

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

VIDENDUM PRODUCTION SOLUTIONS, INC.,
Petitioner,

v.

ROTOLIGHT LIMITED,
Patent Owner.

Case No. IPR2023-01218
U.S. Patent No. 10,845,044

PETITIONER'S REQUEST FOR REHEARING BY THE DIRECTOR

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I. INTRODUCTION

Petitioner Videndum Production Solutions, Inc. (“Videndum”) respectfully requests rehearing by the Director of the Board’s Decision Denying Institution (“Decision”, Paper No. 9) of U.S. Patent No. 10,845,044 (“the ’044 patent”). Videndum has been placed in an unreasonable position by the Majority that is contrary to public policy, as identified in the dissenting opinion.

Specifically, in another IPR proceeding, the Board instituted trial on the ’044 patent. *See* IPR2022-00099 (“IPR099”), Paper 5. Patent Owner then purposefully waited until the one-month joinder window under Rule 42.122 had closed before it proceeded to file suit against Videndum. Patent Owner and the IPR099 petitioner then jointly moved to terminate IPR099 based on settlement, which Videndum opposed. Nonetheless, the Board terminated IPR099 and, in doing so, noted Videndum’s representation that it was “not time-barred and may file its own petitions in the future.” IPR099, Paper 13, 7. Videndum did just that, using the same art and arguments from IPR099. Incredibly, in a split-decision, Videndum’s petition was errantly denied on discretionary grounds with two Judges finding in favor of discretionary denial (Decision, 18), and a third Judge dissenting and finding in favor of institution (Decision, 20-29 (Judge McGraw dissenting)).

The Majority’s Decision goes against public policy as it encourages a parade of co-defendants, and even parties merely fearing a potential suit, to file copycat

petitions on the chance that a first instituted IPR may be terminated. Accordingly, we request the Director grant review and reverse the Majority's Decision.

II. LEGAL STANDARD

“Requests for Director Review of the Board's decision whether to institute an AIA trial, or decisions granting rehearing of such a decision, shall be limited to decisions presenting (a) an abuse of discretion or (b) important issues of law or policy.” USPTO, Revised Interim Director Review Process at 2.B, Availability of Director Review: AIA Trial Proceedings (last modified July 25, 2023), <https://www.uspto.gov/patents/ptab/decisions/revised-interim-director-review-process>. “An abuse of discretion is found if the decision: (1) is clearly unreasonable, arbitrary, or fanciful; (2) is based on an erroneous conclusion of law; (3) rests on clearly erroneous fact finding; or (4) involves a record that contains no evidence on which the Board could rationally base its decision.” *Intelligent Bio-Sys., Inc. v. Illumina Cambridge Ltd.*, 821 F.3d 1359, 1367 (Fed. Cir. 2016) (citation omitted).

III. ARGUMENT

A. The Majority's Decision Presents Important Issues of Policy Concerning the Proper Use of Discretionary Denial

In her dissent, Judge McGraw identifies the mistakes in the Majority's decision; mistakes which set improper precedent for the PTAB and establish improper policy regarding discretionary denial practice. As Judge McGraw identified in her dissenting opinion, the Majority improperly denied access to the PTAB despite the

following facts that favor institution: (1) a second petitioner was not the first petitioner and was unrelated to first petitioner, (2) the second petitioner was sued after institution of the first petition, (3) the first IPR settled without a final decision, (4) the second petitioner opposed the termination of the first IPR, (5) the Board noted in its termination of the first IPR that the second petitioner “may file its own petitions in the future,” (6) and the second petitioner timely filed its petition. Decision, 21 (Dissent by Judge McGraw). Nonetheless, Videndum’s petition was denied institution solely on discretionary denial grounds. Accordingly, this case raises an important issue of policy because discretionarily denying institution to such second petitioners is an improper abuse of the Board’s discretion.

