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# Post-Grant for Practitioners

## BRI, after *Cuozzo*, and RPI Factors, in Post-Grant Proceedings

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- V. Post-Grant Resources



# Overview of Webinar Series

- Where? ... see invitation
- How often? ... monthly
- When? ... 2<sup>nd</sup> Wednesday
- Topics? ...
  - Important decisions
  - Developments
  - Practice tips
- Housekeeping
  - CLE
  - Questions
  - Materials
  - <http://fishpostgrant.com/webinars/>

The screenshot shows the website for the "Post-Grant for Practitioners" webinar series. At the top, the "FISH" logo (Fish & Richardson) is on the left, and "Post-Grant for Practitioners" is on the right. A navigation bar below the logo contains links for "Fishpostgrant.com", "Bios", "Alerts", "Webinars", "Case Studies", and "App". The main content area features the title "BRI, after *Cuozzo*, and RPI Factors in Post-Grant Proceedings". Below the title is a paragraph of text describing the webinar's focus on patent law developments. A "Register" link is provided. The date and time are listed as "Wednesday, March 11, 2015, 1:00 PM - 2:00 PM ET". The format is "Via the web". The "Speakers" section lists three individuals: Karl Renner (Principal, Post-Grant Practice Co-Chair, Washington, DC), Kevin Greene (Principal, Washington, DC), and Ben Vogel (Associate, New York). A prominent "REGISTER" button is centered below the speakers. At the bottom, there is a note about CLE credit and contact information for Emma Brown. The footer contains four social media icons: an envelope for newsletters, a clock for webinar replays, LinkedIn, and Twitter.



Statistics



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- **IPR's Filed?**

- **2593** filed through March 10, 2015
- **164** filed in February 2015

- **CBM's Filed?**

- **315** filed through March 10, 2015
- **16** filed in February 2015

- **FWD's on the Merits Issued So Far**

- IPR: **267** through March 5, 2015
- CBM: **33** through March 5, 2015



Broadest Reasonable  
Interpretation

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# Broadest Reasonable Interpretation

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- In re Cuozzo upheld the PTO's use of BRI in IPRs
- Justification for BRI relies on ability to amend
- What about when the patent expires during an IPR?



- Patent expires prior to institution decision
  - PTAB has applied Phillips construction throughout proceeding
    - Facebook Inc., et al. v. Software Rights Archive, IPR2013-00478
- Patent expires after institution but prior to final written decision
  - PTAB has applied BRI at institution but Phillips at final written decision
    - Clearwire Corp. and Clear Wireless LLC v. Mobile Telecommunications Technologies LLC, IPR2013-00306

- Patent expires after final written decision but before appeal decision
  - No case with this fact pattern observed yet
  - Fed. Cir. considered similar issue in context of *inter partes* reexamination
    - Facebook Inc. v. Pragmatus AV LLC, 2014 U.S. App. LEXIS 17678, \*3 (Fed. Cir. Sept. 11, 2014)
  - Board applied BRI but Fed. Cir. applied Phillips



Real Party-in-Interest

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# Requirement to name all RPI

- Must list all RPI under 35 U.S.C. § 312
  - “A petition filed under section 311 may be considered only if . . . (2) the petition identifies all real parties in interest.”
- Board generally accepts the petitioner’s identification of RPI
  - PO may rebut petitioner’s identification of RPI.
  - Petitioner then has burden to establish that it has identified all RPI.
    - *Atlanta Gas Light Company v. Bennett Regulator Guards, Inc.* (IPR2013-00453)
- Goals of requirement to list all RPI
  - Assuring proper application of statutory estoppel provision
  - Assist Board in identifying potential conflicts.
    - *Paramount Home Entertainment Inc., Twentieth Century Fox Home Entertainment LLC, and Universal Studios Home Entertainment LLC v. Nissim Corporation* (IPR2014-00962) (*citing Taylor v. Sturgell*, 553 U.S. 880 (2008))

- Risk of being under-inclusive: § 315(b) time bar
  - “An inter partes review may not be instituted if the petition requesting the proceeding is filed more 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.”
- Correcting RPI
  - Changes filing date follows because RPI is statutorily required, and corrections to RPI are not typographical or clerical corrections under patent rules
    - *Petroleum Geo-Services Inc, v. Westerngeco LLC* (IPR2014-00678, IPR2014-00687, IPR2014-00688, IPR2014-00689)
  - Thus, cannot cure omission of RPI if, once corrected, the filing date falls outside the one-year period
    - *Zoll Lifecor Corporation v. Philips Electronics North America Corp. And Koninklijke Philips Electronics N.V.* (IPR2013-00606)

