Trials@uspto.gov
571-272-7822

Paper No. 87
Entered: October 5, 2017

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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RUBICON COMMUNICATIONS, LP,
Petitioner,

v.

LEGO A/S,
Patent Owner.

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Case IPR2016-01187
Patent 8,894,066 B2

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Before SCOTT A. DANIELS, NEIL T. POWELL, and
TIMOTHY J. GOODSON, *Administrative Patent Judges.*

POWELL, *Administrative Patent Judge*.

DECISION
Patent Owner's Motion to Vacate Institution Decision and Terminate
Proceeding and Petitioner's Motion to List Additional Parties as Real
Parties-In-Interest
35 U.S.C. § 312(a)(2) and 37 C.F.R. § 42.71

IPR2016-01187
Patent 8,894,066 B2

Introduction

Pursuant to our authorization, Patent Owner filed a Motion to Vacate Institution Decision and Terminate Proceeding. Papers 56, 57[1] ("Motion" or "Mot."). Patent Owner's Motion contends that the Petition in this proceeding does not comply with 35 U.S.C. § 312(a)(2), which states that "[a] petition filed under section 311 may be considered only if . . . the petition identifies all real parties in interest." As a result, Patent Owner asserts that the Petition is incomplete, and should not be awarded a filing date until it is corrected to list all real parties in interest (i.e. RPIs). Mot. 15. Patent Owner notes that assigning a new filing date to the Petition would result in a statutory bar under 35 U.S.C. § 315(b). *Id.* Thus, Patent Owner asserts that the alleged omission of RPIs is fatal to Petitioner's case, and we must terminate this proceeding. *Id.*

Pursuant to our authorization, Petitioner filed an Opposition to Patent Owner's Motion to Vacate Institution Decision and Terminate Proceeding. Paper 60 ("Opposition" or "Opp."). Petitioner's Opposition indicates that it does not believe it has failed to identify any RPIs, but that Petitioner nonetheless offers to identify additional RPIs to address Patent Owner's concerns. Opp. 15. Consistent with this, and pursuant to our authorization, Petitioner has filed a Motion to List Additional Parties as Real Parties-In-Interest, which requests leave to add RPIs without assigning a new filing date. Paper 53, 5–6.

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[1] Paper 56 is a confidential, unredacted version of the Motion, which is subject to a motion to seal and available only to the parties and the Board. Paper 57 is a public, redacted version of the Motion, which has information subject to the motion to seal redacted. All citations to "Mot." refer equally to Papers 56 and 57.

Background

Initially, Petitioner identified "Rubicon Communications, LP" as the only real party-in-interest. Paper 1, 5. Pursuant to our authorization (*see* Paper 40)*,* Petitioner filed a corrected Petition that lists "SmallWorks, LLC" as a real party-in-interest. Paper 41, 4 (hereafter "Petition" or "Pet.").

The record indicates that James and Jamie Thompson own SmallWorks, LLC. *See* Ex. 2022, 80:14–22. The record also indicates the Thompsons own Rubicon Communications, LLC. *See id.* at 83:7–84:5. Patent Owner contends that Rubicon Communications, LLC and the Thompsons constitute RPIs not identified in the Petition. Mot. 1. After Patent Owner previously asserted that Rubicon Communications, LLC and the Thompsons were unnamed RPIs, we suggested Petitioner should consider whether additional entities should be named as RPIs and, if so, act promptly. *See* Paper 40, 3, 5–6. Patent Owner argues that Petitioner did not follow our admonition to address any omissions in the named RPIs. Mot. 1–2.

Patent Owner notes that in the related district court infringement proceeding, there have been significant discovery and disputes regarding Petitioner's corporate structure and transactions. *Id.* at 3. Patent Owner asserts that, although Petitioner contends that Rubicon Communications, LLC is not a necessary party to the district court proceeding, discovery demonstrated that the Thompsons at one time directed Rubicon Communications, LLC to engage in conduct accused of infringing Patent Owner's patent. *Id.* at 4.

Patent Owner contends that Petitioner has not maintained clear boundaries between Rubicon Communications, LLC and SmallWorks, LLC,

IPR2016-01187
Patent 8,894,066 B2

particularly with respect to these companies' conduct accused of infringing Patent Owner's patent. *Id.* at 4–6. Patent Owner notes that shortly after the district court proceeding was initiated, the Thompsons created SmallWorks, LLC. *Id.* at 4. Patent Owner further notes that on the same day they created SmallWorks, LLC, the Thompsons █████████████████████████

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contends that this agreement was a ████████████████████████

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Patent Owner notes that the Thompsons "have operated SmallWorks, LLC without any employees and, instead, directed Rubicon Communications, LLC's employees to fill orders for 'SmallWorks' products." *Id.* at 5. ██████████████████████████

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████████████████ Patent Owner argues that "[d]espite such blurring of corporate boundaries, James Thompson testified that SmallWorks, LLC is the only entity liable for any potential judgment in the related litigation." *Id.* at 5–6. Patent Owner contends that "SmallWorks, LLC appears to be nothing more than a corporate shell without any employees or sufficient funding." *Id.* at 14. In view of this, Patent Owner asserts that Rubicon

IPR2016-01187
Patent 8,894,066 B2

Communications, LLC "has exercised control over this proceeding, and indisputably has engaged in infringing activities." *Id.*

Patent Owner further argues that the Thompsons have exercised control over this proceeding, "perhaps through Rubicon Communications, LLC." *Id.* at 10. Patent Owner asserts that the Thompsons "have had exclusive ownership over [Petitioner] and Rubicon Communications, LLC," adding that "[a]s sole directors and officers, they also have exercised complete control over [Petitioner] and Rubicon Communications, LLC." *Id.* at 14. Based on the contention that Petitioner has not maintained clear corporate boundaries, Patent Owner argues that Petitioner acted in bad faith in contending that Rubicon Communications, LLC and the Thompsons are not RPIs. *Id.* at 5–7.

In response, Petitioner contends that it had a good faith basis for not identifying Rubicon Communications, LLC and the Thompsons as RPIs. Opp. 2–4. Following Patent Owner's assertion that these individuals and entity are unidentified RPIs, Petitioner states that it reviewed the issue in light of Board decisions after the precedential decision *Lumentum Holdings, Inc. v. Capella Photonics, Inc.*, Case IPR2015-00739, (PTAB Mar. 4, 2016) (Paper 38) (precedential). Petitioner asserts that review led to the conclusion that Rubicon Communications, LLC and the Thompsons are not RPIs. *Id.* at 3. Instead, Petitioner contends, Rubicon Communications, LLC and the Thompsons are related through privity to SmallWorks, LLC. *Id.* at 6, 12.

Regarding Rubicon Communications, LLC, Petitioner asserts that "[o]n June 5, 2015, Rubicon Communications, LLC assigned all assets and liabilities to SmallWorks, LLC." *Id.* at 2 (citing Ex. 1033 (the "Assignment")). Thus, Petitioner contends that this Assignment executed

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