

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SHENZHEN WAYDOO INTELLIGENCE TECHNOLOGY CO., LTD.,
Petitioner,

v.

MHL CUSTOM, INC.,
Patent Owner.

IPR2024-00999
Patent 9,586,659 B2

Before BART A. GERSTENBLITH, KEVIN W. CHERRY, and
MICHAEL L. WOODS, *Administrative Patent Judges*.

WOODS, *Administrative Patent Judge*.

DECISION

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

Denying Motion for Joinder
35 U.S.C. § 315(c); 37 C.F.R. § 42.122

I. INTRODUCTION

Shenzhen Waydoo Intelligence Technology Co., Ltd. (“Petitioner”) filed a Petition (Paper 3, “Pet.” or “Petition”) for *inter partes* review of claims 1, 2, 4, 5, 7–11, 13, and 15 (the “Challenged Claims”) of U.S. Patent No. 9,586,659 B2 (Ex. 1001, “the ’659 patent”). Pet. 1. MHL Custom, Inc. (“Patent Owner”) filed a Preliminary Response (Paper 12, “Prelim. Resp.” or “Preliminary Response”).

Petitioner also filed a Motion for Joinder (Paper 2, “Mot.” or “Motion”), seeking to join IPR2024-00085 (the “Foil Boarding IPR”). Patent Owner filed an Opposition to the Motion (Paper 8, “Opp.” or “Opposition”) and Petitioner filed a Reply (Paper 9, “Reply”) to the Opposition.

The Petition asserts the same grounds of unpatentability as those upon which we instituted review in the Foil Boarding IPR. *Compare* Pet. 1, 12, *with* Foil Boarding IPR, Paper 12, 5; *see also* Mot. 2 (“The [Petition] concurrently filed with this motion . . . is intentionally identical to the Foil [Boarding] IPR in all substantive aspects.”).

Under 35 U.S.C. § 314 and 37 C.F.R. § 42.4(a), we have authority to institute an *inter partes* review if “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). As explained below, we deny Petitioner’s Motion and we deny institution of *inter partes* review.

II. BACKGROUND

A. Real Parties-in-Interest

Petitioner identifies Shenzhen Waydoo Intelligence Technology Co., Ltd. and Waydoo USA, Inc. as the real parties-in-interest. Pet. 5.

Patent Owner identifies itself as the sole real party-in-interest. *See* Paper 5, 3.

B. Related Matters

The parties identify the following court proceedings relating to the '659 patent:

1. *MHL Custom, Inc. v. Foil Boarding Company, Inc., d/b/a Foil, f/k/a Get Foil*, No. 3:22-cv-21258 (N.D. Fla.); and
2. *MHL Custom, Inc. v. Waydoo USA, Inc.*, No. 1:21-cv-00091 (D. Del.) (“*Waydoo case*”).

Pet. 5; Paper 5, 3.

Patent Owner also identifies the following matters as related:

1. U.S. Patent App. No. 90/015,269 (*ex parte* reexamination of the '659 patent); and
2. IPR2024-00086 (filed by Foil Boarding Co., Inc., challenging related U.S. Patent No. 9,359,044 B2 (the “'044 patent”)).

Paper 5, 3–4.

We also note that the following matters are related:

1. IPR2024-00085, the Foil Boarding IPR, filed by Foil Boarding Co., Inc., challenging the '659 patent;
2. IPR2024-00998, filed by Shenzhen Waydoo Intelligence Technology Co., Ltd., challenging the '044 patent;
3. IPR2024-01107, filed by Bombardier Recreational Products Inc., challenging the '659 patent; and

4. IPR2024-01108, filed by Bombardier Recreational Products Inc., challenging the '044 patent.

C. Asserted Grounds of Unpatentability and Declaration Evidence

Petitioner asserts that the Challenged Claims are unpatentable based on the following grounds (Pet. 15):

Ground	Claim(s) Challenged	35 U.S.C. § ¹	References/Basis
1	1, 2, 4, 5, 7– 11, 13, 15	103	Evolvo Report, ² Woolley ³
2	1, 4, 5, 7, 15	103	Evolvo Videos, ⁴ Woolley
3	2, 9, 10	103	Evolvo Videos, Woolley, Torqeedo Manual ⁵
4	8	103	Evolvo Videos, Woolley, Torqeedo Manual, Gleason ⁶

¹ The '659 patent was filed after March 15, 2013, and the AIA version of 35 U.S.C. applies to this proceeding. See Ex. 1001, codes (22), (60), (63).

