

Filed on behalf of: Signify Holdings B.V.

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.

Case IPR2024-00101
U.S. Patent No. 10,299,336

PATENT OWNER'S SUR-REPLY

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I. Luminex’s Interpretation of Section 315(a)(1) Fails

In its Reply, Luminex makes no attempt to argue that the declaratory judgment action for invalidity that it filed against Signify is a “counterclaim” exempted by 35 U.S.C. § 315(a)(3). Instead, Luminex asserts that “responding in Patent Owner’s already existing civil action” cannot trigger the statutory bar in 35 U.S.C. § 315(a)(1) in the first place. Reply, 2. This is wrong, for three reasons.

First, if responding in an existing civil action could not trigger § 315(a)(1), then § 315(a)(3)’s exception for counterclaims—which are *only* filed in response to actions—would be superfluous. A statutory interpretation that renders a section of the statute superfluous should be rejected. *Duncan v. Walker*, 533 U.S. 167, 174 (2001) (“A statute ought, upon the whole, to be so construed that, if it can be prevented, no clause, sentence, or word shall be superfluous, void, or insignificant.”); *Barton v. Barr*, 140 S. Ct. 1442, 1461 (2020) (rejecting an interpretation that would render an “entire [] clause ... meaningless”); *Facebook, Inc. v. Windy City Innovations, LLC*, 973 F.3d 1321, 1336 (Fed. Cir. 2020) (rejecting attempt to use the joinder process in § 315(c) to add additional claims to prior IPRs, stating “[c]onstruing § 315(c) to permit joinder of proceedings, and all the new issues therein, would render superfluous the reference to consolidation in § 315(d), which is disfavored in statutory interpretation.”). Crossclaims and counterclaims are always filed “in response to” existing civil actions, yet are

themselves civil actions. *See* Rule 13(g) (distinguishing amongst the “original action,” the “counterclaim,” and the “action against the crossclaimant.”).

Notably, while Luminex’s attempts to limit a “civil action” to only the filing of an original complaint (Reply, 1), Black’s Law Dictionary defines “complaint” to include “the original claim, counterclaim, cross-claim, or third-party claim.”

Black’s Law Dictionary, Sixth Ed. (1990), at 285 (available on Westlaw). Indeed, a “complaint” can be in the form of a “Cross-complaint.” *Id.*, at 375 (Ex. 2010).

Black’s Law Dictionary uses terms such as “original action” and “principal action” to distinguish the same from a “Cross-claim.” *Id.*; *see also id.* (“Cross-action” entry embraces counterclaims and crossclaims; “independent suit”).

Second, the nonprecedential cases Luminex cites do not support its erroneous interpretation. In *Metrics, Inc., v. Senju Pharmaceutical Co., Ltd.*, the purported “civil action” alleged to trigger § 315(a)(1) was a Paragraph IV certification filed ***at the FDA***, which “did not involve filing a complaint with a court.” IPR2014-01043, Paper 19, at 9 (PTAB Feb. 19, 2015). Similarly, in *Ariosa Diagnostics v. Isis Innovation Ltd.*, the purported “civil action” alleged to trigger § 315(a)(1) was an ***affirmative defense*** of invalidity filed in response to an infringement counterclaim (itself in response to a declaratory judgment claim for noninfringement). There, the panel held “an affirmative defense of invalidity is treated differently than a counterclaim for invalidity, and thus for the purposes of

315(a)(1) cannot be considered a filing of a civil action for invalidity.” IPR2012-00022, Paper 20, at 7 (PTAB Feb. 12, 2013). *Ariosa* does not hold that “responding in an existing action” cannot trigger § 315(a)(1); it held that **defenses** cannot trigger § 315(a)(1) and explained why its holding is consistent with § 315(a)(3). *Id.*, at 5; see *Ericsson Inc. et al. v. Intellectual Ventures II LLC*, IPR2015-01872, Paper 10, at 9 (PTAB Mar. 14, 2016) (“We disagree that an Answer filed in intervention raising an **affirmative defense** of invalidity constitutes a civil action challenging the validity of a claim of a patent.” (emphasis added)).

Nokia of America Corp. v. IPRCom, GMBH & Co. KG—cited by Luminex and involving a counterclaim filed via a motion to intervene under FRCP 24—references *Ericsson* but ignores the essential reasoning in *Ericsson* and *Ariosa*. *Nokia* states that in *Ericsson*, the Board “declined to consider an Answer in intervention to be a civil action under Section 315(a)(1),” but that quote removes without explanation the “**raising an affirmative defense of invalidity**” language from *Ericsson*. See IPR2021-00533, Paper 10, at 16 (PTAB Aug. 12, 2021). And, unlike the panels in *Ariosa* and *Ericsson*, neither Luminex nor *Nokia* makes any attempt to reconcile this interpretation of 315(a)(1) with the exception in 315(a)(3).

Third, Luminex filed its declaratory judgment claim against Signify under FRCP 14, which also distinguishes between “defenses” and “claims” and gave Luminex the option (not the obligation) to assert either. Unlike in *Nokia*, here

there is no argument from the petitioner that its declaratory judgment claim is a “counterclaim” under § 315(a)(3). In this regard, Luminex’s declaratory judgment claim is on all fours with the claim that triggered § 315(a)(1)’s bar in *Dr. Reddy’s Labs., Inc. v. Horizon Pharma USA, Inc. et al.*, IPR2017-01995, Paper 77 (PTAB Aug. 12, 2019). Luminex’s purported distinction that the claim there involved a non-asserted patent misses the point; that claim triggered § 315(a)(1) even though it was “responding in an existing action” because the claim was entirely permissive (like Luminex’s) and not a compulsory counterclaim (*see* § 315(a)(3)). *Id.*, at 5-6.

