

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Luminex International Company Ltd.
Petitioner,

v.

Signify Holdings B.V.
Patent Owner

IPR2024-00101
Patent 10,299,336

**PETITIONER'S REPLY TO THE
PATENT OWNER PRELIMINARY RESPONSE**

I. IPR IS NOT BARRED UNDER 35 U.S.C. § 315(a)(1)

Section 315(a)(1) is clear: IPR is barred only if “the petitioner ... *filed a civil action* challenging the validity of a claim of the patent” before filing an IPR petition. Petitioner filed no such civil action, so the § 315(a)(1) bar does not apply.

The Board has consistently interpreted the “filed a civil action” language of § 315(a)(1) to mean *commenced a civil action* by filing a complaint. *See Nokia of America Corp. v. IPRCom, GMBH & Co. KG*, IPR2021-00533, Paper 10, at 17 (PTAB Aug. 12, 2021) (finding that § 315(a)(1) did not bar IPR because “[petitioner] did not file a complaint to commence a civil action – it intervened in Patent Owner’s existing civil action”); *Ariosa Diagnostics v. Isis Innovation Ltd.*, IPR2012-00022, Paper 20, at 5 (PTAB Feb. 12, 2013) (“when [§ 315(a)(1)] refers to filing a civil action, it refers to filing a complaint with the court to commence the civil action”); *Metrics, Inc., v. Senju Pharmaceutical Co., Ltd.*, IPR2014-01043, Paper 19, at 9 (PTAB Feb. 19, 2015) (same). The Board’s interpretation is consistent with Supreme Court precedent recognizing that “a civil action is commenced by filing a complaint with the court.” *Baldwin County Welcome Ctr. v. Brown*, 466 U.S. 147, 149 (1984) (quoting Federal Rules of Civil Procedure 3).

Here, Patent Owner—*not Petitioner*—commenced the Wisconsin civil action by filing a complaint against Menard. Menard then filed a third-party complaint against Petitioner. In answering that complaint, Petitioner asserted the

invalidity of the '336 patent. By responding in Patent Owner's already existing civil action, Petitioner did not commence a civil action by filing a complaint, and the § 315(a)(1) bar therefore does not apply.

Patent Owner's reliance on *Dr. Reddy's* is misguided because that case is distinguishable. POPR at 10 (citing *Dr. Reddy's Labs., Inc. v. Horizon Pharma USA, Inc. et al.*, IPR2017-01995, Paper 77 (PTAB Aug. 12, 2019)). In *Dr. Reddy's*, "[petitioner], not Patent Owners, elected to introduce the [challenged patent] into" the district court case to seek a declaratory judgment of invalidity, thus triggering the § 315(a)(1) bar. *Dr. Reddy's*, IPR2017-01995, Paper 77 at 5-6. By contrast, Patent Owner itself introduced the '336 patent into the District Court Case here.

In sum, § 315(a)(1) does not bar this IPR.

II. IPR IS NOT BARRED UNDER 35 U.S.C. § 315(b)

A. Menard Is Not an RPI

Menard is not an RPI because, among other reasons, it had no role at all in this IPR: Menard did not control Petitioner's decision to file for IPR, nor did Menard have any input on the arguments included in the petition. Menard did not fund this IPR, and Menard did not coordinate with Petitioner in filing this IPR. Like *Uniloc 2017*, "[w]ithout such evidence of control, in addition to no evidence of joint funding, or even any evidence of substantial coordination between the parties as to their respective decisions to bring these proceedings, a finding that [a

third party] is an RPI of or in privity with [petitioner] here would be improper.”

Uniloc 2017 LLC v. Facebook Inc., 989 F.3d 1018, 1029 (Fed. Cir. 2021).

