

I. Request For Comment # 5

#5. Should a patent owner be able to raise a challenge regarding a real party in interest at any time during a trial?

II. Comment¹

It depends. Yes, a patent owner should only be able to raise a challenge regarding a real party in interest (“RPI”) if the challenge is to the Petitioner’s standing under 35 U.S.C. § 315 as of the filing date of the petition. No, a patent owner should not be able to make a belated petition completeness challenge (35 U.S.C. § 312(a)) on the basis of a Petitioner allegedly failing to list all real parties in interest.

This important dichotomy has already been recognized by the PTO.

Comment 8	Response
<i>[RPI Challenge] Comment 8:</i> A few comments suggested that the Office should require that challenges to “real party-in-interest” identifications be brought no later than the deadline for filing a patent	<i>[RPI Challenge] Response:</i> The Office agrees with the comments that such a challenge should be brought before or with the filing of the patent owner preliminary response. During that period, the patent owner may seek authorization to take pertinent discovery. After the patent owner preliminary response, the likelihood of

¹ This comment is offered on behalf of GEA Process Engineering, Inc., which has IPRs pending (IPR2014-00041, IPR2014-00043, IPR2014-00051, IPR2014-00054, and IPR2014-00055) and this question is at issue.

<p>owner preliminary response in order to provide sufficient time for the Board to decide the challenge before deciding whether to institute a review.</p>	<p>granting an authorization for additional discovery related to the challenge before institution will decrease because the Board is required to determine whether to institute a review within three months from the filing of the patent owner preliminary response.</p>
<p><i>[Standing Challenge Comment 8:]</i> Another comment requested clarification that standing may be challenged at any time.</p>	<p><i>[Standing Challenge Response:]</i> After institution, standing issues may still be raised during the trial. A patent owner may seek authority from the Board to take pertinent discovery or to file a motion to challenge the petitioner’s standing....</p>

77 Fed. Reg. 48680, 48695 (8/14/12) (compound comment 8 parsed into its discrete RPI and standing comments/responses); *see also* 35 U.S.C. § 314(d).

The PTO should follow its own response to comment 8. Standing and jurisdiction are important issues that may need to be addressed post-institution. If a patent owner raises an RPI challenge based on the fact that the alleged RPI would have been statutorily barred from filing (or being listed on) a petition as of the original filing date, then the patent owner should be able to raise this jurisdictional issue at any time.

However, allowing a patent owner to challenge petition completeness (a non-jurisdictional issue) up until a final written decision is contrary to 35 U.S.C.

§ 314(d) and highly inefficient. Failing to keep a distinction between a patent owner's completeness challenge and standing challenge will lead to petty gamesmanship and severe inequities of form over substance.

III. A Real Party in Interest Challenge is Only Jurisdictional if the Challenge Affects Standing Under 35 U.S.C. § 315 On The Original Filing Date

Patent owners raise challenges regarding a real party in interest for two reasons: 1) to determine whether the Petitioner and alleged real party in interest have standing under § 315 to petition the PTO for *inter partes* review (i.e., whether the PTO has jurisdiction to review a petition) and 2) to determine if a petition is complete, i.e., eligible for PTO review under § 312(a). The standing (or jurisdictional) statute, § 315, sets out who can be a petitioner. *See* 37 CFR 42.104(a) (petitioner "standing"). This differs greatly from the petition completeness statute, § 312(a), which sets out the requirements of a petition (e.g., including naming all RPIs).

