

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SAMSUNG ELECTRONICS CO., LTD.,
Petitioner,

v.

BLACK HILLS MEDIA, LLC,
Patent Owner.

Case IPR2014-00723
Patent 8,214,873 B2

Before BRIAN J. McNAMARA, PETER P. CHEN, and
FRANCES L. IPPOLITO, *Administrative Patent Judges*.

CHEN, *Administrative Patent Judge*.

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

I. INTRODUCTION

Samsung Electronics Co., Ltd., Samsung Electronics America, Inc., and Samsung Telecommunications America, LLC (collectively, “Petitioner”) filed a Petition requesting an *inter partes* review of claims 1, 2, 5–8, 15–19, 22, 23, 25–27, 30–31, 34–37, and 44–46 of U.S. Patent No. 8,214,873 B2 (Ex. 1001, “the ’873 patent”). Paper 1 (“Pet.”). Black Hills Media, LLC (“Patent Owner”) filed a Preliminary Response. Paper 6 (“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, 5-8, 15-19, 22, 23, 25–27, 30–31, 34–37, and 44-46 of the ’873 patent. Accordingly, we authorize institution of an *inter partes* review of these claims.

A. Related Proceedings

Patent Owner has sued Petitioner for alleged infringement of the '873 patent in the U.S. District Court for the Eastern District of Texas. *Black Hills Media, LLC v. Samsung Elecs. Co.*, No. 2:13-cv-00379 (E.D. Tex.). Pet. 1.

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) (the "882 ITC Investigation"); Pet. 1.¹

We instituted an *inter partes* review of claims 1, 2, 6–13, 15–31, 35–42, and 44–46 of the '873 patent in *Yamaha Corporation of America v. Black Hills Media LLC*, Case IPR2013-00598 (PTAB Mar. 20, 2014).

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). Prelim. Resp. 1–7. In

¹ The ITC issued an Initial Determination holding the '873 patent invalid under 35 U.S.C. § 112, ¶ 1. *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 (July 14, 2014) (Initial Determination).

particular, Patent Owner argues that Google, Inc. (“Google”) should have been identified in the Petition as a real party-in-interest. *Id.* at 2. Patent Owner first contends that a recently discovered agreement, titled Mobile Application Distribution Agreement (“MADA”), requires Google to “defend, or at its option settle, any third party lawsuit or proceeding brought against [Petitioner]” and arising out of any claim that Google products and services used in Petitioner’s products infringe any patent. Prelim. Resp. 3–4. Patent Owner states that “under the MADA, Google has full control of the defense and settlement of any third-party infringement action implicating Google’s products and services, including any proceeding, such as this Petition.” *Id.* Although the Petition is not an infringement action, Patent Owner appears to argue that the Petition arose from the 882 ITC Investigation filed by Patent Owner against Petitioner.

Patent Owner next contends that Google sought to intervene in the ITC Investigation, and that in its motion papers Google asserted “a compelling interest” in the investigation. Prelim. Resp. 5.

On this record, we are not persuaded Google 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. 48,756, 48,759–60 (Aug. 14, 2012). Thus, the issue 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.*

The existence of the MADA and Google’s motion to intervene in the 882 ITC Investigation are not persuasive evidence that Google is in a position to exercise control over Petitioner’s involvement in this proceeding. Google’s indemnification of Petitioner for infringement claims brought by third parties, such as contemplated in the MADA, does not, by itself, mean that Google may exercise control over Petitioner’s actions in this proceeding. In addition, Google’s expression of interest in the 882 ITC Investigation does not mean it has the same interests as those of Petitioner. We, therefore, do not deny the Petition for failure to comply with 35 U.S.C. § 312(a) and 37 C.F.R. § 42.8(b)(1).

The Patent Owner Preliminary Response includes an informal request for discovery concerning Google’s role in this proceeding. Prelim. Resp. 8. The Preliminary Response is not a vehicle for requesting additional discovery. 37 C.F.R. § 42.107. *See* 37 C.F.R. § 42.51. In IPR2014-00717 (Paper 17) and IPR2014-00735 (Paper 17), we granted in part Patent Owner’s authorized motion for additional discovery in those proceedings.

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

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