Failing to institute also sets bad policy and precedent because it encourages gamesmanship and improper patent owner behavior. Indeed, the Patent Owner here apparently waited until the one-month joinder window under Rule 122 had closed before it proceeded to file suit against Videndum. In an effort to gain access to the PTAB, Videndum not only opposed settlement of IPR099 but also timely filed its own IPR as was referenced as an avenue when the Board terminated IPR099. Nonetheless, the panel denied Videndum’s petition on discretionary grounds. The Majority’s Decision is improper for many reasons, including that it encourages patent owners to wait to sue additional defendants until more than one month after institution of a first IPR in an effort to game the system. As the precedential *Code*

200 decision confirms, once an IPR has been instituted, public policy favors ultimately determining whether the challenged claims are, in fact, valid. *Code200, UAB v. Bright Data, Ltd.*, IPR2022-00861, Paper 18 at 4-5 (Aug. 23, 2022) (precedential) (explaining that “when the first-filed petition was not evaluated on the merits,” allowing a second copycat petition to proceed “*best balances the desires to improve patent quality and patent-system efficiency.*” (emphasis added))).

In addition to encouraging improper patent owner activity, the Majority’s Decision also encourages wasteful activity on the part of petitioners. Specifically, the Majority’s Decision finds fault in Videndum’s failure to quickly file its copycat petition. In accordance with the Majority’s logic, however, any co-defendant or even a party that believes there is a threat of a suit should file a copycat petition as quickly as possible. Obviously, such an outcome invites the creation of many duplicative cases when, most often, only the first case will be required to adjudicate the patentability of a challenged patent. Such an improper waste of resources significantly exceeds any alleged waste from merely continuing a single IPR that was previously instituted.

Finally, this case does not present the circumstance warned of in *General Plastic* involving “[m]ultiple, staggered petitions challenging the same patent and same claims,” which may “raise the potential for abuse.” *General Plastic Industrial Co., Ltd. v. Canon Kabushiki Kaisha*, IPR2016-01357, Paper 19 at 16 (PTAB Sept.

6, 2017) (precedential as to § II.B.4.i) (warning of situations where multiple petitioners would “strategically stage their prior art and arguments in multiple petitions, using our decisions as a roadmap, until a ground is found that results in the grant of review.”). Here, there was no strategic staging of multiple petitions. Indeed, the PTAB had already granted review on the same grounds asserted in Videndum’s petition such that the concerns raised in *General Plastic* are not applicable where there was no reshaping of the grounds to overcome prior petition denials. The Board is simply being asked to complete its previous work in an IPR.

B. The Majority Abused Its Discretion by Weighing the *General Plastic* Factors in a Manner Contrary to Fact and Law

1. It Is Not a Waste of the Board’s Resources to Merely Continue a Review the Board Has Already Deemed Necessary

The Majority states in its Decision that “having multiple petitions challenging the same patent . . . is inefficient and tends to waste resources.” Decision, 17. Yet, in this case, Videndum is merely requesting that the Board continue its review from IPR099, a review which the Board previously determined was necessary but never completed due to termination in view of settlement. Decision, 8.

In an important precedential decision in *Code200, UAB v. Bright Data Ltd.*, Director Vidal noted that “‘allowing [a petitioner] the opportunity to pursue a decision on the merits’ in a second-filed petition, when the first-filed petition was not evaluated on the merits, ‘best balances the desires to improve patent

quality and patent-system efficiency against the potential for abuse of the review process by repeated attacks on patents.” IPR2022-00861, Paper 18 at 4-5 (PTAB Aug. 23, 2022) (quoting *Intel Corp. v. VLSI Tech. LLC*, IPR2022-00366, Paper 14 (June 8, 2022), 9–10.) (emphasis added)). “Holding otherwise would undercut the congressional grant to the United States Patent and Trademark Office of ‘significant power to revisit and revise earlier patent grants’ as a mechanism ‘to improve patent quality and restore confidence in the presumption of validity that comes with issued patents.’” *Id.* (quoting *Cuozzo Speed Techs., LLC v. Lee*, 579 U.S. 261, 272 (2016) (quoting H.R. Rep. No. 112-98, pt. 1, at 45, 48)); *see also id.* at 6 (“the Patent Owner’s concerns of fairness are outweighed by the benefits to the patent system of improving patent quality by reviewing the merits of the challenges raised in the petitions, which have not been addressed to date.”). Director Vidal’s logic from *Code200* is equally applicable here, as IPR099 did not receive a final determination on the merits, and allowing second petitioner Videndum to pursue a decision on the merits best balances the desire to improve patent quality against the potential for abuse of the review process.

