

Patent decision offers new look at weighing of factors for discretionary denial by PTAB

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A current case to watch at the Patent Trial and Appeal Board (PTAB) is *Vivendum Product Solutions, Inc. v. Rotolight Ltd.*, IPR2023-01218, due to its potential impact on the weight accorded to *General Plastic* discretionary denial factor 1 when multiple petitions are filed against the same patent.

In *Vivendum*, the Board initially exercised its discretion to deny institution in view of a previous IPR petition filed by a different, unrelated petitioner challenging the same patent. The Board applied the 7-factor test set forth in *General Plastic Indus. Co. Ltd. v. Canon Kabushiki Kaisha*, IPR2016-01375, concluding that discretionary denial was warranted.

Director Vidal's decision addressed the General Plastic factors and concluded that multiple petitions filed by different, unrelated petitioners (assessed under factor 1) can outweigh the other 6 factors and weigh against discretionary denial.

In February 2024, the Petitioner requested Director Review of the Board's institution decision.

About two months later, on April 19, Director Kathi Vidal issued a decision granting Director Review, vacating the Board's decision denying institution, and remanding for further proceeding. Director Vidal's decision addressed the *General Plastic* factors and concluded that multiple petitions filed by different, unrelated petitioners (assessed under factor 1) can outweigh the other 6 factors and weigh against discretionary denial.

The PTAB typically disfavors filing multiple IPR or PGR petitions challenging the same claims of the same patent.

As the Board's Consolidated Trial Practice Guide states, "one petition should be sufficient to challenge the claims of a patent in most situations," and "[t]wo or more petitions filed against the same patent ... may place a substantial and unnecessary burden on the

Board and the patent owner and could raise fairness, timing, and efficiency concerns." See Consolidated Trial Practice Guide, USPTO (November 2019), at 59.

The Board, however, also "recognizes that there may be circumstances in which more than one petition may be necessary." *Id.*

When considering whether to institute IPR or PGR on a follow-on petition, the PTAB considers seven non-exhaustive factors highlighted in its precedential 2017 *General Plastic* decision. *General Plastic*, IPR2016-01375, Paper 19, 9–10 (P.T.A.B. Sept. 6, 2017).

The *General Plastic* factors concern aspects of timing, fairness, and efficiency, such as whether the same petitioner filed both the first and follow-on petition(s) (factor 1), the amount of information the petitioner learned from the first petition before filing the follow-on petition(s) (factors 2–4), the amount of time between the first and follow-on petition(s) (factor 5), the finite resources of the Board (factor 6), and the Board's statutory mandate to issue a Final Written Decision within one year from the date of institution (factor 7). *Id.*

Vivendum concerns U.S. Patent No. 10,845,044 ("the '044 patent"), which is assigned to Rotolight, Ltd. After weighing the *General Plastic* factors, the Board exercised its discretion under 35 U.S.C. § 314(a) to deny institution in view of a previously filed IPR2022-00099 ("the 00099 IPR"). The 00099 IPR used the same prior art to challenge Rotolight's '044 patent, but was filed by a different petitioner.

In the earlier 00099 IPR, Arnold & Richter Cine Technik GmbH & Co. Betriebs KG ("ARRI") filed an IPR petition challenging claims 1–19 of the '044 patent as being anticipated or obvious over either the "Astera" or "Edwards" prior art references. See *ARRI Inc. v. Rotolight Ltd.*, IPR2022-00099, Paper 2 (P.T.A.B. Oct. 25, 2021).

The Board instituted trial (*Id.*, Paper 13 (P.T.A.B. May 12, 2022)), and the 00099 IPR proceeded through a typical case schedule until about one month before the date of the Oral Hearing, when ARRI and Rotolight filed a joint motion to terminate the IPR in view of settlement. *Id.*, Paper 36 (P.T.A.B. Jan. 13, 2023).

The Board granted the parties' joint motion and terminated the 00099 IPR proceeding. *Id.*, Paper 40 (P.T.A.B. Jan. 30, 2023).

During the course of the 00099 IPR, Rotolight asserted the '044 patent against ARRI and Vivendum in separate district court actions. See *Rotolight Ltd. v. ARRI Inc. et al.*, Case No. 1-22-cv-00983 (D. Del.); *Rotolight Ltd. v. Vivendum PLC et al.*, Case No. 1-22-cv-00928 (D. Del.).

Approximately six months after the Board terminated the 00099 IPR, Vivendum filed its own IPR petition challenging claims 1–19 of the '044 patent as anticipated or obvious over either Astera or Edwards (IPR2023-01218, “the 01218 IPR”). See *Vivendum Production Solutions, Inv. v. Rotolight Ltd.*, IPR2023-01218, Paper 1 (P.T.A.B. July 17, 2023).