Accordingly, Luminex’s attempt to limit § 315(a)(1)’s bar to only a claim asserted in an *original* civil action is contrary to the AIA, FRCP, and the Board’s prior cases, and should be rejected.

II. Luminex’s RPI-Privy Rebuttal Falls Short

In its Reply, Luminex does not acknowledge—let alone dispute—that the test for determining whether Menard is an RPI is whether Menard is a “clear beneficiary with a preexisting, established relationship” with Luminex. *See RPX Corp. v. Applications in Internet Time, LLC*, IPR2015-01750, Paper 128 (PTAB Oct. 2, 2020) (quoting *RPX Corp. v. Applications in Internet Time (“AIT”), LLC*, 897 F.3d 1336, 1351 (Fed. Cir. 2018)).

There is no dispute that Menard is a “clear beneficiary” of Luminex’s petition, and such benefits are not merely “incidental” as Luminex suggests. *See*

Reply, 4, 7. Luminex admits that Signify’s infringement action “*only covers [] products packaged/sold under Menard’s brand,*” meaning the only entity actually accused of selling infringing products is Menard. Reply, 4 (emphasis in original). Menard was barred from filing its own petition months before Luminex filed its Petition. Under similar facts, the Board stated “[t]here cannot be any credible assertion that a determination of invalidity ... would not inure to the benefit of [the customer] Seirus in the Seirus Litigation.” *Ventex Co., Ltd. v. Columbia Sportswear North America, Inc.*, IPR2017-00651, Paper 152, at 9 (PTAB Jan. 24, 2019); *see id.*, at 8 (“Ventex seeks relief in this forum that Seirus is barred under § 315(b) from seeking for itself. As in *AIT*, the evidence suggests that Ventex filed this action, in part, to benefit Seirus.” (citing *AIT*, 897 F.3d at 1353)).

Luminex’s carefully worded Reply does not save its Petition. Luminex says it “never told Menard *why* the IPR petition would be filed,” but never disputes that Menard publicly demanded that Luminex take action to defend Menard via its third-party complaint. Reply, 3-4 (emphasis added); Ex. 2001, ¶ 29 (Menard demanding that Luminex defend it “as a matter of first defense”). Nor does Luminex dispute that Menard and Luminex are jointly acting in Menard’s interest in the district court litigation, where currently the only matter being litigated is *Menard’s* liability and the Court publicly ordered the parties to coordinate.

Luminex’s attorney argument that it purportedly has other customers for the

accused products—notwithstanding the fact that Luminex cannot sell Menard-branded products to anyone except Menard—also misses the point. In *Ventex*, the Board noted that the supplier’s “repeated argument that [it] had its own reasons for filing this action, including increasing sales to various customers, misses the point. ... That [the supplier] had interest in invalidating claims in the [asserted] patents does not address whether Seirus is a real party in interest—‘it is not an either-or proposition.’” *Id.* (quoting *AIT*, 897 F.3d at 1353).

There is no dispute that Menard had a “preexisting, established relationship” with Luminex. Indeed, Luminex never disputes that the relevant contractual language governing its preexisting, established relationship with Menard is nearly identical to the language that governed the relationship found in *Ventex*. POPR, at 23-24 (comparing contractual terms). That Menard has similar contracts with other parties (all of whom can only sell Menard-branded products to Menard) only confirms that Menard is the one interested party that is common amongst them all.

Luminex attempts to distinguish *Ventex* by claiming that there both parties paid for the IPR. Reply, 5. However, *Ventex* simply raised the question of whether suspicious payments under a manufacturing agreement went to cover an IPR, and did so only in the context of its privity analysis, not while considering the RPI question. *See Ventex*, Paper 152, at 13-15 (further determining that regardless of the payments the parties’ “interests were aligned and that invalidation of the claims

... would directly benefit” the unnamed party).

Luminex cites to *Uniloc 2017 LLC v. Facebook Inc.*, but the only relationship there was a motion for joinder by the unnamed party—i.e., there was no preexisting, established relationship. 989 F.3d 1018, 1028-29 (Fed. Cir. 2021). Luminex also cites to *Wi-Fi One, LLC v. Broadcom Corp.* and *Assa Abloy AB et al. v. CPC Patent Technologies Pty, Ltd.*, however neither case involved any of the evidence found here, specifically evidence of (i) a public demand to take defensive action by the unnamed party, (ii) public coordination with the unnamed party in the district court litigation, and (iii) that the only products accused of infringement were those sold under the unnamed party’s exclusive control. 887 F.3d 1329, 1339-40 (Fed. Cir. 2018); IPR2022-01094, Paper 19, at 26 (PTAB Feb. 2, 2023).

III. Luminex’s Stipulation Achieves Nothing

Luminex’s *Sotera* stipulation is transparent gamesmanship. *Fintiv*’s intent is to address “concerns of inefficiency and the possibility of conflicting decisions.” *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11, at 12 (PTAB Mar. 20, 2020). Luminex stipulates only that Luminex itself will waive overlapping grounds of unpatentability in the district court litigation. However, the relevant prior art is asserted in joint contentions prepared by Menard *and* Luminex (and others). Luminex’s stipulation eliminates zero issues from the district court litigation.

For the reasons discussed above, *inter partes* review should not be instituted.

March 15, 2024

Respectfully submitted,

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CERTIFICATE OF SERVICE

I certify that a copy of Patent Owner's Sur-Reply was served to Petitioner by causing it to be sent by email to counsel for Petitioner at the following email address:

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