The Board’s precedential decision in *General Plastic* warns of scenarios in which “[m]ultiple, staggered petitions challenging the same patent and same claims raise the potential for abuse.” *General Plastic*, Paper 19, 17. As Judge McGraw noted in her dissent, however, “the present circumstances do not present the kind of

harassment that forces a Patent Owner to defend against patent challenges that were already deemed insufficient.” Decision, 25. This case is not an example of harassment or abuse, but Videndum’s request for the Board to finish its work in IPR099. In fact, in its Termination Decision in IPR099, the Board held that “termination leaves open the ultimate patentability issues implicated in these cases.” Ex. 1011, 6. Videndum filed its petition to request that these open patentability issues be ruled on by the Board. Moreover, if any party is being “harassed” here, it is Videndum due to Patent Owner’s gamesmanship. Really, Patent Owner has no valid complaint under *General Plastic* when its own litigation strategy is driving the timing of the IPRs. *Samsung Elecs. Am., Inc. v. Uniloc Lux. S.A.*, IPR2017-01797, Paper 8 at 33 (P.T.A.B. Feb. 6, 2018) (“Patent Owner’s complaint about the multiple [IPR] petitions filed against [its] patent is not persuasive when the volume appears to be a direct result of its own litigation activity.”) *See also Proppant Express Inv., LLC v. Oren Techs., LLC*, IPR2018-00914, Paper 38 at 16 (Mar. 13, 2019), (“Circumstances which may justify [granting joinder] may include, for example, *actions taken by a patent owner in a co-pending litigation* such as the late addition of new asserted claims.”)

2. Despite the Board Noting the Possibility That Videndum May File a Petition, Petitioner Was Denied Access to the PTAB

The Majority correctly noted that it was “reasonable and prudent” for

Videndum to monitor IPR099, a challenge brought by Videndum’s direct competitor that had been sued for infringement of the same patent. Decision, 13 (“We find nothing innately improper or unfair about that practice.”). The Majority further stated that “[w]e emphasize that Petitioner was under no obligation to join IPR099 or file its own petition at any particular time.” Decision, 15.

In IPR099, when Patent Owner and the petitioner moved to terminate, non-party Videndum sent an email to the Board arguing that “termination of these proceedings is not appropriate and contrary to the public interest.” Ex. 1011, 2. Videndum further noted for the panel in IPR099 that Patent Owner is “attempting to dismiss these proceedings at the eleventh-hour knowing that its patents are at substantial risk of invalidation,” and that Videndum “may have to refile similar IPR petitions that [the first petitioner] has already filed.” IPR2021-01496, Ex. 3001, 2.

Judges Obermann and Abraham, the two Judge Majority here, were on the panel for IPR099 and considered these arguments by Videndum. In their decision terminating IPR099, the panel noted Videndum’s statements about possibly having to refile similar IPR petitions as one of the “circumstances” that favored termination of IPR099. Ex. 1011, 7 (“[Videndum] also indicates that it is not time-barred and may file its own petitions in the future”). Videndum ultimately did exactly that, by filing the instant petition. Yet, the Majority improperly denied institution on a discretionary basis.

3. Videndum Worked Diligently and Within the Statutory Deadlines To File Its IPR

The Board terminated IPR099 on January 30, 2023. Facing challenges in finding a new expert and coordinating with third parties (one residing overseas), Videndum worked diligently to finalize and file its IPR petition on July 17, 2023. Petitioner explained that during the six-month period, Petitioner was engaged in “find[ing] a new expert,” “coordinat[ing] with third parties (one residing overseas),” and “finaliz[ing] declarations.” Reply, 3. As can be appreciated, it is a difficult task for a petitioner to analyze and evaluate the challenges set forth in a petition, retain a new expert, assess the patent claim challenges with the new expert, coordinate with third parties, and finalize declarations. These are serious considerations to be weighed by a party now defending against actual litigation, not just a hypothetical lawsuit, and six months is a reasonable period for the completion of such tasks. Furthermore, as part of Petitioner’s review and assessment of its case with its expert, Videndum determined that a few minor modifications to the first petition in IPR099 were prudent. These minor modifications do not automatically amount to improper road mapping. In fact, it would be unreasonable, even when instituted, to require a second petitioner to blindly copy and paste an earlier challenge into its own petition without assessing and evaluating the challenges with an expert and modifying if required.