Standing addresses who may bring a suit. *Armstrong World Indus., Inc. v. Adams*, 961 F.2d 405, 411 n.13 (3d Cir. 1992) (standing focuses on "who"). In federal courts, standing is rooted in the "cases and controversies" clause in Article III of the U.S. Constitution. *Summers v. Earth Island Inst.*, 555 U.S. 488, 492-93 (2009); *DaimlerChrysler Corp. v. Cuno*, 547 U.S. 332, 340-41 (2006). The Constitution only gives Article III Courts jurisdiction over cases and controversies,

and as such, a showing of standing “is an essential and unchanging” predicate to any exercise of jurisdiction. *Chicago & Grand Trunk Ry. Co. v. Wellman*, 143 U.S. 339, 345 (1892); *Lujan v. Defenders of Wildlife*, 504 U.S. 555, 560 (1992). Should a party lack standing, a court is then deprived of its jurisdiction, and therefore, the court is rendering an unconstitutional advisory opinion instead of adjudicating a case or controversy. *Defenders of Wildlife*, 504 U.S. at 564 n.2 (citing *Whitmore v. Arkansas*, 495 U.S. 149, 156-60 (1990); *Los Angeles v. Lyons*, 461 U.S. 95, 102-06 (1983)). For these reasons, a party may challenge standing at any time during a court proceeding. *Defenders of Wildlife*, 504 U.S. at 561; *Davis v. Fed. Election Comm’n*, 554 U.S. 724, 734 (2008).

Just as the Constitution establishes the jurisdiction of Article III Courts, Congress can establish the jurisdiction of administrative agencies. *See Crowell v. Benson*, 285 U.S. 22, 51 (1932); *Thomas v. Union Carbide Agric. Prods. Co.*, 473 U.S. 568, 583 (1985); *CFTC v. Schor*, 478 U.S. 833, 854 (1986). Congress has given the PTO jurisdiction to adjudicate disputes when a “petitioner . . . request[s] to cancel as unpatentable 1 or more claims of a patent only on a ground that could be raised under section 102 or 103 and only on the basis of prior art consisting of patents and printed publications.” 35 U.S.C. § 311(b) (“Scope”). Congress then chose to limit the “who,” as in the class of people or parties who may file for *inter partes* review. 35 U.S.C. § 315(a), (b). Petitioners lack standing if they, or their

real parties in interest, 1) filed a civil action challenging the validity of a claim of the patent or 2) were served with a complaint alleging patent infringement over a year before filing an *inter partes* review petition. *Id.*

The only statute that limits the “who” (i.e., the parties whom the PTO has jurisdiction over) is 35 U.S.C. § 315. As such, a patent owner’s only jurisdictional challenge arises in a situation where an alleged RPI or privy would be barred from filing a petition under § 315. If an actual RPI or privy was statutorily barred at filing, the PTO would never have had jurisdiction over the petition.

For this reason, the PTO should allow patent owners to raise this precise challenge to alleged real parties in interest at any time during a trial. If a real party in interest was found to have filed a civil action challenging the validity of a claim of the patent or was served with a complaint alleging patent infringement over a year before filing a petition, then the PTO never had jurisdiction to institute an *inter partes* review in the first place.

IV. Petition Completeness Challenges Are Not Jurisdictional

Some argue that § 312(a) completeness is a standing requirement. They contend that petition completeness could trigger a § 315 standing violation if a petitioner’s original filing date is voided. If the original filing date is voided, a petitioner would have to refile potentially after Petitioner’s § 315(b) statutory bar date. If the petitioner has to refile after the § 315(b) statutory bar date, the

petitioner no longer has standing.²

Using such a strained hypothetical in order to conflate the two statutes leads to circular, contradictory, and inequitable conclusions. For example, under this contrived paradigm, § 312 is a standing or jurisdictional statute just “some of the time,” i.e., if the petitioner and real parties in interest were eventually unable to refile before their statutory bar date. On the other hand, if the petitioner and real parties in interest were able to refile, then the petitioner simply completes the petition by updating the list of all RPIs.

The major fallacy of this argument is that it is predicated upon voiding the petitioner’s filing date. Section 312(a) never contemplates this, and Congress certainly did not require it. By this logic, anything that has the potential to void a filing date is a standing/jurisdictional issue.

The proper analysis of § 312(a), and a discussion of how to resolve § 312(a) RPI disputes, is as follows.

