifies the Oki, Toffolo, Morris, and Weindorf references, the same four reference asserted in the Petition. *See* Ex. 2018; Prelim. Resp. 10. Petitioner does not dispute that these four references are applied in the same way in the California District Court proceeding, but rather, argues that there are *more* references asserted in the California District Court proceeding. Reply 7 ("the invalidity contentions in the

litigation involve over thirty prior art references, while the grounds of the present proceeding involve only five."). Moreover, Petitioner acknowledges there is "some overlap between the prior art being used," but only cites the Bruning reference as the nonoverlapping prior art. *Id.* at 7.[2] Petitioner does not, however, differentiate the arguments or prior art presented in the Petition from the arguments or prior art presented in the District Court. To that end, Patent Owner's assertions that Petitioner is asserting essentially the same prior art in the same way in the California District Court proceeding remains undisputed. We note that in authorizing additional briefing from the parties on the § 314(a) issue, we specifically requested information "in evaluating whether the same prior art, asserted in the same way, is asserted in the related district court litigation." Paper 12, 5. We also note similarities in the disputed claim terms and arguments that overlap with those in this proceeding. *Compare* Exs. 1027, 2008, 3002, 3003, *with* Pet. 16–20; Prelim. Resp. 1–3. Accordingly, we find that, based on the evidence of record, the similarity between the evidence and grounds of unpatentability in the Petition and the evidence and grounds of invalidity asserted in the California District Court proceeding weighs in favor of discretionary denial.

Petitioner argues that the California District Court proceeding and the Petition do not involve an identical set of claims because Patent Owner dismissed dependent claims 4, 5, 6, 9, and 18 from the California District Court proceeding. Reply 7 (citing Ex. 1033). Therefore, over half of the twelve claims from the Petition are also challenged in the District Court,

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[2] Although Bruning is nonoverlapping art, the Petition only relies on Bruning for alternative grounds and, even at that, for limited teachings. *See* Pet. 5.

including both independent claims 1 and 15. *Compare* Pet. 5 with Reply 7. Petitioner has not provided argument as to why the additional challenges to the dependent claims in the Petition provide a meaningful distinction between the two proceedings. In this regard, this case is similar to *Next Caller v. TRUSTID*, IPR2019-00961, Paper 10 at 14 (PTAB Oct. 16, 2019),[3] where the Board exercised its discretion to deny institution in view of a district court proceeding even though the Petition addressed more claims than were asserted in the district court proceeding. *Id.* at 14 (explaining, "Next Caller does not argue that the nonoverlapping claims differ significantly in some way, nor does Next Caller argue whether it would be harmed if we do not institute on the nonoverlapping claims."). Moreover, Patent Owner argues that the five dependent claims were dismissed with prejudice and cannot be asserted against Petitioner or its products again, so Petitioner suffers no harm by the denial of institution of these five dependent claims. Sur-Reply 5. We, therefore, are persuaded of sufficient duplication between the claims at issue in this IPR proceeding and the claims at issue in the California District Court proceeding, which weighs in favor of discretionary denial.

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[3] *Next Caller* is a routine decision, and, therefore, not binding authority on us. *See* Standard Operating Procedure 2 (Revision 10), 3, https://www.uspto.gov/sites/default/files/documents/SOP2%20R10%20FINAL.pdf ("Every decision other than a precedential decision by the Precedential Opinion Panel is, by default, a routine decision. A routine decision is binding in the case in which it is made, even if it is not designated as precedential or informative, but it is not otherwise binding authority."). Although we are not bound to the findings, we find the analysis instructive here.

In summary, after considering all of the evidence and arguments the parties have presented, we determine that the arguments and evidence weigh in favor of exercise our discretion to deny institution. The facts weighing in favor of discretionary denial include (1) the advanced stage of the California District Court proceeding; (2) the investment of time and resources by the District Court and the parties in the California District Court proceeding; (3) overlap in the invalidity theories that Petitioner is pursuing here and in the California District Court proceeding; and (4) overlap in the claims challenged in the California District Court proceeding. Accordingly, we exercise our discretion to deny institution of *inter partes* review.

IV. PATENT OWNER'S RENEWED MOTION TO FILE UNDER SEAL

Patent Owner filed a Renewed Unopposed Motion to Seal Under 37 C.F.R. § 42.54. Paper 20 (here after "Motion to Seal"). Patent Owner seeks to seal Exhibits 2001–2006, which include confidential information, as well as portions of its unredacted Patent Owner Preliminary Response (Paper 11), unredacted Petitioner's Reply (Paper 17), and unredacted Patent Owner's Sur-Reply (Paper 23) that also include the confidential information. Motion to Seal 1. The confidential information relates to arguments Patent Owner presented as to whether the Oki reference is prior art to the '117 patent. E.g., Prelim. Resp. 16–41. Patent Owner argues there is good cause to seal the foregoing documents because they contain confidential and highly sensitive commercial, business, and manufacturing information of third parties. Motion to Seal 3–5. Patent Owner also seeks to expunge or replace Paper 11 with the new version of its Patent Owner Preliminary Response

(Paper 19), which was filed concurrently with the Motion to Seal and contains fewer redactions. Motion to Seal 6. The parties also request entry of the Default Protective Order. Motion to Seal 1, 5.

In rendering our Decision to deny institution, we did not rely on the information Patent Owner seeks to maintain as sealed. For this reason, we expunge the unredacted versions of Patent Owner's Preliminary Response (Papers 11, 19), Petitioner's Reply (Paper 17), and Patent Owner's Sur-Reply (Paper 23), and Exhibits 2001–2006. Patent Owner's Motion to Seal is *dismissed* as moot.

V. OTHER PENDING MOTIONS

In light of our Decision to deny institution, the following motions are *dismissed* as moot: Petitioner's Motion to Correct a Clerical Mistake (Paper 24); Petitioner's Motion to Excuse Late Action Under 37 C.F.R. § 42.5(c) (Paper 25); Patent Owner's Unopposed Motion for *Pro Hac Vice* Admission of Charles S. Barquist (Paper 6); and Patent Owner's Unopposed *Pro Hac Vice* Motion to Admit Attorney Robert F. Kramer (Paper 13).

VI. CONCLUSION

Based on the evidence and the analysis above, we exercise our discretion and deny the Petition. Accordingly, we do not institute *inter partes* review of the "117 patent.

VII. ORDER

In consideration of the foregoing, it is hereby:

ORDERED that *inter partes* review is not instituted for any claim of

the ’117 patent;

FURTHER ORDERED that Patent Owner’s Renewed Unopposed Motion to Seal Under 37 C.F.R. § 42.54 (Paper 20) is dismissed as moot;

FURTHER ORDERED that Papers 11, 17, 19, 23, and Exhibits 2001–2006 shall be expunged from the record in this proceeding;

FURTHER ORDERED that Petitioner’s Motion to Correct a Clerical Mistake (Paper 24) is dismissed as moot;

FURTHER ORDERED that Petitioner’s Motion to Excuse Late Action Under 37 C.F.R. § 42.5(c) (Paper 25) is dismissed as moot;

FURTHER ORDERED that Patent Owner’s Unopposed Motion for *Pro Hac Vice* Admission of Charles S. Barquist (Paper 6) is dismissed as moot; and

FURTHER ORDERED that Patent Owner’s Unopposed *Pro Hac Vice* Motion to Admit Attorney Robert F. Kramer (Paper 13) is dismissed as moot.

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