# Why Does It Matter?

- PTAB will consider RPI issues even after institution of trial
  - Has vacated institution decision and terminated for lack of RPI, where one-year bar implicated
    - *Atlanta Gas Light Company v. Bennett Regulator Guards, Inc.* (IPR2013-00453)
- Declined to decide whether a party may correct a petition after institution of a trial, even if one-year bar not implicated
  - *Atlanta Gas Light Company v. Bennett Regulator Guards, Inc.* (IPR2013-00453)

- Risks of being overinclusive on RPI
  - Estoppel under § 315(e) applies to Petitioner, RPI, or privy, barring them from:
    - Challenging patent in PTO on any ground that could have raised during IPR
    - Asserting invalidity on any ground that could have raised during IPR
  - Open petition up to potentially unknown § 315(b) bars
  - Improperly naming RPI may also be contrary to statutory requirement to name “all” RPIs

# RPI Analysis: Highly Fact Dependent

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- The *Taylor* Factors
  - (1) whether third party agrees to be bound by Board's determination
  - (2) whether pre-existing relationship with the party named in the proceeding justifies binding the third party
  - (3) whether the third party is adequately represented by someone with the same interests
  - (4) whether the third party exercised or could have exercised control over the proceeding
  - (5) whether third party is bound by a prior decision and is attempting to rehear the matter through a proxy
  - (6) whether a statutory scheme forecloses successive hearing by third parties.
    - *77 Fed. Reg. 48759 (citing Taylor v. Sturgell, 553 U.S. 880 (2008))*
- No bright line test
  - "Courts and commentators agree . . . that there is no bright-line test for determining the necessary quantity or degree of participation to qualify as a real party-in-interest . . . based on the control concept."
    - *Message from Chief Judge James Donald Smith, Board of Patent Appeals and Interferences*



- Analysis focuses on controlling and compensating parties
  - [a]n entity named as the sole real party in interest may not receive a suggestion from another party that a particular patent should be the subject of a request for inter partes reexamination and be compensated by that party for the filing of the request for inter partes reexamination of that patent *without naming the party [as a real party-in-interest] who suggested and compensated the entity for the filing of a request for inter partes reexamination of the patent.*
    - *In re Guan*, Reexamination Control No. 95/001,045 (Aug. 25, 2008)

# Issues in RPI Analysis

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- Corporate Ownership
- Common Counsel
- Payment for IPR
- Preparing the Petition
- Related District Court Proceedings

- ✓ • 100% ownership, on its own, may not be enough
  - Entity is RPI not simply because a “corporate parent,” but rather
  - “an involved parent corporation that has exercised control, on behalf of itself and Petitioner . . . over the dispute involving the [patent at issue]”
    - *Paramount Home Entertainment Inc., Twentieth Century Fox Home Entertainment LLC, and Universal Studios Home Entertainment LLC v. Nissim Corporation* (IPR2014-00962)
  
- ✓ • Sufficient opportunity to control IPR
  - Parent controlled 100% of Petitioner and authorized its budget and plans
  - Board found “unified actions” by both in copending patent litigation blurred corporate lines
  - Would not affirm that its counsel did not provide input into preparation of IPRs
    - *Zoll Lifecor Corporation v. Philips Electronics North America Corp. And Koninklijke Philips Electronics N.V.* (IPR2013-00606)

- Minority ownership and common counsel in DC and IPR not enough
  - *LG Display Co., Ltd., V. Innovative Display Technologies LLC* (IPR2014-01096)
- ✓ • Lack of well-defined corporate boundaries is enough
  - Petitioner and parent so intertwined that it was “difficult for both insiders and outsiders to determine precisely where one ends and another begins.”
  - Use of same “umbrella term” in referring to parent and its subsidiaries—on letterheads, email addresses, website addresses—encouraged the perception that all functioned as a single entity
    - *Atlanta Gas Light Company v. Bennett Regulator Guards, Inc.* (IPR2013-00453)

- Patent Owner's evidence of common counsel must explain the corporate or legal relationship or demonstrate ability to control the proceeding
- No evidence of control based on:
  - Common interest in invalidating the patent at issue
  - Control of review, dissemination and discussion of the prior art presented in Petition
    - *Petroleum Geo-Services Inc. v. WesternGeco LLC* (IPR2014-00688)
  - Agreement containing "strategies of attorneys jointly defending cases against Patent Owner"
    - *Commerce Bancshares, Inc., Compass Bank, and First National Bank Of Omaha v. Intellectual Ventures II LLC* (IPR2014-00801)