A. The Petition Completeness Statute

While § 315 determines the jurisdiction of the PTO, the petition completeness statute, § 312(a), sets out the requirements before the PTO may consider a petition. 35 U.S.C. § 312(a) (“Requirements of petition”). One of those

² Notably, this argument still must rely on § 315(b) to bar a petition because § 315(b) is the only jurisdictional statute.

requirements, among many, is that the petition must identify all of the real parties in interest. 35 U.S.C. § 312(a)(2). Section 312(a) also requires that a petition must be accompanied by payment, copies of printed publications, affidavits or declarations of supporting evidence, and “other information the Director may require by regulation.” 35 U.S.C. § 312(a). None of these requirements impact standing/“who” may or may not file a petition. Instead, these are procedural requirements that address when a petition is “complete” so that the Board may consider it. Simply put, whether or not all the RPIs (listed or alleged) are barred from filing a petition is a substantive standing/jurisdictional issue; whether the petitioner properly lists all of those RPIs is a procedural issue.

B. Petition Completeness Challenges Are Waived After Institution

A Board’s institution decision accepts Petitioner’s identification of any real parties in interest and inherently deems the petition complete. 77 Fed. Reg. 48680, 48695 (8/14/12) (“The Office generally will accept the petitioner’s ‘real party-in-interest’ identification...”). 35 U.S.C. § 312(a). The Board can only institute a petition it has “considered,” and the Board can only “consider” a petition if the petition identifies all real parties in interest. A patent owner who chooses not to object before institution waives its challenge to the petition’s identification or listing of the real parties in interest, because the institution decision is now final and non-challengeable. 35 U.S.C. § 314(d). One Board panel has correctly found

just that with respect to another § 312(a) issue.

Synopsys, Inc. v. Mentor Graphics Corp. confirms that a patent owner waives a § 312(a) petition completeness challenge by waiting until after institution to raise it. IPR2012-00042, Paper 23 (4/11/2013), p. 3 (denying rehearing of institution decision because patent owner failed to raise the petition completeness challenge in patent owner’s preliminary response). *Synopsys* involved a § 312(a)(5) service challenge, rather than a § 312(a)(2) RPI challenge, but *Synopsys* is directly on point because both are statutory requirements for a complete petition. *Id.* *Synopsys* holds that a patent owner irrevocably waives its § 312(a) statutory completeness challenge by delaying until after institution. *Id.*

Thus far, no decision has ever allowed a patent owner to make a post-institution challenge to a petition’s § 312(a) identification of RPIs, much less succeed in such a late challenge.

C. A Mistake In The Petition’s Identification Of The RPI Should Be Curable So That A Procedural Defect Is Not “Sometimes Jurisdictional”

If the PTO finds that a petition failed to list all of the real parties in interest before or after institution, petitioners should be able to cure the RPI list. Such a correction should not time-bar petitions because: (1) § 312(a) petition corrections do not disturb earlier petition filing dates, and (2) RPI corrections have historically related back to original filing dates.

1. RPI Correction Should Not Change Petitioner's Filing Date

Petitions, including their RPI lists, must be complete to “be considered,” but § 312(a) does not require completeness on the filing date. 35 U.S.C. § 312(a).

Corrections may be made after filing without affecting the filing date if a “good faith attempt” was made to satisfy § 312(a) by the filing date. *Synopsys* (IPR2012-00042), Paper 23, p. 4. In *Synopsys*, the Board rejected a patent owner’s § 312(a) completeness challenge to a filing date because “[n]othing in [35 U.S.C. § 312(a)] states that the date” when the petition satisfies § 312(a) “is determinative of the filing date.” *Id.* Section 315(b) sets a statutory deadline for filing a petition, but does not require the petition to be perfectly complete by the statutory deadline.

