

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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BAKER HUGHES INCORPORATED and  
BAKER HUGHES OILFIELD OPERATIONS, INC.,  
Petitioner,

v.

PACKERS PLUS ENERGY SERVICES, INC.,  
Patent Owner.

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Case IPR2016-00596<sup>1</sup> (Patent 7,134,505 B2)  
Case IPR2016-00597<sup>2</sup> (Patent 7,543,634 B2)  
Case IPR2016-00598<sup>3</sup> (Patent 7,861,774 B2)<sup>4</sup>

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Before SCOTT A. DANIELS, NEIL T. POWELL and  
CARL M. DEFRANCO, *Administrative Patent Judges*.

POWELL, *Administrative Patent Judge*.

DECISION  
PETITIONER'S MOTION FOR LEAVE TO FILE UPDATED  
MANDATORY NOTICES  
*35 U.S.C. § 312(a)(2) and 37 C.F.R. §§ 42.8, 71*

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<sup>1</sup> IPR2016-001496 has been joined with IPR2016-00596.

<sup>2</sup> IPR2016-001505 has been joined with IPR2016-00597.

<sup>3</sup> IPR2016-001506 has been joined with IPR2016-00598.

<sup>4</sup> This Order applies to all three cases. The parties are not authorized to use this style heading for any subsequent papers.

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Case IPR2016-00597 (Patent 7,543,634 B2)

Case IPR2016-00598 (Patent 7,861,774 B2)

In each of these cases, pursuant to our authorization, Petitioner filed a Motion for Leave to File Updated Mandatory Notices. *See* IPR2016-00596 Paper 71 (“Motion” or “Mot.”).<sup>5</sup> In the Motion, Petitioner seeks authorization to file updated mandatory notices outside the 21-day period set forth in 37 C.F.R. § 42.8(a)(3). Mot. 1. Petitioner requests that we use our authority under at least one of 37 C.F.R. §§ 42.5(b), (c)(1), and (c)(3). In opposition to Petitioner’s Motion, Patent Owner filed a Response to Petitioners’ Motion for Leave to File Updated Mandatory Notices. IPR2016-00596 Paper 77 (“Resp.”).

Petitioner explains that “[o]n July 3, 2017, Baker Hughes Incorporated was converted into Baker Hughes, a GE Company, LLC (‘BHGE, LLC’).” Mot. 1. As such, Petitioner filed updated mandatory notices reporting the conversion and adding Baker Hughes, a GE Company (‘BHGE’) as a real party-in-interest. *Id.*; IPR2016-00596 Paper 62. Petitioner elaborates that “[f]ollowing the conversion, General Electric (a publicly traded company) became a partial owner of both BHGE, LLC and BHGE.” Mot. 1. Petitioner asserts that when it updated its mandatory notices, “a good faith determination was made by the undersigned that General Electric was not [a real party-in-interest].” *Id.* at 1–2. Stating “[t]hat determination has not changed,” Petitioner seeks nonetheless “to eliminate any [real party-in-interest] issue from this proceeding” by filing updated mandatory notices listing General Electric as a real party-in-interest. *Id.* at 2. Noting that the real party-in-interest issue is not jurisdictional,

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<sup>5</sup> Because the issues presented in each case are the same, we discuss and cite only the papers filed in IPR2016-00596. Our Decision, nonetheless, applies to all three cases.

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Petitioner asserts that allowing it to update its mandatory notices to list General Electric as a real party-in-interest would not prejudice Patent Owner and would leave the Board adequate time to address potential conflicts of interest. *Id.* at 2–4.

Patent Owner responds that we should deny Petitioner’s motion and dismiss the Petitions. Resp. 2. Patent Owner argues that Petitioner did not explain why it did not file updated mandatory notices within the 21-day deadline of 37 C.F.R. § 42.8(a)(3). *Id.* at 1. Patent Owner argues that Petitioner’s contention that General Electric should now be listed as a real party-in-interest does not reconcile with Petitioner’s assertions that it does not believe General Electric constitutes a real party-in-interest. *Id.* Patent Owner further argues that naming real parties-in-interest is an important matter. *Id.* at 1–2. Patent Owner argues that whether it would suffer prejudice “is difficult to determine” because “[i]t is still not clear why Petitioners changed their mind regarding naming [General Electric] as [a real party-in-interest].” *Id.* at 2.

We find Petitioner’s arguments more persuasive than Patent Owner’s. Contrary to Patent Owner’s argument (Resp. 1), the Motion indicates the reason for Petitioner’s delay in listing General Electric as a real party-in-interest. Specifically, the delay occurred while Petitioner considered the nature of General Electric’s relationship to these cases. *See* Mot. 2. Additionally, it does not appear that Petitioner’s brief delay while ruminating creates any prejudice to Patent Owner. As Petitioner notes, adding General Electric as a real party-in-interest benefits Patent Owner by subjecting General Electric to the estoppel provisions of 35 U.S.C. § 315, without affecting any of the grounds pending in the trial. Mot. 2.

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Furthermore, contrary to Patent Owner's suggestion (Resp. 2), we have no reason to doubt that a party may believe an entity does not constitute a real party-in-interest, but still seek to list that entity as a real party-in-interest out of an abundance of caution (Mot. 2). Regardless of Patent Owner's concern about why Petitioner changed its mind to list General Electric as a real party-in-interest, it appears Petitioner did so in a forthright manner, and the end result would be a benefit to Patent Owner.

As Patent Owner asserts, the requirement in § 312(a)(2) for the Petition to identify all real parties in interest is important. Resp. 1–2. This requirement serves the following “core functions”:

to assist members of the Board in identifying potential conflicts, and to assure proper application of the statutory estoppel provisions. The latter, in turn, seeks to protect patent owners from harassment via successive petitions by the same or related parties, to prevent parties from having a “second bite at the apple,” and to protect the integrity of both the USPTO and Federal Courts by assuring that all issues are promptly raised and vetted.

Trial Practice Guide at 48759. In our view, absent any indication of an attempt to circumvent estoppel rules, a petitioner's bad faith, gamesmanship, or prejudice to a patent owner caused by the delay, permitting a petitioner to amend challenged RPI disclosures while maintaining the original filing date promotes the core functions described in the Trial Practice Guide, while also promoting “the just, speedy, and inexpensive resolution of our proceedings.” 37 C.F.R. § 42.1; *see Elekta, Inc. v. Varian Medical Systems, Inc.* Case IPR2015-01401, slip op. 9 (PTAB Dec. 31, 2015) (Paper 19).

Here, we do not find that Patent Owner will experience prejudice, or that Petitioner attempted to circumvent estoppel rules, acted in bad faith, or engaged in gamesmanship. After a few weeks to consider the matter,

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Petitioner volunteered to list General Electric as a real party-in-interest. By itself, this does not convince us that Petitioner behaved inappropriately.

On the whole, we find it in the interest of justice to excuse Petitioner's delay in updating its mandatory notices. Doing so avoids significant prejudice to Petitioner (i.e., dismissal of its Petitions), without apparent prejudice to Patent Owner. Therefore, under 37 C.F.R. § 42.5(c)(3), Petitioner's late filing of its updated mandatory notices is excused.

Based on the foregoing, it is hereby

ORDERED that Petitioner's Motion for Leave to File Updated Mandatory Notices is *granted*;

FURTHER ORDERED that the filing dates of Petitioner's Petitions shall remain unchanged.

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