

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

RUBICON COMMUNICATIONS, LP
Petitioner,

v.

LEGO A/S
Patent Owner.

Case IPR2016-01187
Patent 8,894,066

**PATENT OWNER'S MOTION TO VACATE INSTITUTION
DECISION AND TERMINATE PROCEEDING**

Pursuant to the Board’s February 24, 2017 authorization (Paper 48), Patent Owner respectfully submits this Motion to Vacate Institution Decision and Terminate Proceeding, for Petitioners’ failure to identify Rubicon Communications, LLC, Jamie Thompson, and James Thompson as real parties-in-interest (“RPIs”) in the Petition requesting an *inter partes* review (Paper 1) (“Petition”).

I. INTRODUCTION

Exactly one-year to the day after Patent Owner served a complaint in the U.S. District Court for the District of Connecticut, Rubicon Communications, LP filed the Petition as the sole petitioner and challenged the validity of U.S. Patent No. 8,894,066. Approximately a month later, Rubicon Communications, LP sought permission to correct the Petition and retroactively add SmallWorks, LLC as an RPI. In response, Patent Owner requested dismissal of the Petition in its Preliminary Response (Paper 20), and in its Opposition to Motion to Correct Clerical Mistake under 37 CFR § 42.104(C) (Paper 32). Furthermore, Patent Owner noted that not only SmallWorks, LLC, but also Rubicon Communications, LLC, Jamie Thompson, and James Thompson should have been identified in the Petition as RPIs. Opp’n to Mot. to Correct at 12–14. Ruling on the specific relief requested — submission of a corrected petition listing SmallWorks, LLC as an RPI, the Board granted the Motion to Correct on December 16, 2016 and noted,

At the same time, we reiterate that listing all real parties-in-interest constitutes a significant issue. Accordingly, neither this Decision nor our concurrent institution of a trial forecloses further consideration of whether the Petitioner has correctly identified all real parties-in-interest. To the extent that further correction of the listed real parties-in-interest may be required, Petitioner is encouraged to pursue such correction promptly. The more promptly and proactively Petitioner acts to correct any further errors in the listed real parties-in-interest, the more favorably we may treat any requests for further correction.

Decision - Granting Motion to Correct RPI at 5–6 (Paper 40). Despite the Board’s urging, Petitioners did not take any action to correct their errors in omitting Rubicon Communications, LLC, Jamie Thompson, and James Thompson as RPIs. Indeed, they continue to deny that any of these missing parties should have been identified as RPIs. Accordingly, Patent Owner moves for relief based on Petitioners’ failure to satisfy the statutory and regulatory burden and respectfully requests the Board vacate the decision instituting trial and terminate the instant proceeding.

II. FACTUAL BACKGROUND

Patent Owner served Rubicon Communications, LP dba SmallWorks on June 10, 2015 with a complaint alleging infringement of U.S. Patent Nos. 7,731,191; 8,091,862; 8,628,085; and 8,894,066 before the District Court for the District of Connecticut. (Ex. 1024.) Rubicon Communications, LLC and

SmallWorks, LLC answered on July 31, 2015, claiming that Rubicon Communications, LP no longer existed and that “[t]here are now two separate companies: Rubicon Communications, LLC and SmallWorks, LLC. . . . SmallWorks[, LLC] should be the only defendant entity in this lawsuit.” (Ex. 2011 ¶ 2.) Based on these statements, Patent Owner amended the complaint to add SmallWorks, LLC as a defendant. (Ex. 2004.) Since then, the parties have been engaged in extensive discovery and disputes regarding, *inter alia*, the Petitioners’ corporate structure and transactions. Consistent with their misdirection in this proceeding,¹ Petitioners have represented in at least four pleadings in the related litigation and in numerous discovery documents that

¹ Petitioners continue to play hide-the-ball, even as recently as the conference call ordered by the Board to discuss this very Motion. At the beginning of the call, counsel for Petitioners represented that Rubicon Communications, LLC is not an RPI and that Petitioners did not seek to add it as an RPI. Reluctantly, and only after being asked directly by Judge Powell, did Petitioners for the first time indicate that they would seek to add Rubicon Communications, LLC. The requirement to identify all RPIs is not a sliding scale requirement to identify RPIs only after the petitioner is caught hiding one or two; instead, Petitioners have a duty of candor to identify all RPIs at the outset, which they have unquestionably failed to do in this case.

Rubicon Communications, LLC is not a necessary party in the related litigation.

See Ex. 2003 ¶ 2; Ex. 2013 ¶ 2; Defs.’ Resp. to Pl.’s Second Mot. for Leave to Amend Its Compl. to Add Additional Defs. (Ex. 2021); *see also infra* pp. 12–13.

In December of 2016, Patent Owner deposed Jamie and James Thompson on various topics including the Petitioners’ corporate structure and transactions. They testified that, as sole owners and officers of at least Rubicon Communications, LP, Rubicon Communications, LLC, and SmallWorks, LLC, they have made, offered for sale, and sold products accused of infringing Patent Owner’s patents in the related litigation. Starting in 2011, they directed Rubicon Communications, LP to engage in conduct accused of infringing Patent Owner’s patents. James Thompson Dep. (Ex. 2022) 43:15–23, 83:12–16, Dec. 5, 2016. Then, Jamie and James Thompson “re-formed Rubicon Communications as an LLC” after an IRS audit in either 2013 or 2014. *Id.* at 58:19–59:15; Jamie Thompson Dep. (Ex. 2023) 22:4–8, Dec. 6, 2016. Following the conversion, they directed Rubicon Communications, LLC to engage in conduct accused of infringing Patent Owner’s patents. James Thompson Dep. at 83:7–25.

On June 5, 2015 — approximately a year after the conversion and few days after commencement of the related litigation, Jamie and James Thompson created SmallWorks, LLC. *Id.* at 68:11–16. On the same day, they executed an agreement

██

Explore Litigation Insights

Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

Real-Time Litigation Alerts



Keep your litigation team up-to-date with **real-time alerts** and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

Advanced Docket Research



With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

Analytics At Your Fingertips



Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

LAW FIRMS

Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

FINANCIAL INSTITUTIONS

Litigation and bankruptcy checks for companies and debtors.

E-DISCOVERY AND LEGAL VENDORS

Sync your system to PACER to automate legal marketing.