Unlike § 312(a), 37 CFR §42.106 requires a petition to be complete to receive a filing date. This requirement is regulatory, not statutory, and it should not shoehorn standing into the completeness statute. Even the PTO’s FAQs state that the Board disregards this rule and “accord[s] the filing date of the original submission” if it includes “only regulatory defects.” Patent Review Processing System, USPTO.GOV (August 8, 2014), <http://www.uspto.gov/ip/boards/bpai/prps.jsp> (“Frequently Asked Questions”). 37 CFR §42.106 never references § 312(a).

37 CFR §42.106 lists its own requirements for a “complete petition.” One of those requirements is that a petition must comply with §42.104 (“Content Of

Petition”). Among others, §42.104 requires compliance with §§42.6 and 42.8. Section 42.6 requires 14-point font, a proportional or monospaced font, an 8½ inch by 11 inch page size, 1 inch margins, block quotes 1.5 spaced, etc. Section 42.8 requires the petition to identify all RPIs. Under the rubric of 37 CFR §42.106, it is clear that identifying all RPIs before a petition is complete is a regulatory requirement, not a statutory one.

The consequences of treating 37 CFR §42.106 (and petition completeness in general) as though it implicates standing or jurisdiction are far reaching and drastic. If completeness is a standing issue, floodgates open to patent owner motions to terminate based on every little font, line-spacing, margin, and other regulatory requirement after institution, thereby elevating them to standing issues.

Worst of all, patent owners would be incentivized to wait until a petitioner’s statutory bar date to object to a simple completeness problem. For example, it is possible for a petitioner to file an IPR petition on the same day a patent owner serves the petitioner with a complaint alleging patent infringement. Then, the PTO institutes the *inter partes* review six months later after no response from the patent owner. The parties and Board then spend time litigating the merits of the *inter partes* review including briefing, discovery disputes, depositions, etc.

Finally, six months and one day after institution, the patent owner chooses to bring a challenge to the petition’s completeness for failing to use 1.5 spaced block

quotations (or lacking all listed RPIs) despite having knowledge of this problem from when the *inter partes* review petition was first filed. If the Board rules that these are standing or jurisdictional issues, then the Board would be forced to terminate the proceeding due to a spacing issue even though the proceeding is nearing a written decision. As the petitioner has now been served with an infringement complaint one year and a day ago, the petitioner is then barred from filing another *inter partes* review petition under 35 U.S.C. § 315 and Patent Owner is rewarded for waiting to raise a petition completeness challenge and the Board has wasted its time in both reviewing the material at issue and the various related motions. In other words, Patent owners would be encouraged to delay these completeness and RPI disputes, and waste the PTO's valuable resources, by such a rule. Had the patent owner been required to bring a completeness challenge (even an RPI completeness challenge) before institution, the petitioner could still fix the petition before its statutory bar date. If the petition could not be fixed, then the Board and parties would not waste resources in a futile proceeding. The Board needs to prohibit dilatory conduct and secure "just, speedy, and inexpensive resolution of every proceeding." 37 CFR §42.1(b).

Similarly, one cannot argue that there is a statutory difference between complying with the proper line spacing, font, and page size and listing all RPIs in a petition. Section 312(a)(2) requires the petition to identify all real parties in

interest. Likewise, § 312(a)(4) requires the petition to comply with “other information as the Director may require by regulation.” Section 312(a)(4) therefore elevates the PTO’s regulations (including those in 37 CFR §42.6) so that they have the same effect as the other § 312(a) requirements. If failing to comply with § 312(a)(2) voids a filing date and can be challenged at any time, then failing to comply with § 312(a)(4) does too.

A better interpretation of Section 312(a) is that Section 312(a)(4) does not enigmatically transform the PTO’s regulations into standing or jurisdictional statutes. Instead, this clause further demonstrates that § 312(a) simply is not addressing a jurisdictional issue.

