Filed: March 18, 2015

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

HUGHES NETWORK SYSTEMS, LLC
and HUGHES COMMUNICATIONS, INC.,
Petitioner,

v.

CALIFORNIA INSTITUTE OF TECHNOLOGY,
Patent Owner.

Case IPR2015-00068
Patent 7,116,710

PATENT OWNER'S ADDITIONAL BRIEFING REGARDING REAL PARTIES-IN-INTEREST

I. REQUEST FOR RELIEF

The patent owner, Caltech, responds to the Board's authorization for additional briefing "directed to the question of whether either of the Dish entities should have been named as a real party in interest in the petitions." Ex. 2015. The Board should find that DISH Network Corporation, DISH Network L.L.C., and dishNET Satellite Broadband L.L.C. (collectively, "DISH"), as well as EchoStar Corporation, are real parties-in-interest ("RPI") of the petitioner, Hughes.

II. REASONS FOR GRANTING RELIEF

Caltech explained in its preliminary response the numerous reasons why EchoStar and DISH should have been named as RPIs. Hughes has not rebutted Caltech's arguments with any evidence; hence, Caltech cannot yet reply to any concurrent briefing by Hughes but instead expands on its original arguments in light of the Board's questions asked during the telephone hearing on Feb. 25, 2015.

Hughes has now effectively conceded that EchoStar is an RPI (Ex. 2016, 18:22-23 ("I don't intend to dispute that EchoStar is a real party in interest.")), and the Board did not authorize further briefing on the issue. However, the fact that EchoStar (as well as Hughes) is an RPI to this IPR underscores that DISH ***must*** also be recognized as an RPI. Public documents describe EchoStar as calling the legal shots for its subsidiaries, including Hughes. EchoStar and DISH describe themselves in public documents as under "common control." As commonly controlled entities, DISH has similar ability to exercise control in this review compared to EchoStar (in addition to other factors). While Hughes' initial refusal to unambiguously identify EchoStar as an RPI may have been an attempt to avoid

calling attention to the blurred lines between the companies, this is exactly the type of gamesmanship that 35 U.S.C. § 312(a)(2) seeks to prevent. Hughes, EchoStar, and DISH are so closely intertwined, in terms of both corporate relationships and involvement in the underlying patent dispute with Caltech, that it is inconceivable that the ability to control the IPRs is isolated to just one of them.

A. Hughes now has the burden to show DISH is not an RPI

Caltech presented ample evidence in its preliminary response demonstrating that DISH should have been named an RPI, including, *inter alia*, the following:

- EchoStar wholly owns Hughes and manages its legal affairs (*see* Prelim. Resp. pp. 5-7; Ex.2005 ¶4; Ex.1021 ¶4; Ex.2006; Ex.2007; Ex.2008);
- Charles W. Ergen possesses over 80% of the total voting power of both EchoStar and DISH, acts as chairman of both, and controls all matters requiring shareholder approval at both companies (*see* Prelim. Resp. pp. 7-8; Ex. 2006 pp. 8, 42-43; Ex. 2009 p. 47);
- SEC documents describe EchoStar and DISH as currently under "common control" (*see* Prelim. Resp. p. 8; Ex. 2010 p. 15; Ex. 2006 p. 7);
- DISH's General Counsel, R. Stanton Dodge, is also an EchoStar director (*see* Prelim. Resp. p. 8; Ex. 2009 p. 30);
- EchoStar and DISH Executive Vice President, Roger J. Lynch, is responsible for the development and implementation of advanced technologies important to both EchoStar and DISH (*see* Prelim. Resp. p. 8; Ex. 2006 pp. 43, 198);
- Hughes and DISH are represented by the same counsel in the district court litigation, have acted in concert throughout the litigation, and share common

litigation/IPR counsel (*see* Prelim. Resp. pp. 11-13; Ex. 2011 p. 1; Ex. 2005 pp. 1, 3; Ex. 2012 pp. 47-62; Ex. 2013 0034:22-0035:5; 2014 pp. 4-6).[1] These facts, among others, are supported by evidence submitted with Caltech's preliminary response, and Hughes conceded many of these facts during the hearing. Ex. 2016, 6:22-7:13, 16:17-17:5, 17:22-25.

In view of this extensive evidence, the burden is now on Hughes to show that DISH is not an RPI, and that DISH somehow was not in a position to control the IPRs. While the Board may presume that Hughes named its RPI correctly, these presumptions evaporate in the face of evidence. *Panduit Corp. v. All States Plastic Mfg. Co.*, 744 F.2d 1564, 1579 (Fed. Cir. 1984). To date, Hughes has provided no evidence that it properly named all RPIs in its petition, as its only response came in the form of unsupported attorney argument during the hearing. The ***only*** evidence in the record at present shows ongoing corporate blurring among DISH, EchoStar and Hughes such that all three are substantially owned, commonly controlled and even led by the same individual, remain integrated in the products and services they provide, and share board members and employees. *Cf. Atlanta Gas Light Co. v. Bennett Regulator Guards, Inc.*, IPR2013-00453, Paper

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[1] While Mr. Guy, back-up counsel in these IPR's, has now moved to withdraw as district court counsel for the Hughes and DISH entities, the court has not granted the motion.

88 at 6, 11 (PTAB Jan. 6, 2015) (corporate blurring dispositive).

Caltech provided more than enough evidence to shift the burden back to Hughes with respect to the RPI issue. As such, additional discovery to further support Caltech's argument is premature at this stage.[2] However, Caltech should be entitled to test any additional assertions by Hughes through discovery.

B. The second district court complaint is irrelevant

During the hearing, Hughes gave significance to a second district court infringement complaint Caltech recently filed. Ex. 2016, 11:11-24. This second complaint, and any corresponding modifications to the original complaint (which DISH has aggressively litigated in district court), have no relevance to the RPI issue. DISH was accused of infringing Caltech's patent well before the IPR petition was filed and at the time the petition was filed. DISH actively litigated the district court case together with Hughes/EchoStar, and remains accused today. The second complaint was filed as a procedural matter because the district court deemed it too late to add additional accused products to the first case. The facts remain that DISH was an RPI at petition filing, and thereafter, at least by virtue of

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[2] While additional discovery (e.g., IPR invoices, relevant communications, deposition of G. Hopkins Guy among others, etc.) is expected to further confirm *actual* control by DISH, the present record demonstrates DISH, at a minimum, had the ability to control the IPRs.

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