² “Evolvo Report” or “EvolvoReport” (Ex. 1003), published Apr. 23, 2009. Pet. 13.

³ U.S. Pat. No. 6,443,786 B2, issued Sept. 3, 2002 (Ex. 1011, “Woolley”).

⁴ The Evolo Videos collectively comprise: (1) Ex. 1006 (allegedly published May 5, 2009, https://www.youtube.com/watch?v=a-_OCN50aWo); (2) Ex. 1008 (allegedly published June 11, 2009, <https://www.youtube.com/watch?v=zL9fO8tF118>); and (3) Ex. 1010 (allegedly published Apr. 29, 2009, <https://www.youtube.com/watch?v=fKOQ0JwQnjc>). See Pet. 13–14 (citing the same).

⁵ Operating Manual Cruise 2.0 (Ex. 1014, “Torqeedo Manual”), allegedly published Feb. 2007. Pet. 14.

⁶ U.S. Pat. No. 4,020,782, issued May 3, 1977 (Ex. 1012, “Gleason”).

Ground	Claim(s) Challenged	35 U.S.C. § ¹	References/Basis
5	11, 13	103	Evolo Videos, Woolley, Torquedo Manual, Gleason, Manning ⁷

Petitioner relies on the Declaration of Stefano Brizzolara, Ph.D. *Id.* (citing Ex. 1002).

III. ANALYSIS

A. Statutory and Regulatory Provisions

In *inter partes* reviews, “[t]he moving party has the burden of proof to establish that it is entitled to the requested relief.” *See* 37 C.F.R. § 42.20(c).

Regarding joinder, the relevant statute provides that:

If the Director institutes an inter partes review, the Director, in his or her discretion, may join as a party to that inter partes review any person who properly files a petition under section 311 that the Director, after receiving a preliminary response under section 313 or the expiration of the time for filing such a response, determines warrants the institution of an inter partes review under section 314.

35 U.S.C. § 315(c).

This statute further provides that the petition for *inter partes* review must be filed no later than “1 year after the date on which the petitioner, real party in interest, or privy of the petitioner is served with a complaint alleging infringement of the patent.” 35 U.S.C. § 315(b); *see also* 37 C.F.R.

§ 42.101(b). This one-year time bar, however, “shall not apply to a request for joinder.” 35 U.S.C. § 315(b); *see also* 37 C.F.R. § 42.122(b).

⁷ U.S. Pat. No. 8,290,636 B2, issued Oct. 16, 2012 (Ex. 1013, “Manning”).

B. Whether the Petition Warrants Institution

Patent Owner argues that the Petition is time-barred under 35 U.S.C. § 315(b). *See* Prelim. Resp. 4. Patent Owner submits that Petitioner was served in U.S. District Court with a complaint alleging patent infringement of the '659 patent on January 29, 2021, yet the instant Petition was not filed until June 6, 2024, nearly three and a half years after Petitioner was served. *See id.* at 2–3.

Petitioner responds that the Patent Trial and Appeal Board (“Board”) has repeatedly joined time-barred parties to *inter partes* reviews, and 35 U.S.C. § 315(b) provides that the one-year time bar shall not apply to a request for joinder. Reply 1 (citations omitted).

Whether we institute review depends on whether we grant Petitioner’s Motion for Joinder. If granted, the one-year bar does not apply. *See* 35 U.S.C. § 315(b). If denied, the Petition is time-barred. *See id.*

As discussed below, we deny Petitioner’s Motion for Joinder. *See infra* § III.C. In view of the specific facts of this case, we do not grant Petitioner’s Motion because we find that Patent Owner would suffer undue prejudice by having to defend the '659 patent from Petitioner’s invalidity challenges for a second time as well as Petitioner’s unexplained delay in seeking *inter partes* review. *See id.*

Because we deny Petitioner’s Motion, the one-year time bar applies, and the Petition is time-barred because it was filed more than one year after Petitioner was served with a complaint alleging infringement of the '659 patent. *See* 35 U.S.C. § 315(b); *see also* Prelim. Resp. 1–6 (arguing the same). Further, in light of our determination regarding Petitioner’s Motion and the application of the one-year time bar, we need not additionally

determine whether the substance of the Petition warrants institution of an *inter partes* review. *See* 35 U.S.C. § 315(c).