Determining standing and jurisdiction by a procedural regulation creates a rule that promotes “form over substance” in order to defeat petitioner’s statutory rights. Failing to adequately “list” or “identify” or “check a box” should not strip away substantive rights from petitioners and real parties in interest that unquestionably had standing when an IPR petition is filed.

37 CFR § 42.106 should also not be read in a way that is determinative of a petitioner’s standing or the PTO’s jurisdiction. Allowing an agency to have that power in rulemaking could potentially run afoul of the Nondelegation Doctrine. *See J.W. Hampton v. United States*, 276 U.S. 394, 409 (1928); *cf. Cohens v. Virginia*, 19 U.S. 264, 404 (1821) (“We have no more right to decline the exercise

of jurisdiction which is given, than to usurp that which is not given.”).

2. The PTO Should Follow The Federal Practice of Allowing RPI Corrections To Relate Back To Original Filing Dates Without Implicating The Statute Of Limitations

The RPI requirement in federal courts protects a defendant from serial attacks, and was never intended to create a wooden procedural requirement that could then retroactively and statutorily bar a substantive and timely claim. *Id.* The PTO applies the exact same policy considerations to § 312(a)’s requirement that petitions name all RPIs, and while the Federal Rules of Civil Procedure do not directly apply, the PTO cites Rule 17 for this proposition. 77 Fed. Reg. 48756, 48759 (8/14/12) (citing Fed. R. Civ. P. 17(a)).

A correction made to a petition should relate back to Petitioner’s original petition filing date without implicating § 315’s effective statute of limitations because Federal Rule of Civil Procedure 17(a)(3) permits such relation back: “After ratification, joinder, or substitution [of an RPI], the action proceeds as if it had been originally commenced by the real party in interest.” Fed. R. Civ. P. 17(a)(3).

This “avoid[s] forfeiture and injustice when an understandable mistake has been made in selecting the party in whose name the action should be brought.” *Gardner v. State Farm Fire and Cas. Co.*, 544 F.3d 553, 562 (3d Cir. 2008); *see also National Safe Corp. v. Texidor Sec. Equip., Inc.*, 101 F.R.D. 467, 469 (D.P.R.

1984) (“Aside from the general reluctance of courts to apply wooden interpretations to the rules of procedure when substantive rights are at stake, Rule 17 and others contain provisions that avoid defeating substantive rights.”) (internal citation omitted); *Prevor-Mayorsohn Caribbean, Inc. v. Puerto Rico Marine Mgmt.*, 620 F.2d 1, 3 n.2 (1st Cir. 1980) (“The ‘main thrust’ of [Fed. R. Civ. P. 17(a)(3)] ‘is to allow a correction in parties after the statute of limitations has run, despite the valid objection that the original action was not brought by the real party in interest.’”).

This lenient rule permits correction of a formal procedural defect in naming the RPI without risk that the case will be barred as untimely. *National Safe Corp.*, 101 F.R.D. at 469 (“The last sentence of Rule 17 [i.e., Fed. R. Civ. P. 17(a)(3)] clearly suggests that by merely joining the real party claimed any objections based on the running of limitations periods would be foreclosed.”). In federal court, a party must also be allowed to cure within “a reasonable time” before a court can dismiss a party’s otherwise valid claim. *See Fed. R. Civ. P. 17.*

Allowing the addition of RPI(s) to relate back to the original filing date promotes the spirit of Rule 17 and § 312(a) and is congruent with the PTO’s core objectives. *See id.*

Two Board Panels have made broad statements that suggest that a failure to list all of the real parties in interest voids a filing date and is jurisdictional. *Zoll*

Lifecor Corp. v. Philips Elecs. N. Am., IPR2013-00606, Paper 13 (3/20/2014);
Petroleum Geo-Services, Inc. v. Westerngeco LLC, IPR2014-00678, Paper 23
(8/12/2014). These cases are pre-institution cases that are either wrongly decided
or contain unnecessary dicta which failed to consider many important issues. Most
importantly, these cases are inapplicable to the extent they pronounce any rule that
affects a party's right to challenge an RPI listing after institution. The parties in
Zoll or *Petroleum Geo-Services* never raised the law or argument discussed in the
preceding pages. *Id.*

