

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE OFFICE OF THE UNDER SECRETARY OF COMMERCE
FOR INTELLECTUAL PROPERTY AND DIRECTOR OF THE
UNITED STATES PATENT AND TRADEMARK OFFICE

LUMINEX INTERNATIONAL CO., LTD.,
Petitioner,

v.

SIGNIFY HOLDINGS B.V.,
Patent Owner.

IPR2024-00101
Patent 10,299,336 B2

Before KATHERINE K. VIDAL, *Under Secretary of Commerce for
Intellectual Property and Director of the United States Patent and
Trademark Office.*

ORDER

Granting Director Review, Vacating the Decision Denying Institution, and
Remanding to the Patent Trial and Appeal Board
for Further Proceedings

I. INTRODUCTION

Luminex International Co., Ltd. (“Petitioner”) filed a Petition (Paper 1, “Pet.”) requesting *inter partes* review of claims 1–20 of U.S. Patent No. 10,299,336 B2 (Ex. 1001, “the ’336 patent”). Signify Holdings B.V. (“Patent Owner”) filed a Preliminary Response (Paper 6, “Prelim. Resp.”). With Board authorization, Petitioner filed a Preliminary Reply (Paper 8, “Prelim. Reply”) to address Patent Owner’s arguments that instituting review is barred under 35 U.S.C. § 315(b), as well as other arguments. Patent Owner filed a Preliminary Sur-reply (Paper 9, “Prelim. Sur-reply”).

On May 9, 2024, the Board issued a Decision denying institution of *inter partes* review (Paper 10, “Dec.” or “Decision”). The Board determined that Petitioner had failed to identify Menard, Inc. (“Menard”)¹ as a real party in interest (“RPI”), and that Menard was, in fact, a real party in interest. Dec. 42. Accordingly, because Menard was served with a complaint alleging infringement of the ’336 patent more than one year before the Petition was filed, the Board held that 35 U.S.C. § 315(b) barred institution. *Id.* The Board did not reach other issues argued by the parties. *See id.* at 18, 23, 42–43.

On June 6, 2024, Petitioner filed a request for Director Review seeking review of the Board’s RPI determination. Paper 11 (“DR Req.” or “Director Review Request”), 3; Ex. 3100. I have reviewed the Director Review Request, the Board’s Decision denying institution, the relevant papers, and the relevant exhibits of record in this proceeding. I determine

¹ Petitioner supplies products to Menard, which owns stores that sell these products. *See, e.g.*, Ex. 2002, 8; Ex. 2013, 8; Ex. 3002, 3.

that Director Review of the Board’s Decision denying institution is appropriate. *See Revised Interim Director Review Process*² §§ 4.B, 5.A. For the reasons set forth below, I vacate the Board’s denial of institution and remand to the Board for further proceedings consistent with this decision.

II. BACKGROUND

On August 26, 2022, Patent Owner served third-party Menard with a complaint alleging infringement of the ’336 patent and five other patents related to lighting products. *See Exs. 2003–2004*. On October 14, 2022, Menard filed an answer to the complaint. *See Ex. 3002*. In Menard’s answer, Menard asserted “all available defenses” under “35 U.S.C. §271,” “§283,” “§284,” and “§285,” but it did not assert invalidity as defense under § 282. *Id.* at 15–16. Menard also asserted as a defense that “Menard’s suppliers will indemnify and defend Menard in this action. The suppliers will be added to this action.” *Id.* at 15.

On October 27, 2022, Menard filed a third-party complaint against Petitioner and twelve other light suppliers in the existing civil action between Signify and Menard. *See Ex. 2001*.³ In its third-party complaint,

² Available at www.uspto.gov/patents/ptab/decisions/revised-interim-director-review-process.

³ Menard subsequently filed an amended third-party complaint. *See Ex. 3003*. Menard identifies American Lighting, Inc. and AFX, Inc. as third-party defendants in its third-party complaint, but does not name them in its amended third-party complaint. *Compare Ex. 2001, 1, with Ex. 3003, 1–2*. Additionally, Menard identifies Canarm, Ltd. and Test Rite Products Corporation as third-party defendants for the first time in its amended third-party complaint. *Compare Ex. 2001, 1–2, with Ex. 3003, 1–2*. In its portions relevant to this proceeding, the amended third party-

Menard asserted a count of indemnification and defense against each of its thirteen lighting suppliers including Luminex for Plaintiff Signify’s claims against Menard. *Id.* ¶¶ 23–189. Further, Menard asserted that “if held liable, Menard is entitled to indemnification by the Third-Party Defendants.” *Id.* ¶ 3. On February 27, 2023, Petitioner answered Menard’s third-party complaint, asserting both affirmative defenses to Patent Owner’s complaint against Menard, including invalidity of the asserted claims of the ’336 patent, and also “cross-claims” against Patent Owner seeking, among other things, a declaratory judgment of invalidity of the ’336 patent claims. Ex. 2002, 93–102.⁴

On October 25, 2023, Petitioner filed the Petition requesting *inter partes* review of claims 1–20 of the ’336 patent, representing itself as the sole real party in interest. *See* Pet. 89.

