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Paper 19
Entered: March 20, 2014

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

YAMAHA CORPORATION OF AMERICA
Petitioner

v.

BLACK HILLS MEDIA, LLC
Patent Owner

Case IPR2013-00598
Patent 8,214,873 B2

Before BRIAN J. McNAMARA, STACEY G. WHITE, and PETER P. CHEN, *Administrative Patent Judges*.

CHEN, *Administrative Patent Judge*.

DECISION
Institution of *Inter Partes* Review
37 C.F.R. § 42.108

I. INTRODUCTION

Yamaha Corporation of America ("Petitioner") filed a petition requesting an *inter partes* review of claims 1, 2, 4-13, 15-31, 33-42, and 44-46 of U.S. Patent No. 8,214,873 B2 (Ex. 1001, "the '873 patent"). Paper 3 ("Pet."). Black Hills Media, LLC ("Patent Owner") filed a preliminary response on December 26, 2013. Paper 12 ("Prelim. Resp."). We have jurisdiction under 35 U.S.C. § 314.

The standard for instituting an *inter partes* review is set forth in 35 U.S.C. § 314(a), which provides as follows:

> THRESHOLD.—The Director may not authorize an inter partes review to be instituted unless the Director determines that the information presented in the petition filed under section 311 and any response filed under section 313 shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.

Upon consideration of the Petition and the Preliminary Response, we are persuaded the information presented by Petitioner has shown a reasonable likelihood that Petitioner would prevail in showing the unpatentability of claims 1, 2, 6-13, 15-31, 35-42, and 44-46 of the '873 patent. Accordingly, we grant the petition and institute an *inter partes* review of these claims. We do not institute an inter partes review of claims 4, 5, 33, and 34.

A. Related Proceedings

On September 12, 2012, the Patent Owner filed a First Amended Complaint against Petitioner in the U.S. District Court for the District of Delaware alleging, *inter alia*, infringement of the '873 patent. *See Black Hills Media, LLC v. Yamaha Corp. of America*, No. 1:12-cv-00635-RGA (D. Del.). The First Amended Complaint was served on September 19, 2012. Pet. 3. The Patent Owner also has filed lawsuits alleging infringement of the '873 patent against Pioneer (1:12-cv-00634), Logitech (1:12-cv-00636), Sonos (1:12-cv-00637), LG (1:13-cv-00803), Sharp (1:13-cv-00804), Toshiba (1:13-cv-00805), and Panasonic (1:13-cv-00806) in the District of Delaware, and against Samsung (2:13-cv-00379) in the Eastern District of Texas. On August 5, 2013, the Delaware Court transferred four of the cases to the Central District of California, where the Yamaha (2:13-cv-06054), Pioneer (2:13-cv-05980), Logitech (2:13-cv-06055), and Sonos (2:13-cv-06062) cases are now pending. *Id*.

The Patent Owner also initiated a Section 337 action in the U.S. International Trade Commission against LG, Sharp, Toshiba, Panasonic, and Samsung alleging, *inter alia*, infringement of the '873 patent. *See Certain Digital Media Devices, Including Televisions, Blu-Ray Disc Players, Home Theater Systems, Tablets and Mobile Phones, Components Thereof and Associated Software*, Inv. No. 337-TA-882 (USITC). Pet. 3-4.

B. Real Party-in-Interest

Patent Owner asserts that Petitioner fails to identify all real parties-in-

interest and requests the petition be dismissed for noncompliance with 35 U.S.C. § 312(a) and 37 C.F.R. § 42.8(b)(1). Prelim. Resp. 1-6. Patent Owner asserts that Pioneer Corporation and Pioneer Electronics (USA) Inc. (collectively "Pioneer") should have been identified in the petition as real parties in interest. *Id.* at 2. Patent Owner and Pioneer currently are engaged in a patent infringement lawsuit in parallel with the patent infringement lawsuit between Patent Owner and Petitioner. *Id.* AV receivers, Networked Blu-Ray players, and home theater systems from Pioneer and Petitioner are alleged to infringe claim 1 of the '873 patent. *Id.* at 3. Thus, according to Patent Owner, Pioneer and Petitioner are aligned on claim construction and invalidity of the claims asserted in the district court litigation. *Id.* Patent Owner also argues that Petitioner's counsel in this proceeding has spoken on behalf of Petitioner and Pioneer at a district court technology tutorial directed to the '873 patent. *Id.* at 3-4. Finally, Patent Owner states that Pioneer's counsel agreed to be bound by the outcome of this proceeding if the district court would agree to stay the district court litigation. *Id.* at 4.

On this record, we are not persuaded Pioneer is a real party-in-interest in this matter. A determination as to whether a non-party to an *inter partes* review is a real party-in-interest is a "highly fact-dependent question," based on whether the non-party "exercised or could have exercised control over a party's participation in a proceeding" and the degree to which a non-party funds, directs, and controls the proceeding. Office Patent Trial Practice Guide, 77 Fed. Reg. 48,759-60 (Aug. 14, 2012). In other words, the

question before us is whether there is a non-party "at whose behest the petition has been filed" or a relationship "sufficient to justify applying conventional principles of estoppel and preclusion." *Id.*

We are not persuaded Pioneer is in position to exercise control over Petitioner's involvement in this proceeding. It is common for one lawyer to speak on behalf of multiple parties at a technology tutorial in patent infringement litigation. This can occur for efficiency purposes and does not, by itself, signify control over the decision making of the various entities in the litigation. In addition, while Pioneer and Petitioner both may be interested in the patentability of the '873 patent claims, this does not mean that the parties have the same interests. Litigation alliances may arise for numerous reasons, including, but not limited to, parties having a similar perspective on one or more issues in a case. However, the existence of such alliances, alone, generally does not rise to the level that would require naming the ally/co-defendant as a real party-in-interest. Office Patent Trial Practice Guide, 77 Fed. Reg. 48,760 (Aug. 14, 2012). We, therefore, will not deny the petition for failure to comply with 35 U.S.C. § 312(a) and 37 C.F.R. § 42.8(b)(1).

C. The '873 Patent

The subject matter of the challenged claims of the '873 patent relates generally to a system and method for media sharing between electronic devices, by using a first device to provide remote control of playing of media items (e.g., songs or videos) on a second device such as a stereo or

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