The RPI determination “demands a flexible approach,” “with the heart of the inquiry focused on whether a petition has been filed at a party’s behest.” *Id.* at 1027–28. Relevant considerations include “whether a party exercises or could exercise control over a petitioner’s participation in a proceeding, or whether a party is funding the proceeding or directing the proceeding.” *Id.* at 1028. In *Uniloc 2017*, the Federal Circuit found a third party was not an RPI because the petitioner “acted of its own accord,” and was not a proxy for the third party because petitioner, “through its own counsel, filed its own IPR petitions ... to assert its own interests.” *Id.* at 1028-30. Similarly, in *Wi-Fi One, LLC v. Broadcom Corp.*, petitioner was not acting at a third party’s behest because petitioner “clearly [had] an interest of its own in challenging [the patent], based on its manufacture of the assertedly infringing chips.” 887 F.3d 1329, 1340 (Fed. Cir. 2018).

Here, as in *Uniloc 2017* and *Wi-Fi One*, Petitioner acted of its own accord, and not at Menard’s behest, in filing the IPR Petition. Menard did not control Petitioner’s decision to file for IPR, and Menard will have no input on Petitioner’s actions in this IPR. Indeed, Luminex certifies that: Menard had no role whatsoever in Petitioner’s IPR; Petitioner never communicated with Menard regarding the substance of the IPR petition and never told Menard why the IPR petition would be

filed; Petitioner did not file its IPR petition at Menard's behest; Menard never requested that Petitioner file an IPR petition challenging the '336 patent; Menard had no control or say whatsoever in Petitioner's IPR petition; and Petitioner did not ask for or receive input from Menard on the petition.

Petitioner is not acting as a proxy for Menard because Petitioner filed this IPR through its own counsel, at its own cost, to assert its own interests. As in *Wi-Fi One*, Petitioner has its own interests in this IPR because of its "manufacture of the allegedly infringing [devices]" that it sells to ***various customers***, just one of which is Menard. 887 F.3d at 1340. To be clear, Petitioner filed this IPR to invalidate the '336 patent and avoid any potential infringement liability in its manufacture and sale of the allegedly infringing devices to various customers. That a particular customer of Petitioner's (Menard) may benefit from this IPR is incidental. Luminex has ***many customers*** for the accused products, and Luminex's interest in selling its products to other customers is not shared by Menard. As an innovator and leader in CCT tuning technology, Petitioner (through a related company, Vaxcel) owns a comprehensive CCT tuning patent portfolio (e.g., U.S. 9,345,112, discussed in the Petition at 7-10) which it vigorously defends, including by invalidating later-filed patents asserted against its products, like the '336 patent.

Further, the District Court Case ***only covers Petitioner's products as packaged/sold under Menard's brand***; thus, a holding for Menard, or a settlement

between Menard and Patent Owner **would not clear** Petitioner to sell identical products to other customers or under its own brand, confirming that Petitioner's interests are not aligned with Menard's. This IPR, however, **would clear** Petitioner to sell such products to other customers, which is Petitioner's primary interest.

Patent Owner cites to *Ventex*, but the relationship in *Ventex* is completely different. POPR at 23–25; *Ventex Co., Ltd. v. Columbia Sportswear North America, Inc.*, IPR2017-00651, Paper 152 (PTAB Jan. 24, 2019). The parties in *Ventex* had a “specially structured, preexisting, and well established business relationship,” that included exclusivity, whereas Petitioner and Menard have a standard, non-exclusive customer-manufacturer relationship that includes routine, non-exclusive arms-length dealings. *Id.* at 10. Here, Luminex certifies that it sells lighting products to many companies aside from Menard, and Menard likewise purchases lighting products from many other companies. In fact, Menard sued **14 other suppliers** under identical business terms in the District Court Case, confirming the routine, arms-length business relationship between the two. *See Signify v. Menard*, No. 20-cv-706, D.I. 202 (W.D. Wis. Oct. 19, 2023) (Menard's Amended Third-Party Complaint). Further, in *Ventex*, the parties shared the cost of the IPR; here, Menard has provided no funding to Petitioner. *Ventex*, at 13-14.