C. Whether to Exercise Discretion to Join

1. Parties' Arguments

Patent Owner contends that the “Petitioner has already had its day in court and lost.” Opp. 8. Patent Owner explains that Petitioner unsuccessfully challenged the ’659 patent in the *Waydoo* case as obvious over, *inter alia*, the Evolo Report and Woolley. *See* Opp. 3–5 (citing Ex. 2002 (“Trial Verdict”)). Patent Owner references the Trial Verdict and further explains that the jury did not find the ’659 patent invalid, and instead found that Petitioner willfully infringed the patent. *See id.* Patent Owner submits that there is a “remarkably analogous case” in which the Board denied a “me too” petition and motion for joinder “years after it had already had invalidity claims dismissed in related litigation.” *See id.* at 12 (citing *Code200 v. Bright Data Ltd.*, IPR2021-01503, Paper No. 13 (PTAB Mar. 14, 2022) (“*Code200 I*”).

Patent Owner further cites to another Board decision denying institution, which Patent Owner characterizes as analogous, in part because a jury upheld the validity of the challenged claims in a prior litigation. *See* Prelim. Resp. 5 (citing *Apple Inc. v. VirnetX, Inc. & Sci. Application Int’l Corp.*, IPR2013-00348, Paper 18 at 2 (PTAB Feb. 12, 2014) (“*Apple*”)). Patent Owner argues that “Congress did not intend to allow a defendant to lose a patent infringement suit in district court, and then file an IPR petition challenging the same patent after the one year time bar expires.” *Id.* at 6 (quoting *Apple*, Paper 18 at 7).

Patent Owner further contends that Petitioner provides *no explanation* as to why it waited three and a half years after it was first sued by Patent Owner before filing the instant Petition. *See* Opp. 2–5.

Petitioner responds that the “Board has granted joinder motions under similar circumstances.” Reply 2 (citing *Cisco v. Centripetal*, IPR2022-01151, Paper 12 at 58 (PTAB Jan. 4, 2023) (“*Cisco*”); *Code200 v. Bright Data*, IPR2022-00861, Paper 19 at 39 (PTAB Oct. 19, 2022) (“*Code200 II*”). Petitioner further points out that an appeal remains pending in the *Waydoo* case. *See id.*

2. Discussion

Even though an appeal remains pending, we agree with Patent Owner that Petitioner has already had its day in court and lost. Opp. 8.

Congress intended for *inter partes* reviews to be an alternative—not an addition—to district court litigation. *See* Report on HR 1249, 78 (June 1, 2011) (“House Report”). The House Report states that Congress “recognizes the importance of quiet title to patent owners to ensure continued investment resources” and further explained:

While the [Leahy-Smith America Invents Act (“AIA”)] amendment is intended to remove current disincentives to current administrative processes, the changes made by it are *not to be used as tools for harassment or a means to prevent market entry through repeated litigation and administrative attacks on the validity of a patent. Doing so would frustrate the purpose of the section as providing quick and cost effective alternatives to litigation.* Further, such activity would divert resources from the research and development of inventions. As such, *the Committee intends for the USPTO to address potential abuses and current inefficiencies under its expanded procedural authority.*

Id. (emphases added).

