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Paper 68
Entered: August 18, 2015

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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CORNING OPTICAL COMMUNICATIONS RF, LLC,
Petitioner,

v.

PPC BROADBAND, INC.,
Patent Owner.

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Case IPR2014-00440 (Patent 8,597,041 B2)
Case IPR2014-00441 (Patent 8,562,366 B2)
Case IPR2014-00736 (Patent 6,676,446 B2)[1]

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Before JAMESON LEE, JOSIAH C. COCKS, and
JACQUELINE WRIGHT BONILLA, *Administrative Patent Judges*.

BONILLA, *Administrative Patent Judge*.

# DECISION
Granting Patent Owner's Motions to Dismiss Petitions for
Failure to Name All Real Parties-In-Interest
*35 U.S.C. § 312(a) and 37 C.F.R. §§ 42.8(b)(1), 42.72*

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[1] This Decision addresses common issues raised in all three cases. Papers, arguments, and evidence submitted by Patent Owner and Petitioner as it relates to the issue at hand are largely the same in each case. Thus, we issue one Decision to be entered in each case. The parties are not authorized to use this caption without prior authorization of the Board.

## I. INTRODUCTION

On August 19, 2014, we instituted an *inter partes* review of claims 1, 8, 9, 11, 18–26, and 29 of U.S. Patent No. 8,597,041 ("the '041 patent") in Case IPR2014-00440, as well as an *inter partes* review of claims 31, 37, 39, 41, 42, 55, and 56 of U.S. Patent No. 8,562,366 ("the '366 patent") in Case IPR2014-00441, based on two Petitions filed by Petitioner, Corning Optical Communications RF, LLC ("Petitioner"). On September 12, 2014, we instituted an *inter partes* review of claims 1–7 of U.S. Patent No. 6,676,446 ("the '446 patent") in Case IPR2014-00736, based on a Petition also filed by Petitioner.

After institution, in all three proceedings, we authorized Patent Owner, PPC Broadband, Inc. ("Patent Owner") to file a motion for additional discovery directed to information as to whether the Petitions should have identified Petitioner's parent, Corning Incorporated ("Corning Inc."), and Petitioner's sister company, Corning Optical Communications LLC ("Corning NC"), as real parties-in-interest. *See, e.g.*, IPR2014-00440, Paper 31 (order authorizing motion).[2] Specifically, we authorized a motion for discovery as to whether those two entities funded or controlled the filing and conduct of these *inter partes* reviews. *Id*. We also urged the parties to come to agreement on discovery, to obviate the need for a motion. *Id*. Thereafter, Patent Owner provided a Request for Discovery to Petitioner, and Petitioner responded. *See, e.g.*, IPR2014-00440, Ex. 2100 ("Petitioner's Objections and Responses to Patent Owner's First Request for Discovery," "Response to the Discovery Request" or "Discovery Response").

[2] As discussed below, for clarity and expediency, we treat IPR2014-00440 as representative of all three cases. All citations are to IPR2014-00440 unless otherwise noted.

A few weeks later, after a subsequent telephone conference with the parties, we authorized Patent Owner to file a Motion to Dismiss the Petition for failure to name all real parties-in-interest in each of the three proceedings. *E.g.*, IPR2014-00440, Paper 41, 2. We indicated to the parties that each Motion to Dismiss should include two sections, the first discussing why Patent Owner waited until March 2015 to raise the issue of real party-in-interest and whether Patent Owner raised the issue too late, and the second discussing the merits of the issue. *Id*.

Because the real parties-in-interest issue is common to all three cases, and both parties filed similar papers in all cases as it relates to this issue, we consider the three cases together in this Decision. For clarity and expediency, we treat IPR2014-00440 as representative of all three cases.

