

The PTAB Designated Three Decisions Precedential on 12-4-2020

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The USPTO sent an email notification today of three PTAB decisions it just made precedential. The USPTO's email includes a case caption and their short summary of the significance of each decision. I quote that below, in blue color. After each quote of the USPTO's email, I include relevant excerpts from each case expanding upon the PTO's summary, in black.

The USPTO's email stated:

[Apple Inc. v. Uniloc 2017 LLC, IPR2020-00854, Paper 9 \(Oct. 28, 2020\) \(precedential\)](#). This decision denying institution and the petitioner's joinder motion applies the factors set forth in *General Plastic* to a copycat petition that the petitioner filed against the challenged patent after its first petition was denied institution.

In *Apple Inc. v. Uniloc 2017 LLC*, the PTAB summarized the relevant facts.

By way of summary, Apple failed in its first attempt to challenge the '088 patent, and, over a year later and subject to a § 315(b) bar, seeks to join an ongoing proceeding challenging that same patent.

In *Apple Inc. v. Uniloc 2017 LLC*, PTAB then evaluated the facts against the *General Plastics* factors 1-7, concluding that factors 1-6 weighed in favor of denial of institution and factor 7 was neutral.

In *Apple Inc. v. Uniloc 2017 LLC*, I found the following factor 6 analysis particularly interesting, since it accorded weight to a hypothetical dropout of the primary petitioner, resulting from a hypothetical settlement between the patentee and the primary petitioner.

Factor 6: "the finite resources of the Board"

Although a joinder request is usually an efficient mechanism by which to become a petitioner in an IPR, in this case, Apple's understudy role argument is not persuasive. Rather, we agree with Patent Owner that because this is Apple's second petition, should Microsoft settle, Apple would stand in to continue a proceeding that would otherwise be terminated. Joinder in this circumstance would allow Apple to continue a proceeding, even after settlement with the primary petitioner, based on a second attempt by Apple. On balance, we conclude that this sixth *General Plastic* factor weighs in favor of denying institution of the proceeding. [[Apple Inc. v. Uniloc 2017 LLC, IPR2020-00854, Paper 9 \(Oct. 28, 2020\) \(precedential\)](#).]

The USPTO's email stated:

[SharkNinja Operating LLC v. iRobot Corp., IPR2020-00734, Paper](#)

11 (Oct. 6, 2020) (precedential). This decision instituting inter partes review holds that, while petitioners must identify any real parties-in-interest, and must do so in good faith, the Board does not need to resolve a dispute regarding a possible real party-in-interest if it would not impact the Board’s institution decision.

In *SharkNinja Operating LLC v. iRobot Corp.*, I found the following passage clarifying, since it indicates that a PTAB panel is likely to ignore any alleged RPI defect, unless the defect bars institution.

On this record, we determine that we need not address whether JS Global is an unnamed RPI because, even if it were, it would not create a time bar or estoppel under 35 U.S.C. § 315. Under the Board’s precedential decision in *Lumentum Holdings, Inc. v. Capella Photonics, Inc.*, our jurisdiction to consider a petition does not require a “correct” identification of all RPIs in a petition. *** We understand that “[patent owners] should not be forced to defend against later judicial or administrative attacks on the same or related grounds by a party that is so closely related to the original petitioner as to qualify as a real party in interest.” *AIT*, 897 F.3d at 1350. But that is not the case before us. Thus, on this record, we will not consider whether JS Global must be named as an RPI. [*SharkNinja Operating LLC v. iRobot Corp.*, IPR2020-00734, Paper 11 (Oct. 6, 2020) (precedential).]

The USPTO’s email stated:

***RPX Corp. v. Applications in Internet Time, LLC*, IPR2015-01750, Paper 128 (Oct. 2, 2020) (precedential).** This decision on remand from the Federal Circuit holds that the petitioner was time-barred because the petitioner’s client was an unnamed real party-in-interest that had been served with an infringement complaint more than one year before filing the petition.

RPX Corp. v. Applications in Internet Time, LLC is a sea change, and it also removes uncertainty in the law. Ever since the Supreme Court kicked the Federal Circuit out of reviewing any aspect of IPR institution decisions, there remained the question whether the PTAB would follow its own law on RPIs, or follow the guidance of Federal Circuit law on RPIs created during the time the Federal Circuit was reviewing IPR institution decisions. In this decision, the PTAB removes the uncertainty, by following the Federal Circuit’s guidance (and thereby mooting the issue of whether the PTAB *had* to do so).