Patent Owner points to Petitioner and Menard's customer agreement, but an indemnification agreement, without a showing of control, does not establish a party

as an RPI. *See Wi-Fi One, LLC*, 887 F.3d at 1341; *Assa Abloy Inc. et al. v. CPC Patent Technologies Pty, Ltd.*, IPR2022-01094, Paper 19 at 24 (PTAB Feb. 2, 2023) (“the Board has held repeatedly that an indemnification agreement, without something more, is insufficient to establish a RPI relationship”).

For all of these reasons, Menard is not an RPI.

B. Menard Is Not in Privity with Petitioner

Menard is not in privity with Petitioner because their relationship is limited to a standard customer-manufacturer relationship. Like the petitioner and the third party in *WesternGeco LLC v. ION Geophysical Corp.*, Petitioner and Menard are distinct and unrelated entities with a standard customer-manufacturer relationship; each are represented by independent counsel; and Petitioner is not acting as a proxy for Menard. 889 F.3d 1308, 1318-21 (Fed. Cir. 2018). As discussed above: Petitioner has its own independent interests in invalidating the '336 patent; Menard has not contributed to this IPR in any way; a finding of non-infringement in the District Court Case would *not clear* Luminex to sell the accused products to other customers (but this IPR *would*); and Menard has not controlled or funded Petitioner's involvement in the District Court Case. While Petitioner and Menard (and the 14 other suppliers) share a common desire to invalidate the '336 patent, their relationship is not sufficiently close to support a finding of privity, and the

Federal Circuit has recognized that “a common desire among multiple parties to see a patent invalidated, without more, does not establish privity.” *Id.* at 1321.

Finally, Patent Owner argues that Petitioner is a proxy for Menard because it is defending Menard upon Menard's demand. POPR at 27. Patent Owner again ignores that Petitioner is just one of 15 suppliers that Menard sued under the same boilerplate supply agreement. As addressed above with regard to RPI, Petitioner is not a proxy for Menard, and Petitioner is asserting its own interests rather than acting at the behest of Menard. Any benefits to Menard are incidental.

For all of these reasons, Menard is not in privity with Petitioner.

III. INSTITUTION IS APPROPRIATE UNDER *FINTIV*

Discretionary denial under *Fintiv* is inappropriate for the reasons stated in the Petition (at 3-5). Nevertheless, to eliminate overlap between this IPR and the District Court Case, Petitioner stipulates that if the PTAB institutes IPR, Petitioner will not pursue in the District Court the same grounds raised in this IPR or any grounds that could have reasonably been raised in this IPR. This stipulation matches the language of *Sotera Wireless, Inc. v. Masimo Corp.*, IPR2020-01019, Paper 12 (PTAB Dec. 1, 2020), and the USPTO Director has confirmed that “the PTAB will not discretionarily deny institution of an IPR or PGR in view of parallel district court litigation where a petitioner” makes this stipulation. *Interim Procedure* (June 21, 2022) at 7.

Dated: March 8, 2024

Respectfully submitted,

By: /s/ Joshua R. Nightingale /

Joshua R. Nightingale (Reg. No. 67,865)

jrnightingale@jonesday.com

William E. Devitt (*pro hac vice* to be filed)

wdevitt@jonesday.com

Vishal V. Khatri (Reg. No. 51,873)

vkhatr@jonesday.com

Jeffrey S. Messing (Reg. No. 81,690)

jmessing@jonesday.com

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing Petitioner's Reply to Patent Owner Preliminary Response of U.S. Patent No. 10,299,336 was served on March 8, 2024 via electronic mail on Patent Owner's lead and backup counsel at the following email addresses:

Justin J. Oliver (Reg No. 44,986)
JOliver@Venable.com

John D. Carlin (Reg No. 37,292)
JCarlin@Venable.com

Signify-IPRs@Venable.com

Counsel for Patent Owner

Date: March 8, 2024

By: /s/ Joshua R. Nightingale /
Joshua R. Nightingale
Reg. No. 67,865
JONES DAY
500 Grant Street, Suite 4500
Pittsburgh, PA 15219
jrnightingale@jonesday.com