Patent Owner filed a Motion to Dismiss the Petition for Failure to Name All Real Parties-In-Interest in each of the three cases. Papers 43, 44 ("Motion to Dismiss" or "Motion").[3] As also authorized (Paper 50, 2), Patent Owner filed Supplemental Briefing on the Legislative History of 35 U.S.C. § 312(a)(2) (Paper 52, "Supp. Briefing"). Petitioner filed an Opposition to the Motion to Dismiss (Paper 54, "Opp.") and Patent Owner filed a Reply to the Opposition (Paper 59, "Reply"). Petitioner also filed Objections to Evidence Entered with Patent Owner's Reply. Paper 64 ("Objections").[4] An oral hearing was held on June 4,

[3] Patent Owner originally filed "Confidential" (Paper 43) and "Redacted—Public" (Paper 44) versions of its Motion to Dismiss. As jointly requested by the parties, the confidential version of the Motion to Dismiss (Paper 43) will be designated as available to the public, and the original public version of the Motion (Paper 44) will be expunged. Paper 53, 1.

[4] Specifically, Petitioner objected to Exhibit 2142, which is cited in Patent Owner's Reply. Objections 1; Reply 10. Because we do not rely on Exhibit 2142 in this Decision, Petitioner's objection is moot.

2015. A transcript of the hearing in relation to the Motion to Dismiss has been entered into the record. Paper 67 ("Tr.").

Because the Petitions fail to identify all real parties in interest as required by 35 U.S.C. § 312(a)(2), we grant Patent Owner's Motions to Dismiss, vacate our Decisions to Institute (Paper 10), and terminate the reviews.

## II. ANALYSIS

### *A. Patent Owner's Contentions*

Patent Owner contends that Petitioner's parent, Corning Inc. (Ex. 2104),[5] and its sister company, Corning NC (Ex. 2105),[6] were and are real parties-in-interest ("RPI") because they had the opportunity to control, and actually controlled, Petitioner's participation in these *inter partes* review ("IPR") proceedings. Motion, 1, 6. Among other evidence, Patent Owner refers to Petitioner's Response to the Discovery Request (Ex. 2100), as well as a relevant engagement letter in relation to these IPR proceedings between an executive at Corning Inc. and outside counsel for Petitioner (Ex. 2101). Motion 4–11.

Specifically, Patent Owner contends that Petitioner admitted that officers and in-house counsel employed by Corning Inc. and Corning NC provided direction to counsel for Petitioner in this proceeding. *Id*. at 1, 4–9. To the extent that Petitioner asserts that certain individuals at Corning Inc. and Corning NC directed outside counsel only in their "capacity" as an officer or counsel to

[5] Exhibit 2104, which presents a copy of a Certificate of Interest filed by counsel for Petitioner with the U.S. Court of Appeals for the Federal Circuit, states "Corning Optical Communications RF LLC is a wholly owned subsidiary of Corning Oak Holding, LLC, which is a wholly owned subsidiary of Corning Inc."
[6] Exhibit 2105, which is copy of a D&B Business Report, indicates that Corning NC is a subsidiary of Corning Inc.

Petitioner, Patent Owner contends "that 'capacity' clearly is in name only," because they "did not work for Petitioner and are not paid by Petitioner." *Id*. at 6.

Patent Owner further contends that "[a]t the very least, the boundary lines are sufficiently blurred between the Corning entities such that—it is difficult for both insiders and outsiders to determine precisely where one ends and another begins." *Id*. at 6–9 (quoting *Atlanta Gas Light Co. v. Bennett Regulator Guards, Inc.*, Case IPR2013-00453, slip op. at 11 (PTAB Jan. 6, 2015) (Paper 88)). In addition, Patent Owner contends that Corning Inc. retained counsel for this matter, and that invoices for the matter were sent to, and paid, by Corning Inc. Motion 1, 9–11.

Thus, according to Patent Owner, both Corning Inc. and Corning NC exercised, or could have exercised, control over Petitioner's participation in this proceeding, and should have been named as real parties-in-interest. *Id*. at 1–2, 6. Patent Owner contends that because the Petition fails to name all real parties-in-interest, its filing date must be vacated, with a new filing date to be set only if and when Petitioner submits an updated mandatory notice. *Id*. at 2, 12. In addition, because Patent Owner served Petitioner with a complaint alleging infringement of the challenged patent more than one year after any possible new filing date, the Petition is barred under 35 U.S.C. § 315(b), and we must terminate the proceeding. *Id*.