In *RPX Corp. v. Applications in Internet Time, LLC*, the PTAB followed the Federal Circuit’s guidance that “the RPI inquiry sweeps more broadly than requiring explicit evidence of request, funding, or control,” stating:

We address these cases on remand after a decision by the U.S. Court of Appeals for the Federal Circuit in *Applications in Internet Time, LLC v. RPX Corp.*, 897 F.3d 1336 (Fed. Cir. 2018) (“*AIT*”) (see Paper 1101). Upon review, we

follow the Federal Circuit’s admonition that “Congress intended that the term ‘real party in interest’ have its expansive common-law meaning.” *AIT*, 897 F.3d at 1351. *** As the Federal Circuit instructs, however, the RPI inquiry sweeps more broadly than requiring explicit evidence of request, funding, or control, instead requiring consideration of the factors discussed above. [*RPX Corp. v. Applications in Internet Time, LLC*, IPR2015-01750, Paper 128 (Oct. 2, 2020) (precedential).]

In *RPX Corp. v. Applications in Internet Time, LLC*, following that legal criteria, the PTAB reviewed the facts concluding that the RPX-Salesforce relationship “creates the danger of ‘two bites at the apple’ that the statutes were meant to prevent,” stating:

...Even if Salesforce did not directly fund, control, or expressly request these IPR proceedings, the evidence regarding RPX’s relationship with Salesforce indicates that RPX represented Salesforce’s interests to Salesforce’s benefit and, consequently, that RPX effectively acted as if Salesforce had requested action by RPX, when filing the IPR petitions. *** Consistent with RPX’s Best Practices Guide (Ex. 2018), for example, RPX, and presumably Salesforce, would have known that Salesforce could not directly fund, control, or expressly request the IPRs without immediately necessitating the listing of Salesforce as an RPI in the IPR cases, triggering the § 315(b) bar, and derailing possible institution. *** And, again, Salesforce [redacted] member of RPX for purposes that include obtaining or clearing patent rights. *** The practical realities of such a purposeful business relationship creates the danger of “two bites at the apple” that the statutes were meant to prevent via the § 315(e) estoppel provisions and the § 315(b) time bar. [*RPX Corp. v. Applications in Internet Time, LLC*, IPR2015-01750, Paper 128 (Oct. 2, 2020) (precedential).]

In *RPX Corp. v. Applications in Internet Time, LLC*, the PTAB expressly jettisoned its contrary *VirnetX* caselaw, placing the PTAB case law in accord with the Federal Circuit’s guidance. And the PTAB concluded that “a clear beneficiary that has a preexisting, established relationship with” the petitioner, is an RPI to the petitioner’s IPR petition.

...Even if RPX used the Board’s *VirnetX* decisions as guidance to ensure legally compliant practices going forward (see Ex. 1090 ¶ 16), however, the “legality” of the practice was based on the Board’s “unduly restrictive” test for RPI. See *AIT*, 897 F.3d at 1339. Now, in light of the Federal Circuit’s instructions, we must independently evaluate the policy that RPX put in place in an attempt to insulate its clients from being named as RPIs. We find that the significant economic incentives undergirding RPX’s relationship with Salesforce and other clients suggest that it does for all of the reasons noted above. In short, as the Federal Circuit suggested, Salesforce is “a clear beneficiary that has a preexisting, established relationship with RPX,” and is therefore a real party in interest. *AIT*, 897 F.3d at 1351. [*RPX Corp. v. Applications in Internet Time*,

LLC, IPR2015-01750, Paper 128 (Oct. 2, 2020) (precedential).]

In *RPX Corp. v. Applications in Internet Time, LLC*, the PTAB left no doubt, that it was because of Salesforce's membership relationship with RPX, that RPX could be said to be representing Salesforce's interest in invalidating the claims of the challenged patent, and therefore why Salesforce was an RPI of petitioner RPX.

AIT presents several additional arguments pursuant to which it contends Salesforce should be considered an RPI. Although the facts of this particular relationship are especially compelling given Salesforce's unsuccessful challenges to the patents at issue, it is the relationship between Salesforce as a member of RPX and the business model of RPX that primarily lead us to the result here. Thus, we need not address additional arguments in view of this and our conclusions above. [*RPX Corp. v. Applications in Internet Time, LLC*, IPR2015-01750, Paper 128 (Oct. 2, 2020) (precedential).]