**V. Equity Considerations Strongly Favor Limiting Patent Owner's Ability
to Challenge Petition Completeness After Institution**

Identifying RPIs is a “highly fact-dependent question,” without a “bright-
line test.” 77 Fed. Reg. 48756, 48759 (8/14/12). If a good-faith RPI mistake voids
a filing date after institution, petitioners will be frightened into naming every
possible entity that could even remotely be connected in any way to the petition.
This would inevitably include entities that petitioners did not believe to be RPIs.
Such a draconian rule would have far-reaching, timeless implications, and it could
curtail the invalidity defenses of independent third parties who were incorrectly
named as an RPI due to fear, instead of logic. Presumably, these incorrectly
named entities would then wish to have an avenue to challenge this designation
before the PTO in fear that they would be estopped in a district court proceeding
based on a petitioner's improper RPI listing.

VI. The PTO Should Require a Patent Owner to Challenge RPI Listings Before Institution For Non-Jurisdictional Reasons

The real parties in interest inquiry is important for at least three reasons: 1) for the Board to determine if there is a statutory bar for a Petitioner filing an *inter partes* review petitioner; 2) for the Board to identify potential conflicts of interest; and 3) for the District Court or International Trade Commission to appropriately assess the estoppel effects (35 U.S.C. § 315(e)(2)) of the PTO's final written decision. America Invents Act - Implementation Information, USPTO.GOV (5/21/2012), http://www.uspto.gov/aia_implementation/smith-blog-extravaganza.jsp ("Real Party in Interest"). The first issue has been discussed at length above. The remaining reasons support requiring patent owners to challenge the real party in interest fight before institution.

The PTO assigns petitions to a panel of Administrative Law Judges. These panels base their conflicts analysis on the listed real parties in interest listed in the petition. If patent owners are allowed or encouraged to delay their RPI challenge until after institution, the Panel could be forced to vacate its decision on an unforeseen conflict. This wastes the ALJs valuable time and would likely impede the PTO's ability to reach a final written decision by its statutory deadline.

Resolving a real party in interest dispute before institution may aid judges in other tribunals. Many federal courts are choosing to stay cases based on the institution of an IPR proceeding. If patent owners successfully argue that

petitioner and other real parties in interest lack § 315(b) standing to prevent institution, other proceedings are much less likely to go through stay briefing and decisions. Furthermore, judges in those proceedings can quickly evaluate if any remaining defendants will not be subject to estoppel which could prevent a stay from being issued. Even if an early deadline limits patent owners' ability to object to the real parties identified in the petition, broader discovery at the district court will ensure that all of the proper parties are subject to estoppel.

Finally, the inefficiencies of allowing petition completeness challenges after institution is a strong reason to encourage patent owners to bring challenges early in a proceeding. After institution, the parties are on a tight schedule resembling a rocket docket and costs are accrued quickly. These costs are all for naught if the PTO decides at the end of the proceeding that it never had jurisdiction due to an incomplete petition that was never challenged before institution. This would also have taken a panel away from other proceedings. Having judges preoccupied with improper cases will make it more difficult for decisions to be entered on time or could result in added PTO costs as more judges will need to be hired.

VII. Conclusion

Number 5 asks, "Should a patent owner be able to raise a challenge regarding a real party in interest at any time during a trial?" The answer is that it depends. The first answer is "Yes" because a patent owner should only be able to

raise a challenge regarding an RPI if the challenge is to the Petitioner's standing under 35 U.S.C. § 315 as of the filing date of the petition. The second answer is, "No" because a patent owner should not be able to make a belated petition completeness challenge (35 U.S.C. § 312(a)) on the basis of a Petitioner allegedly failing to list all real parties in interest.