

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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SIRIUS XM RADIO, INC.,  
Petitioner,

v.

FRAUNHOFER-GESELLSCHAFT ZUR FÖRDERUNG DER  
ANGEWANDTEN FORSCHUNG E.V.,  
Patent Owner.

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Case IPR2018-00681 (Patent 7,061,997 B1)  
Case IPR2018-00682 (Patent 6,931,084 B1)  
Case IPR2018-00689 (Patent 6,993,084 B1)  
Case IPR2018-00690 (Patent 6,314,289 B1)

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Before JEFFREY S. SMITH, STACEY G. WHITE, MICHELLE N.  
WORMMEESTER, and GARTH D. BAER, *Administrative Patent Judges*.

BAER, *Administrative Patent Judge*.

ORDER  
Granting Rehearing  
*37 C.F.R. § 42.71*

Case IPR2018-00681 (Patent 7,061,997 B1)  
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## I. Introduction

Sirius XM Radio Inc. (“Petitioner”) Requests Rehearing of our decision denying institution of *inter partes* review based on Petitioner’s failure to identify Sirius XM Holdings (“Holdings”) as a real party in interest (RPI). In its Rehearing Request, Petitioner asserts, *inter alia*, that we erred by not permitting Petitioner to amend its mandatory notices to add Holdings as an RPI without changing the Petition’s filing date. Paper 13, 2.<sup>1</sup> For the reasons provided below, Petitioner’s Rehearing Request is *granted* with respect to permission to add Holdings as an RPI.

## II. Background

In our decision denying institution, we denied Petitioner authorization to amend its mandatory notices to add Holdings without changing the Petition’s filing date. Paper 12, 7. Petitioner filed a Request for Rehearing of our institution decision (Paper 13), and, on our authorization, Patent Owner filed a Response to Petitioner’s Request (Paper 17). After the Board issued precedential decisions addressing a similar RPI issue in *Proppant Express Investments, LLC v. Oren Technologies, LLC*, Case IPR2017–01917 (Feb. 13, 2019) (Paper 86) (precedential) (“*Proppant*”), and *Adello Biologics LLC v. Amgen Inc.*, Case PGR2019–00001 (Feb. 14, 2019) (Paper 11) (precedential) (“*Adello*”), we invited the parties to file briefs addressing those decisions. Paper 18. Petitioner filed a Supplemental Authority Brief in Support of Its Request for Rehearing (Paper 19, “Brief” or “Br.”),

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<sup>1</sup> The cited documents were filed in IPR2018-00681. Corresponding documents were filed in the other proceedings captioned above.

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accompanied by an updated Mandatory Notice that included Holdings as an RPI (Paper 21). Patent Owner then filed a Response to Petitioner's Supplemental Brief Regarding Request for Rehearing. Paper 22 ("Resp.").

### III. Analysis

A party requesting rehearing has the "burden of showing a decision must be modified." 37 C.F.R. § 42.71(d)(2). The decision is reviewed "for an abuse of discretion," 37 C.F.R. § 42.71(c), which may be indicated if it is based on an erroneous interpretation of law. *See Star Fruits S.N.C. v. United States*, 393 F.3d 1271, 1281 (Fed. Cir. 2005). Here, we agree with Petitioner that our institution decision was based on an erroneous interpretation of law. Specifically, in our decisions denying institution, we denied Petitioner authorization to amend its mandatory notices to add Holdings based on our finding that Petitioner had not shown good cause for its omission of Holdings and had not shown why allowing the amendment would be in the interests of justice. That, however, is not the framework for determining whether to allow an RPI amendment as set forth in *Proppant* and *Adello*. For the reasons explained below, Petitioner has demonstrated that, under the framework set forth in *Proppant* and *Adello*, it should be allowed to add Holdings as an RPI.<sup>2</sup>

A petition requesting an *inter p artes* review "may be considered only if . . . the petition identifies all real parties in interest." 35 U.S.C.

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<sup>2</sup> Because Petitioner has now amended its Petition to add Holdings as an RPI under § 312(a)(2), we decline to address Petitioner's arguments that Holdings is not an RPI as moot.

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§ 312(a)(2). However, failures in identifying all RPIs are not “designed to award a patent owner . . . a windfall.” *Adello* at 3. Thus, when an initial petition fails to identify all RPIs as required under § 312(a)(2), “[t]he Board may, under 35 U.S.C. § 312(a), accept updated mandatory notices as long as the petition would not have been time barred under 35 U.S.C. § 315(b) if it had included the real party in interest.” *Proppant* at 7.

In considering whether to permit a petitioner to amend its identification of RPIs, we consider “whether there have been (1) attempts to circumvent the § 315(b) bar or estoppel rules, (2) bad faith by the petitioner, (3) prejudice to the patent owner caused by the delay, or (4) gamesmanship by the petitioner.” *Proppant* at 6–7. Absent a showing of an attempt to circumvent the § 315(b) bar and estoppel rules, bad faith, gamesmanship, or undue prejudice to a patent owner, a petitioner generally may amend its RPI disclosures without changing a petition’s filing date. *See id.* at 6–7, 9–16; *Adello* at 3–6.

1. Attempts to Circumvent the § 315(b) Bar or Estoppel Rules

It is undisputed that when the Petition was originally filed, Holdings was not subject to the § 315(b) time bar. In addition, because no final written decision has issued with respect to the challenged patents, there is no allegation that Holdings would have been estopped under 35 U.S.C. § 315(e) or 37 C.F.R. § 42.73(d) from asserting the Petition. Patent Owner asserts that Petitioner’s omission of Holdings “was clearly an attempt to circumvent the § 315 bar and estoppel rules” because Petitioner wanted “to keep open the possibility of a future IPR petition by SXM Holdings.” Resp. 5, 6 (internal quotation and alterations omitted). We disagree. Petitioner offers a

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sufficient explanation for omitting Holdings as an RPI in “its good faith belief and argument in its Reply and Request that Holdings is not an RPI.”

Br. 4. Beyond Patent Owner’s speculation, we are not aware of any evidence suggesting that Holdings intended to file a subsequent petition, should the present Petition fail. Absent such evidence, we decline to infer ulterior motives on Petitioner’s part. *See Adello* at 5 (“Given the severe penalties imposed on one who knowingly and willfully falsifies or conceals a material fact . . . , we are satisfied with Adello’s express representation that it did not act in bad faith, or engage in gamesmanship.”).

## 2. Bad Faith and Gamesmanship

Patent Owner argues that Petitioner’s omission of Holdings as an RPI was in bad faith because Petitioner refused to amend its disclosures until after our decision denying institution based on Holdings’ RPI status.

Resp. 7. According to Patent Owner, Petitioner maintained its refusal to add Holdings as an RPI even though “Petitioner’s counsel clearly knew about SXM Holdings” and “[Holdings’] status as RPI was not a close call.” *Id.* at 6. We disagree with Patent Owner’s argument.

Petitioner offers a sufficient explanation for its delay—its good faith belief that Holdings was not an unnamed RPI. As Petitioner notes, before our decision denying institution, Petitioner provided arguments along with unrebutted testimony supporting its good-faith belief that Holdings is not an RPI. Br. 4. Although we ultimately did not agree with Petitioner’s position, we disagree with Patent Owner’s characterization of the issue as “not a close call.” Resp. 6. Holding’s status as an RPI was a close and hotly contested issue, as RPI issues often are.

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