Since the implementation of the AIA, the Board has established safeguards to reduce the likelihood that patent owners will be harassed through repeated litigation and administrative attacks challenging the validity of a patent. *See, e.g., Sotera Wireless, Inc. v. Masimo Corp.*, IPR2020-01019, Paper 12 (PTAB Dec. 1, 2020) (precedential as to § II.A)). *For example*, in deciding whether to institute *inter partes* review, the Board will consider a stipulation presented by a petitioner not to pursue in a district court litigation the same grounds or any grounds that could have reasonably been raised before the Board (“*Sotera* stipulation”). *See id.* The Board recognizes that *Sotera* stipulations mitigate concerns of potentially conflicting decisions and duplicative efforts between the Board and the district courts. *See* Director Memorandum, Interim Procedure for Discretionary Denials in AIA-Post Grant Proceedings With Parallel District Court Litigation, U.S. Patent and Trademark Office (June 21, 2022).⁸

In the present case, Petitioner has already challenged the validity of the ’659 patent in a related district court litigation. *See* Ex. 2002. Indeed, Petitioner relied on the Evolo Report and Woolley—two of the primary references relied on in this Petition—in challenging the validity of the ’659 patent. *Compare id.*, with Pet. 15 (asserting each Challenged Claim is unpatentable under the Evolo Report and Woolley). The jury rendered a verdict *against* Petitioner, finding that the ’659 patent was not invalid based on the Evolo Report and Woolley. *See* Ex. 2002. Because Petitioner already challenged the validity of the ’659 patent based on the Evolo Report

⁸ Available at https://www.uspto.gov/sites/default/files/documents/interim_proc_discretionary_denials_aia_parallel_district_court_litigation_memo_20220621_.pdf (last visited Nov. 19, 2024).

and Woolley in district court, Petitioner cannot now provide a *Sotera* stipulation to avoid a conflicting decision between the Board and that court. Even if the verdict remains the subject of appeal, as Petitioner points out (*see* Reply 2), a *Sotera* stipulation would not mitigate the concerns of conflicting decisions between the Board and the district court, as the litigation ship has already sailed.

Further, we disagree with Petitioner’s contention that the “Board has granted joinder motions under similar circumstances.” Reply 2 (citations omitted). In support of this argument, Petitioner cites to two cases that are distinguishable from the facts before us. *See id.*

First, Petitioner cites to *Cisco*. Reply 2 (citing *Cisco*, Paper 12). In *Cisco*, the Federal Circuit vacated the district court’s determination of validity and infringement and remanded the case for reassignment to a new judge. *See Cisco*, Paper 12 at 58 (citation omitted). The Board found that litigation concerning the challenged patent may continue in parallel with the *inter partes* review, subject to Petitioner’s *Sotera* stipulation. *See id.* (citation omitted). The Federal Circuit directed the new judge to “decide the case without regard for” the vacated opinion and order. *See id.* (citation omitted).

In the present case, Petitioner has made no *Sotera* stipulation—as it cannot—and the Federal Circuit has not vacated the jury’s verdict from the *Waydoo* case. Contrary to Petitioner’s contention, the facts in *Cisco* are not similar to the facts presented here. *See* Reply 2.

Second, Petitioner cites to *Code200 II*. Reply 2 (citing *Code200 II*, Paper 19). In *Code200 II*, the Board found that the petition in that case “presents compelling evidence that three prior art references . . . which [were] not before the jury in the [prior] litigation, anticipate many of the

claims.” *Id.* at 6. The Board also noted that the petitioner from the first proceeding “has been dismissed from the . . . IPR” and “[a]bsent joinder, a one-year bar would apply to [p]etitioner” and “the merits presented in [that] challenge would not be reached by the Board.” *See id.* at 16. Importantly, the Board reasoned that joinder would ensure that the merits of the “compelling unpatentability challenges” would be reached through joinder despite the first petitioner being dismissed. *See id.* at 6, 16.

Here, Petitioner relies on the Evolo Report and Woolley for challenging each of the Challenged Claims and Woolley in each of its challenges. *See* Pet. 15. Unlike the Board in *Code200 II*, there are no challenges that rely solely on references not already considered in the *Waydoo* case. *Compare id.*, with Ex. 2002. We further note that, unlike *Code200 II*, the petitioner from the Foil Boarding IPR has not been dismissed. Thus, we disagree with Petitioner’s contention that the circumstances in *Code200 II* are similar to the circumstances before us. *See* Reply 2.