III. ANALYSIS

As noted above, the Board determined that Menard was a real party in interest of Petitioner, and because Menard had been served with a complaint alleging infringement of the ’336 patent more than one year before the Petition was filed, the Petition was barred under 35 U.S.C. § 315(b). Dec. 42. The Board, however, did not reach the issues of whether (1) “Menard is also a ‘privy of the petitioner’ under § 315(b);” (2) “Petitioner’s crossclaim seeking a declaratory judgment of invalidity for the ’336 patent is a civil action that triggered § 315(a)’s bar to institution;” (3) “[the Board]

complaint is identical in substance to the third-party complaint. *Compare* Ex. 2001 ¶¶ 1, 3, 21, 23–35, *with* Ex. 3003 ¶¶ 1, 3, 21, 23–35.

⁴ Petitioner subsequently filed an amended answer. Ex. 2013. In its portions relevant to this proceeding, the amended answer is identical in substance to the answer. *Compare* Ex. 2002, 5, 7, 93–102, *with* Ex. 2013, 5, 7, 93–126.

should exercise [its] discretion under § 314(a) to deny institution in view of [a parallel district court] case;” and (4) whether the Petition presents a reasonable likelihood of prevailing with respect to at least one of the challenged claims under 35 U.S.C. § 314(a). Dec. 18, 23, 42–43.

Based upon my review of the current record, I respectfully disagree with the Board’s determination that the facts of record establish that Menard is a real party in interest to this proceeding. I also find, on the current record, that the evidence does not establish Menard to be a privy of Petitioner. Therefore, I determine, on the current record, that institution of *inter partes* review is not barred under 35 U.S.C. § 315(b). I additionally conclude that 35 U.S.C. § 315(a)(1) does not apply to the “cross-claims” asserted by Petitioner, and that 35 U.S.C. § 315(a)(1) likewise does not bar institution in this case.

Finally, in light of Petitioner’s *Sotera*⁵ stipulation (Prelim. Reply 7), I decline to exercise my discretion under 35 U.S.C. § 314(a) to deny the Petition in view of a parallel district court proceeding. *See* USPTO Memorandum, Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings With Parallel District Court Litigation, 7–8 (June 21, 2022).⁶

Mindful of the parallel district court action and to not further delay these proceedings, I issue this Order now, remanding to the Board to timely address the only remaining issue I will not address here or in my subsequent

⁵ *Sotera Wireless, Inc. v. Masimo Corp.*, IPR2020-01019, Paper 12 (PTAB Dec. 1, 2020) (precedential as to § II.A).

⁶ Available at www.uspto.gov/sites/default/files/documents/interim_proc_discretionary_denials_aia_parallel_district_court_litigation_memo_20220621_.pdf.

opinion – to determine whether the Petition presents a reasonable likelihood of prevailing with respect to at least one of the challenged claims under 35 U.S.C. § 314(a), and to determine whether to institute *inter partes* review accordingly. I will issue a subsequent opinion in due course that details my reasoning for my determinations above.⁷ Because I will not be addressing issues that will impact the Board’s § 314(a) merits determinations, the Board should proceed with the remand without delay.

IV. CONCLUSION

I respectfully vacate the Board’s Decision denying institution and remand to the Board for further proceedings consistent with this Order.

V. ORDER

In consideration of the foregoing, it is hereby:

ORDERED that Director Review is granted;

FURTHER ORDERED that the Board’s Decision denying institution of *inter partes* review (Paper 10) is vacated; and

FURTHER ORDERED that the case is remanded to the Board for further proceedings consistent with this decision.

⁷ The time period for a party to request rehearing based on my determinations herein regarding real party in interest, privity, and the § 315(a) bar to institution will not begin to toll until my forthcoming decision issues. *See* Revised Interim Director Review Process § 5.C.ii; 37 C.F.R. §§ 42.5(b), 42.71(d).

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