Patent Owner also argues that it timely raised the RPI issue in this case. *Id*. at 12–15. Patent Owner explains that it served Petitioner with a complaint alleging infringement of the challenged patents on November 6, 2013. *Id*. at 12.[7] On

[7] In IPR2014-00736, Patent Owner asserts that it served Petitioner with a complaint alleging infringement of the '446 patent on June 11, 2013. Motion 12.

January 21, 2014, Petitioner changed its name from Corning Gilbert Inc. to Corning Optical Communications RF, LLC. *Id*. at 12–13. In a related district court case, on June 12, 2014, Patent Owner took the deposition of Charles Hartfelder, Director of Global Connectivity Products for both Petitioner and Corning NC, who stated that Petitioner was the only Corning entity making, selling, offering for sale, or importing accused products. *Id*. at 13; Ex. 2106, 12:2–9, 15:6–19. According to Patent Owner, Mr. Hartfelder's statements at that time "served to confirm (incorrectly as it turns out) the Petitioner's narrative as expressed through its counsel that all that occurred in early 2014 was a name change." Motion 13–14.

Thereafter, in a related ITC proceeding, in responses to interrogatories dated February 19, 2015, Mr. Hartfelder stated that while Petitioner developed, distributed, and imported accused products, Corning NC marketed and sold those connectors, and both companies had been doing so since April 2014. *Id*. at 14; Ex. 2107, 6, 9. In view of the conflicting statements by Mr. Hartfelder, Patent Owner investigated the RPI issue "using whatever publicly available information it could find" and asked Petitioner for additional information on February 25, 2015. Motion 14. Patent Owner then initiated a call with the Board, which took place on February 27, 2015, leading to our Order authorizing Patent Owner to file a motion for additional discovery on the RPI issue (Paper 31). *Id*. In view of the February 2015 "triggering event" and Patent Owner's quick activity thereafter, Patent Owner contends it does not raise the RPI issue too late to be considered in this case. *Id*. at 14–15.

*B. Petitioner's Response*

Petitioner argues that Patent Owner's Motion to Dismiss should be denied because: (1) the Board is precluded from vacating a Decision to Institute (Opp. 1–2, 19–21); (2) Patent Owner waived its right to raise the RPI issue because its Motion to Dismiss is untimely (*id*. at 2–6); (3) Patent Owner fails to establish that either Corning NC or Corning Inc. is an RPI, or that either funded or controlled these proceedings (*id*. at 6–19); and (4) in any event, a failure to name all RPIs does not necessitate dismissal of the Petitions (*id*. at 19–25). We discuss Petitioner's contentions in more detail in our analysis below.

*C. Factual Background*

In its Response to Patent Owner's Discovery Request, Petitioner acknowledges that six "individuals provided direction to counsel for Petitioner in the IPR, and/or review and/or approval of any papers filed by Counsel in the IPR," i.e., Michael Bell, Don Burris, Helen Boemmels, Dan Hulme, Jack Vynalek, and Steve Morris. Ex. 2100, 13–14. Both parties discuss four of these people in detail: Mr. Bell, Mr. Hulme, Mr. Vynalek, and Mr. Morris. Motion 4–6; Opp. 3–4, 11–14. Petitioner also provides a Declaration by Ms. Boemmels in her capacity as "Plant Controller" for Petitioner. Ex. 1088. In addition, the parties discuss Tim Aberle, who, along with Mr. Bell and Mr. Hulme, engaged in settlement discussions with Patent Owner to resolve disputes between the parties. Motion 8; Opp. 13–14; Ex. 2131 ¶¶ 10–18.

According to Petitioner, three Corning entities, Petitioner (located in Glendale, Arizona), Corning NC (located in Hickory, North Carolina), and Corning Optical Communications Wireless, Inc. (located in Herndon, Virginia, "Corning Wireless"), "are organized as a business segment named 'Optical

Connectivity Solutions' (OCS), allowing these entities to share certain services for efficiency and cost purposes." Opp. 16–17; Ex. 2120.

