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

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

Petitioner Rubicon Communications, LP ("Petitioner") opposes Patent Owner's Motion to Vacate Institution Decision and Terminate Proceeding ("Motion"), which asserts that Petitioner fails to list all real parties-in-interest ("RPIs"). The Board authorized this opposition on February 24, 2017 (Paper 48).

I. Introduction

Patent Owner's Motion represents a manufactured controversy. Wishing to avoid the merits of this case, Patent Owner repeatedly alleges "misdirection," "bad faith," and "concealment" by Petitioner. Patent Owner does not, however, support its allegations of malfeasance with record evidence that is relevant to the RPI issue (as opposed to a different issue in a different proceeding). Moreover, Patent Owner ignores Board precedent, declining even to cite to the case (*Lumentum*) that overrules the "jurisdictional" RPI assumption grounding the cases Patent Owner relies on. Most notably, Patent Owner requests the extraordinary equitable relief of termination without any showing whatsoever of harm—rendering its request for relief untenable. Given its unsubstantiated allegations, misstatements of law, and complete absence of alleged harm, this Motion should be denied.

II. Discussion

A. Contrary to Patent Owner's unfounded allegations, Petitioner did not engage in "misdirection in this proceeding," "bad faith," or "concealment."

The Motion is replete with conclusory assertions that Petitioner has engaged in "misdirection in this proceeding" in violation of its duty of candor before the

Office, and has attempted to "conceal" the RPI status of various parties from the Board while acting in "bad faith." *See, e.g.*, Motion at 3, n.1, 6, 11. Petitioner vigorously and categorically denies these assertions. Before addressing them, however, Petitioner summarizes the salient facts that have led the parties to this point, and Petitioner's reliance on them.

1. Petitioner had a good faith basis, grounded in facts and prior Board decisions, for naming only SmallWorks, LLC as an RPI in its corrected petition.

Petitioner filed its initial petition on June 10, 2016 erroneously naming only Rubicon Communications, LP as an RPI. Subsequently, the Board permitted Petitioner to list SmallWorks, LLC as an RPI while preserving Petitioner's original filing date. Decision Granting Motion to Correct RPI ("Decision") at 6. Decision at 6. The Board further stated that "[t]o the extent that further correction of the real parties-in-interest may be required, Petitioner is encouraged to pursue such correction promptly." Decision at 5.

Petitioner then amended its petition to add only SmallWorks, LLC as an RPI, and represents that it had a good faith basis for not adding either Rubicon Communications, LLC or the Thompsons as RPIs. On June 5, 2015, Rubicon Communications, LLC assigned all assets and liabilities to SmallWorks, LLC (Ex. 1033) (the "Assignment"). Since SmallWorks, LLC stood alone as the successor in interest to Rubicon Communications, LLC for the issues raised in this proceeding, Petitioner believed in good faith that SmallWorks, LLC was the sole

RPI. That is, before this proceeding began, Rubicon Communications, LLC had no interest in this matter, owing to the Assignment.

As to the Thompsons individually, several Board cases hold that merely being an owner of an entity (even a single member LLC) is not sufficient to confer RPI status. "Owning a percentage of a party (or even all of it) . . . does not render the owner a real party-in-interest. If it did, every parent corporation of a 100% wholly-owned subsidiary party would be a real party-in-interest, and that is not the law." *Enovate Medical, LLC v. Intermetro Industries Corp.*, IPR2015-00301, slip op. 9 (May 11, 2016) (Paper 50). The Board has also declined to hold individual executives or board members of a petitioner to be RPIs, even if those individuals are named as co-defendants in a related proceeding. *Zero Gravity Inside, Inc. v. Footbalance System Oy*, IPR2015-01769, slip op. 26 (Feb. 12, 2016) (Paper 17). Finally, the Board has held that the owner of a single-member LLC that was treated as a disregarded entity for tax purposes, and who paid for the petition out of personal expenses, was nevertheless not an RPI. *1964 Ears, LLC v. Jerry Harvey Audio Holding, LLC*, IPR2016-00494, Slip. op. 6-7 (July 20, 2016) (Paper 21).

Upon amending its petition, Petitioner considered the RPI matter closed. When Patent Owner indicated on January 30, 2017 that it intended to seek termination via its Motion, newly added counsel of record reviewed the matter in light of the Board's post-*Lumentum* decisions. From this review, Petitioner

concluded that while Rubicon Communications, LLC and the Thompsons were not RPIs under the relevant facts and law, Petitioner would consent to listing these parties as RPIs for estoppel purposes, in order to conclusively resolve the RPI question and proceed to the merits of this case. This decision matured into Petitioner's Motion to List Additional Parties as Real Parties-in-Interest (Paper 53).

2. Patent Owner's allegations of "misdirection in this proceeding" are incorrect and unsubstantiated.

Patent Owner repeatedly and incorrectly accuses Petitioner of "misdirection," beginning with Patent Owner's inaccurate representation of the conference call that led to the Motion. Motion, n.1. Contrary to Patent Owner's characterization, Petitioner did not offer to add Rubicon Communications, LLC as an RPI "only after being asked directly by Judge Powell." *Id.* Rather, Petitioner represented that it did not believe that Rubicon Communications, LLC was an RPI, but proposed that Petitioner be permitted to add this party to conclusively resolve the issue. Judge Powell specifically commented on the fact that nothing prevents a petitioner from identifying a party as an RPI when it is not in fact an RPI, indicating that he understood Petitioner's proposal.

As noted in the previous section, Petitioner had a reasoned, good-faith belief that the RPIs in its corrected petition were accurate in light of the facts and relevant law. Patent Owner, in contrast, repeatedly alleges that Petitioner "continue[s] to argue" that Rubicon Communications, LLC and the Thompsons are not RPIs

DOCKET ALARM

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.