- ✓ • Common counsel + other factors indicative of RPI where third party
  - (1) paid \$500,000 to Petitioner for services, including potential IPR filings
  - (2) discussed Patent Owner and filing of IPRs with Petitioner
  - (3) shared common counsel with Petitioner
    - *RPX Corporation v. Virnetx Inc.* (IPR2014-00171, IPR2014-00172, IPR2014-00173, IPR2014-00174, IPR2014-00175, IPR2014-00176, IPR2014-00177)

# RPI Analysis: Payment for IPR

- Non-specific payment by members not enough
  - Technology company subscribers pay Petitioner for monitoring patent activity, researching prior art and sometimes challenging patents
  - “[E]ven if we accept Patent Owner’s allegations that Petitioner engages in no activity of practical significance other than filing IPR petitions with money received from its members . . . this does not demonstrate that any of Petitioner’s members suggested or compensated Petitioner for the filing of the Petition challenging the [patent at issue].”
    - *Unified Patents Inc. v. Dragon Intellectual Property, LLC* (IPR2014-01252)
- ✓ • But evidence of payments for specific challenges may be enough
  - Third party paid Petitioner \$500,000 to file reexams and petitions “with respect to patents of questionable quality” and according to the Board there was evidence that payment was specifically for the challenged patents
    - This outweighed the fact that the agreement listed other generic activities and stated that Petitioner would have complete control over the listed activities.
      - *RPX Corporation v. Virnetx Inc.* (IPR2014-00171, IPR2014-00172, IPR2014-00173, IPR2014-00174, IPR2014-00175, IPR2014-00176, IPR2014-00177)

- ✓ • Actual control trumps contractual language
  - Third party agreed to cover Petitioner's attorney's fees and costs associated with the IPR but had reserved the right to choose counsel in indemnity agreement
  - 2 days before filing the Petition, parties signed an addendum under which Petitioner would have complete control over IPR, including the choice of counsel
  - Board found that the agreement giving Petitioner total control 2 days before filing was insignificant because most of the work done in preparing the 51-page Petition, assembling prior art, and gathering witnesses and their declarations
    - *First Data Corporation v. Cardsoft (Assignment For The Benefit Of Creditors), LLC* (IPR2014-00715)



- Participation in related DC proceedings not sufficient
  - Co-defendant's desire of IPR review did not show ability control IPR
    - *Butamax Advanced Biofuels Llc, V. Gevo, Inc.*, (IPR2013-00215).
  - Co-defendants' agreement to be bound by IPR in the co-pending litigation did not show control
    - *Innolux Corporation v. Semiconductor Energy Laboratory Co., Ltd.* (IPR2013-00060, IPR2013-00064, IPR2013-00065, IPR2013-00066)
- Patentability, not infringement, is the issue before the Board in IPR
  - *Bae Systems Information And Electronic Systems Integration, Inc. v. Cheetah Omni, LLC* (IPR2013-00175)

- Risk of facing potential damages award in DC proceedings is not relevant
  - Question is whether Petitioner's members suggested or compensated Petitioner for the filing of the Petition challenging the patent at issue.
    - *Unified Patents Inc. v. Dragon Intellectual Property, LLC* (IPR2014-01252)
- Common interest agreement to defend Petitioner in district court does not make a party a RPI
  - *J.P. Morgan Chase & Co., JPMorgan Chase Bank, Nat'l Ass'n, Chase Bank USA, Nat'l Ass'n, Chase Paymentech Solutions LLC, and Paymentech LLC, v. Intellectual Ventures II LLC.* (CBM2014-00157)

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# Post-Grant Resources

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- F&R web sites:
  - Post-Grant for Practitioners: <http://fishpostgrant.com/webinars/>
  - General: <http://fishpostgrant.com/>
  - IPR: <http://fishpostgrant.com/inter-partes-review/>
  - PGR: <http://fishpostgrant.com/post-grant-review/>
  - Rules governing post-grant: <http://fishpostgrant.com/>
  - Post-Grant App: <http://fishpostgrant.com/app/>
- USPTO sites:
  - AIA Main: [http://www.uspto.gov/aia\\_implementation/index.jsp](http://www.uspto.gov/aia_implementation/index.jsp)
  - Inter Partes: [http://www.uspto.gov/aia\\_implementation/bpai.jsp](http://www.uspto.gov/aia_implementation/bpai.jsp)

# Thank You!

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