Michael Bell acts as President of all three entities, i.e., Petitioner, Corning NC, and Corning Wireless. Opp. 17. In addition, Mr. Bell acts as Senior Vice President & General Manager of OCS. Disc. Resp. 11. Mr. Bell receives his compensation from Corning NC, and participates in "long term incentive programs" of Corning Inc. *Id*. Mr. Bell "includes 'Optical Connectivity Solutions' in his automatic e-mail signature, and lists his LLC [(i.e., Corning NC)] address, because that is where his mail is sent." Opp. 17; Ex. 2131 ¶ 20. Steve Morris acts as Secretary for both Petitioner and Corning NC, as well as Chief Compliance Officer for Corning NC. Ex. 2100, 14.

Dan Hulme, Jack Vynalek, Tim Aberle all work as patent counsel for "the Intellectual Property Department/Section of the Corning Law Department," which Petitioner also calls "Corning IP Department." *Id*. at 4, 11–12. Corning IP Department is part of Corning Inc., based out of Corning, New York. *Id*. at 4. Mr. Aberle also acts as Assistant Secretary for Corning NC, and receives compensation from Corning NC and/or Corning Inc. *Id*. at 12; Opp. 12. Mr. Hulme and Mr. Vynalek receive compensation from Corning Inc. Ex. 2100, 12–14; Opp. 12. Petitioner states that the "cost of the Intellectual Property Department/ Section of the Corning Law Department is allocated among all of Corning's reportable segments." *Id*. at 12.

The parties also discuss Charles Hartfelder, Director of Global Connectivity Products for both Petitioner and Corning NC. Motion 8; Ex. 2106, 12:2–9. In a deposition that took place on June 12, 2014, in a related district court case, Mr. Hartfelder testified that he is responsible for "the management of the product line"

regarding the same products at both companies. *Id*. at 12:17–14:22. When asked how Petitioner relates to Corning NC, Mr. Hartfelder stated "[w]e are part of that entity." *Id*. at 12:7–10. Mr. Hartfelder receives compensation from Corning NC. *Id*. at 14:6–8.

In the same deposition, Mr. Hartfelder also testified that Petitioner is "the only entity related to Corning, Inc. that is making, selling, offering for sale and/or importing the UltraRange or UltraShield connectors." Ex. 2106, 15:15–19. By contrast, in a related ITC proceeding, in responses to interrogatories dated February 19, 2015, Mr. Hartfelder states that Petitioner develops, distributes, and imports UltraShield connectors, while Corning NC markets and sells those connectors, and both companies have been doing so since April 2014. Ex. 2107, 6, 9.

Both parties discuss an engagement letter (Ex. 2101) sent to Petitioner's outside counsel regarding this proceeding. Motion 5–6; Opp. 11. Mark Lauroesch, Vice President and General Intellectual Property Counsel for Corning Inc., sent the letter to outside counsel. Ex. 2101, COCRFLLC_94–95. The letter states that "we have engaged your firm to represent us in this matter," i.e., the IPR proceedings, and "[m]ore particularly, we have asked you to represent [Petitioner] Corning Gilbert Inc." *Id*. at Ex. COCRFLLC_94. The letter further states that "Dan Hulme will be our in-house Case Manager, and will be your primary point of contact and coordination with Corning." *Id*.

The engagement letter also includes, as an attachment, "Corning Incorporated Outside Counsel Billing and Staffing Guidelines." *Id*. at COCRFLLC_95–105. The Guidelines state that "questions or suggestions may be directed to the General Counsel, any of his senior deputies, the General IP

Counsel, or the Case Manager." *Id*. at COCRFLLC_105. The letter also includes, as another attachment, Appendix A, entitled "Intellectual Property Department Electronic Billing Procedure for Vendors." *Id*. at COCRFLLC_106. Appendix A states that the process "for submitting invoices or statements to the Corning Incorporated Intellectual Property department" "pertains to both Corning Incorporated (Corning, NY) and Corning Cable Systems LLC (Hickory, NC)," i.e., Corning NC.[8] *Id*.