In addition to Petitioner’s cited cases, we find two cases that are also worth addressing: (1) *ecobee Technologies ULC, v. Ollnova Technologies Ltd.*, IPR2024-00131, Paper 11 (PTAB May 21, 2024) (“*ecobee*”), and (2) *Samsung Electronics Co., Ltd., v. Summit 6 LLC*, IPR2016-00029, Paper 9 (PTAB Apr. 4, 2016) (“*Samsung*”). Although at first glance, these decisions may appear to support Petitioner’s position, each is distinguishable from the facts presented here.

In *ecobee*, the Board granted a motion for joinder and instituted review *after* a jury verdict was rendered. *See ecobee*, Paper 11 at 11. In *ecobee*, however, validity of the challenged patent was not at issue, as the petitioner in that case “ultimately abandoned its invalidity contentions mid-

trial.” *See id.* at 13; *see also id.* at 12 (“the district court judgment does not address validity of the [challenged] patent”). Accordingly, *ecobee* is distinguished from the facts presented here because the validity of the ’044 patent (based on Woolley and the Evolo Report) was addressed by the district court in the related litigation.

In *Samsung*, the Board also granted a motion for joinder and instituted review *after* a jury verdict was rendered. *See Samsung*, Paper 9. In *Samsung*, however, the patent owner did not oppose the motion for joinder. *See id.* at 9 (“Patent Owner expressly represents that it ‘does not oppose’ Samsung’s Motion”). As distinguished from *Samsung*, Patent Owner opposes the motion for joinder here. *See* Paper 8.

In contrast to the cases discussed above, we find *Code200 I* (cited by Patent Owner) to be the most analogous to the facts presented here. *See* Opp. 12 (citing the same). In *Code200 I*, the petitioner (“UAB Teso”) filed a petition challenging U.S. Patent No. 9,742,866 B2 (“the ’866 patent”) more than a year after UAB Teso was sued for infringing the ’866 patent by the patent owner (“Bright Data”). *See Code200 I*, Paper 13 at 2, 3, 6. In defense of the lawsuit, UAB Teso counterclaimed that the ’866 patent was invalid. *See id.* at 3, 6. The lawsuit and UAB Teso’s invalidity counterclaims, however, were *dismissed with prejudice*. *See id.* at 3, 6. Following dismissal of the lawsuit, UAB Teso filed a petition, along with a motion for joinder, seeking to invalidate the ’866 patent. *See id.* at 2–3. Bright Data opposed the motion for joinder, arguing that UAB Teso’s actions undermine the previous dismissal of UAB Teso’s invalidity counterclaims *with prejudice* and undermine the integrity of the judicial process. *Id.* at 6. The Board agreed with Bright Data and denied institution, explaining that:

Petitioner provides no explanation for not filing for review when it could have earlier done so in the one-year window, but now seeks to join a challenge after dismissal of its earlier counterclaims with prejudice—except to argue that there was no delay for the joinder motion under the statute. Petitioner also does not provide an explanation why fairness now requires joinder. Thus, we agree with Patent Owner that adding Petitioner to the [prior] IPR would not be in the interests of justice and has not been justified.

Id. at 8–9.

As in *Code200 I*, Petitioner provides *no explanation* as to why it did not file a petition seeking *inter partes* review of the '659 patent within the one-year window. *See generally* Mot.; *see also* Opp. 2 (“Petitioner offers no explanation for why it waited over three years to seek to challenge the patent through IPR proceedings.”). Furthermore, Petitioner provides *no explanation* as to why joinder would be fair or otherwise in the interests of justice. *See generally* Mot.; *see also* Opp. 2 (“Petitioner offers no explanation for how joinder would be fair to, and not otherwise prejudice, Patent Owner.”). Accordingly, Petitioner has failed to establish that it is entitled to the requested relief under our Rules. *See* 37 C.F.R. §§ 42.1, 42.20(c).

For the forgoing reasons, we exercise our discretion to deny Petitioner’s Motion for Joinder.

IV. CONCLUSION

We deny Petitioner’s Motion for Joinder. Because this Petition is time-barred under 35 U.S.C. § 315(b), we also deny *inter partes* review of the '659 patent.

V. ORDER

Accordingly, it is

ORDERED that the Motion for Joinder is *denied*; and

FURTHER ORDERED that, the Petition is *denied* as to all challenged claims and grounds and no trial is instituted.

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