Vivendum’s petition acknowledged the earlier 00099 IPR and explained in its petition, “the Board has already found that there was a likelihood that at least one of the Challenged Claims was unpatentable based on these exact prior-art references and Grounds.” *Id.*, at 2.

Vivendum further explained that “while the same invalidity positions were previously presented to the Board by ARRI in IPR2022-00099, the Board instituted review based on these positions finding a likelihood of success on the merits ... There is no basis for discretionary denial as the Board has not previously found these arguments unpersuasive.” *Id.*, at 62.

In its Decision on Institution in the 01218 IPR, the Board denied institution of Vivendum’s petition after weighing the seven *General Plastic* factors. IPR2023-01218, Paper 9, at 9–18 (P.T.A.B. Jan. 25, 2024) (McGraw, J., dissenting); IPR2016-01375, Paper 19 (P.T.A.B. Sept. 6, 2017).

The *Vivendum* Panel noted that factor 1 (“whether the same petitioner previously filed a petition directed to the same claims of the same patent”) is not limited to petitions filed by the same petitioner, especially when a “significant relationship” exists between subsequent petitioners. IPR2023-01218, Paper 9, at 10 (citing *Valve Corp. v. Elec. Scripting Prods., Inc.*, IPR2019-00062, Paper 11, at 9 (P.T.A.B. Apr. 2, 2019) (precedential)).

The Board concluded, however, that the only relationship between Vivendum and ARRI is that “both entities were sued by Patent Owner for infringement of the '044 patent and both were industry participants.” IPR2023-01218, Paper 9, at 10 (internal quotation omitted).

The Board further acknowledged Vivendum’s argument that ARRI and Vivendum were “separately sued based on different products, and did not collaborate on any *inter partes* review proceedings.” *Id.*, at 11 (internal quotations omitted). The Board thus concluded that factor 1 favored institution. *Id.*

The Board assessed the remaining *General Plastic* factors and summarized the Majority’s conclusion that “factor 1 favors institution, factor 2 is neutral, and factors 3–7 favor denial of institution. *Id.*, at 11–18. According to the Board, “[a]lthough no single factor is dispositive, the evidence and circumstances as a whole weigh in favor of denying institution in this case.” *Id.*, at 18.

In her dissent, Administrative Patent Judge Kimberly McGraw concluded that factor 1 was “strongly” in favor of institution, factors 2 and 4–5 were neutral, and factors 3 and 6–7 favored institution. *Id.*, 22–29.

Vivendum requested Director Review, arguing *inter alia* that “[a]lthough 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.” *Id.*, Paper 11, at 13 (P.T.A.B. Feb. 23, 2024).

Director Vidal’s April 19 Vivendum decision coincided with the USPTO’s Notice of Proposed Rulemaking regarding serial petitions, released on the same day.

In her April 19 decision granting Director Review, Director Vidal held that *General Plastic* factor 1 “necessarily outweighs” the other six factors when there is no significant relationship between a first and second petitioner:

[A]pplying existing USPTO policy and precedent, I determine that where, as here, the first and second petitioners are neither the same party, nor possess a significant relationship under *Valve*, *General Plastic* factor one necessarily outweighs the other *General Plastic* factors. *Id.*, Paper 12, at 5–6 (P.T.A.B. Apr. 19, 2024). Director Vidal then vacated the Majority’s Decision on Institution and remanded to the Board to issue a decision on the merits of Vivendum’s petition. *Id.*, at 7.

On May 13, the Board issued an Order stating that “the panel will issue a decision on institution of the challenged claims in each of the proceeding[s] as soon as possible and, in any event, no later than October 18, 2024.” *Id.*, Paper 14, at 2 (P.T.A.B. May 13, 2024). The Board further noted that no additional briefing is authorized. *Id.*

Director Vidal’s April 19 *Vivendum* decision coincided with the USPTO’s Notice of Proposed Rulemaking (“NPRM”) regarding serial petitions, released on the same day. See 89 Fed. Reg. 28693 (Apr. 19, 2024).

The NPRM seeks to add a definition of “serial petition” in 37 C.F.R. § 42.2 as a petition that “(1) challenges overlapping claims of the same patent that have already been challenged by the petitioner, the petitioner’s real party in interest, or a privy of the petitioner; and (2) is filed after (a) the filing of a patent [owner’s] preliminary response to the first petition; or (b) the expiration of the period for filing such a response.” *Id.*, at 28696.

The NPRM further seeks to codify *General Plastic* factors 2–5, noting that “Factor (1) from *General Plastic* is incorporated into the proposed rule’s definition of a ‘serial petition,’ and factors (6) and (7) are not included in the proposed rule.” *Id.*, at 28698.

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