Consistent with the engagement letter and its attachments, Petitioner acknowledges that its outside counsel "directs its invoices for preparing the Petition and for services rendered in the IPR to the Corning IP Department," i.e., Corning Inc. Ex. 2100, 4; *see also* Ex. 2012; Ex. 1101 (invoices from outside counsel sent to Corning Inc. IP Department, in Corning, NY). In addition, as stated by Petitioner, "[p]ayments received by Counsel for preparing the Petition and for services rendered in the IPR were sent from Corning Incorporated, through Corning Shared Services—North America ["CSS-NA"] on behalf of Petitioner."[9] Ex. 2100, 6; *see also* Ex. 2103; Ex. 1104 (electronic payment notifications from Corning Inc., in Corning, NY); Ex. 1106 (balance sheets titled "Corning

[8] Corning NC was previously named Corning Cable Systems LLC. Opp. 10.

[9] Service Level Agreements between Corning Shared Services—North America ("CSS-NA") and Petitioner indicate that Petitioner is charged for services described in a "Service Description Standard" (not included), which "outlines specific tasks that are performed and who has responsibility for executing them (either Business Unit or CSS-NA)." Ex. 1094; Ex. 1100. According to Petitioner's witness, Ms. Boemmels, "some entities within the Corning family of companies utilize the services of CSS-NA, which provides invoice processing services on behalf of the Corning entity which agrees to utilize the services of CSS-NA." Ex. 1088 ¶ 11. Counsel for Petitioner indicated during the oral hearing that CSS-NA "is part of" Corning Inc. Tr. 62:1–2, 68:3–13.

Incorporated – Restricted," referring to "Balance Sheet – Actuals, Glendale, AZ – Corning Gilbert").

*D. Timeliness of Patent Owner Raising the RPI Issue*

As an initial matter, Petitioner asserts that a Decision to Institute is "final," and, therefore, cannot be vacated. Opp. 1–2 (citing 35 U.S.C. § 314(d)). According to the Petitioner, we are precluded from vacating our Decisions to Institute in these proceedings, citing § 314(d), *In re Cuozzo Speed Techs., LLC*, 778 F.3d 1271, 1276 (Fed. Cir. 2015), Office Patent Trial Practice Guide, 77 Fed. Reg. 48,756, 48,765 (Aug. 14, 2012) ("Trial Practice Guide"), Federal Rule of Civil Procedure 17(a), and 37 C.F.R.§§ 42.71, 42.106, etc. *Id*. at 1–2, 19–25. As noted by Patent Owner, the Board has addressed these points in other cases, and has clarified that we may terminate an IPR proceeding and vacate our Decisions to Institute if the Petitions fail to identify a real party-in-interest, as required under 35 U.S.C. § 312(a)(2). *See Atlanta Gas*, Case IPR2013-00453, slip op. at 13–15 (Paper 88); *GEA Process Eng'g. Inc. v. Steuben Foods, Inc.*, Case IPR2014-00041, slip op. at 2, 10–13 (PTAB Feb. 11, 2015) (Paper 140); *Medtronic, Inc. v. Robert Bosch Healthcare Sys., Inc.*, Case IPR2014-00488, slip op. at 18–20 (PTAB May 22, 2015) (Paper 61); *Medtronic*, Case IPR2014-00488, slip op. at 2–5 (PTAB May 22, 2015) (Paper 59); Reply 1–2.

Petitioner also contends that Patent Owner offers insufficient excuses for its delay in asserting that Corning Inc. and Corning NC are RPIs. Opp. 2–6. In support, Petitioner points out Patent Owner has sued only Petitioner since 2011 for patent infringement, and that settlement discussions occurred between the parties since early 2013. *Id*. at 3–4. In that capacity, Patent Owner "received a settlement communication from Mr. Bell in November 2013 concerning the litigations that

preceded this IPR with his email signature," and Patent Owner "was aware of Mr. Hulme's involvement in earlier IPRs." *Id*. at 4. In addition, Petitioner contends that Patent Owner "relies on a website as purported evidence that [Corning NC] is selling infringing products." *Id*. at 4 (citing Motion 7–8, which refers to Ex. 2123). According to Petitioner, the "alleged sales information on the website that PO relies upon has not changed since January 1, 2014, and is not an LLC [(i.e., Corning NC)] website." *Id*.