In any event, Videndum’s petition relies upon the same prior art and

challenges as IPR099. Further, this case does not represent the abusive circumstance warned about in *General Plastic* in which multiple petitioners “strategically stage their prior art and arguments in multiple petitions, using our decisions as a roadmap, until a ground is found that results in the grant of review.” *General Plastic*, Paper 19, 17.

Petitioner’s utilization of a six-month period to assess and prepare its petition and supporting materials and file before its statutory bar date should not be fatal to its efforts to have the PTAB review a matter already considered worthy of inspection. As noted by Judge McGraw, “Congress extended the period for filing the petition from six months to one year so as to afford accused infringers sufficient time to assess the patent owner’s infringement allegations and to investigate the patent’s validity.” Decision, 27. Furthermore, Judge McGraw noted “that Congress chose one year over six months raises the presumption, then, that accused infringers are entitled to the full year permitted by statute for filing a petition without being hindered to explain why the petition was not filed earlier in the yearlong window.” *Id.* Videndum’s petition was timely filed and Videndum provides an “adequate explanation for the time that elapsed.” *General Plastic*, Paper 19, 16.

4. Patent Owner Waited to Sue Videndum Until After the Expiration of the Rule 122 Joinder Window

As noted in the dissent, “Patent Owner cannot complain that Petitioner had an opportunity to study the filings in IPR099 when Patent Owner chose to wait nearly

nine months after the petition was filed in IPR099, and two months after the Decision on Institution issued, before bringing suit against Petitioner.” Decision, 25. Accordingly, Judge McGraw correctly determined that “any inequities faced by the Patent Owner in the present circumstances is a result of Patent Owner’s own doing.” *Id.*

Additionally, the timing of Patent Owner’s actions indicate Patent Owner was attempting to avoid joinder by Videndum into IPR099. Rule 122 provides that “[a]ny request for joinder must be filed . . . no later than one month after the institution date of any inter partes review for which joinder is requested.” 37 C.F.R. § 42.122. Here, Patent Owner waited more than one month after IPR099 was instituted to file suit against Videndum and allege infringement of the ’044 patent. Accordingly, by the time Videndum had been sued for infringement, it was unable to file a motion for joinder under Rule 122 to attempt to join IPR099.

5. The Majority Agreed That the Lack of a Relationship Between Petitioners Diminishes the Relevance of the Other *General Plastic* Factors Yet It Ignored This Consideration

In precedential decision of *General Plastic*, the Board evaluated the actions of a petitioner that filed a first set of petitions and then, nine months later, filed a second set of petitions against the same patents. *General Plastic*, Paper 19, 2-3. Accordingly, the Board established that the first *General Plastic* factor evaluates “whether the same petitioner previously filed a petition directed to the same claims

of the same patent.” *Id.* at 9. This logic was extended by the Board in its precedential decision in *Valve Corp. v. Elec. Scripting Prods., Inc.*, where the Board evaluated whether a “significant relationship” existed between the first petitioner and the later petitioner. IPR2019-00062, Paper 11 (April 2, 2019) (finding that a “significant relationship” did exist because the two parties were co-defendants in District Court litigation and one party’s accused products licensed the technology in question from the other party).

In this matter, the Majority correctly determined that *General Plastic* factor one favored institution because there is no significant relationship between Videndum and the petitioner in IPR099. Decision, 11. Additionally, the Majority acknowledged that “the lack of a significant relationship between first and second petitioners can diminish the relevance of the other *General Plastic* factors.” *Id.* For example, in *Qualcomm Inc. v. Monterey Research, LLC*, the Board found that *General Plastic* factor 2 is less relevant in the overall analysis when the later petitioner is not the first petitioner. IPR2020-01493, Paper 11 at 17 (PTAB Mar. 8, 2021). Although the Majority noted the diminished relevance of the later factors when factor one favors institution, the Majority failed to properly account for this diminished relevance when weighing the later *General Plastic* factors. Accordingly, the Majority erred in its analysis.

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IV. RELIEF REQUESTED

The Director should vacate the majority's discretionary denial and institute *inter partes* review.

Date: February 23, 2024

Respectfully submitted,

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CERTIFICATE OF SERVICE

Pursuant to 37 CFR §§ 42.6(e)(4), the undersigned certifies that the foregoing **PETITIONER'S REQUEST FOR REHEARING BY THE DIRECTOR** was provided via email on February 23, 2024, to the Patent Owner by serving the correspondence address of record as follows:

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