



PTAB May Not Discretionarily Deny Institution Where Different Petitioners Do Not Share a 'Significant Relationship'

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The Patent Trial and Appeal Board exercised its discretion under *General Plastic* to deny institution of a follow-on petitioner’s request for *inter partes* review despite determining that the petitioner did not have a “significant relationship” with a previous petitioner that had challenged the same patent. The PTO Director vacated the board’s decision, holding that “where . . . the first and second petitioners are neither the same party, nor possess a significant relationship . . . *General Plastic* factor one necessarily outweighs the other . . . factors.”

Here, the relevant patent had been the subject of an IPR that was jointly terminated due to settlement just prior to oral argument. A second, different petitioner sought IPR of that same patent. In response, the patent owner argued that the board should exercise its discretion and deny institution pursuant to *General Plastic*.

The board first concluded that petitioner’s reliance on the earlier-filed petition was insufficient “to create ‘a significant relationship’” between the parties, so the first *General Plastic* factor weighed in favor of institution. Nonetheless, the majority held that the other factors—particularly the fact that petitioner had the benefit of the full trial record of the previous IPR—outweighed that first factor and denied institution. The petitioner sought Director review of the board’s institution decision.

The PTO Director explained that precedent allows discretionary denial of follow-on petitions filed by the same petitioner or a party having a “significant relationship” with the first petitioner. Here, the board had improperly expanded the law to allow discretionary denial of

a petition filed by a different party that did not have a significant relationship with the first petitioner. The Director explained that in such a circumstance, the first *General Plastic* factor necessarily outweighs the other factors. Thus, the Director vacated the denial of institution and remanded to the board to issue a decision that addressed the merits of the petition.

Practice Tip: To prevail on a request for a *General Plastic*-based discretionary denial against a different petitioner, patent owners should cite evidence of a significant relationship between the two petitioners beyond the fact that the second petitioner may have relied on the first petition.

Videndum Production Solutions, Inc. v. Rotolight Limited, IPR 2023-01218, Paper 12 (Vidal April 19, 2024).

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