Petitioner also contends that Petitioner's officers and directors were publicly known before the Petition filing date, and Mr. Morris signed a Power of Attorney in this proceeding, as well as the April 2013 Mutual Non-Disclosure Agreement ("Rule 408 Agreement"). *Id*. Petitioner also asserts that Patent Owner relies on March 2014 correspondence among outside counsel regarding whether Petitioner sold accused products, as well as "Mr. Hartfelder's June 12, 2014 testimony concerning positions at more than one Corning entity as evidence of alleged blurring." *Id*. at 5.

Patent Owner persuades us, nonetheless, that receipt of responses to interrogatories by Mr. Hartfelder on February 19, 2015, in the related ITC case acted sufficiently as a "triggering" event, prompting Patent Owner to question and investigate who might be RPIs of Petitioner here. *See First Quality Baby Products, LLC, v. Kimberly-Clark Worldwide, Inc.*, Case IPR2014-01024, slip op. at 6 (PTAB July 16, 2015) (Paper 41) (discussing whether a Motion to Dismiss "was precipitated by the discovery of new information," and whether Petitioner "was aware of the relevant facts for nearly a year or more"). We are not persuaded that noticing an e-mail signature (assuming that occurred) and/or being aware of Mr. Hulme's involvement in earlier IPRs, Corning websites, or Petitioner's

corporate structure, necessarily would have triggered Patent Owner to request additional discovery on the issue of RPI. Moreover, we are persuaded that Patent Owner likely was not aware of much of the information and evidence cited in its Motion to Dismiss until after it began an investigation of the RPI issue, and, more specifically, requested and obtained additional discovery, after February 19, 2015. We also are persuaded that after February 19, 2015, Patent Owner acted quickly to obtain information from Petitioner, to seek and obtain additional discovery, and to file the Motion to Dismiss.

Thus, based on the present record, we determine that Petitioner's challenge to the identification of the RPIs in the Petitions is not untimely.

*E. Analysis—Real Parties-In-Interest*

*1. Burden*

A patent owner challenging a petitioner's RPI disclosure must provide sufficient evidence to show the disclosure is inadequate. *Intellectual Ventures Mgmt., LLC v. Xilinx, Inc.*, Case IPR2012-00018, slip op. at 3 (PTAB Jan. 24, 2013) (Paper 12). Prior to institution, when a patent owner provides sufficient evidence that reasonably brings into question the accuracy of a petitioner's identification of RPI, the overall burden remains with the petitioner to establish that it has complied with the statutory requirement to identify all RPI. *Zerto, Inc. v. EMC Corp.*, Case IPR2014-01254, slip op. at 6–7 (PTAB Feb 12, 2015) (Paper 32). If a patent owner raises the RPI issue after institution and after filing a response to the petition, and in the form of a motion as is the case here, however, the burden of proof is on the patent owner as the proponent of the motion. Thus, given the circumstances of this particular case, we consider whether Patent Owner, as the moving party, has met its burden of proof to establish by a preponderance of

the evidence that it is entitled to the requested relief, i.e., dismissing the Petitions and vacating our Decisions to Institute. 37 C.F.R. § 42.20(a), (c); § 42.1(d).

*2. Considerations and Factors*

As stated in the Trial Practice Guide, whether a party who is not a named participant in a given proceeding is a "real party-in-interest" to that proceeding "is a highly fact-dependent question." 77 Fed. Reg. at 48,759 (citing *Taylor v. Sturgell*, 533 U.S. 880 (2008)). There is no "bright line test." *Id*. The Supreme Court in *Taylor* sets forth a list of factors that might be relevant in a particular case. 533 U.S. at 893–95. Although "rarely will one fact, standing alone, be determinative of the inquiry" (Trial Practice Guide, 77 Fed. Reg. at 48,759), "[a] common consideration is whether the non-party exercised or could have exercised control over a party's participation in a proceeding" (*id*. at 48,761 (citations omitted)); *see also Reflectix, Inc. v. Promethean Insulation Tech. LLC*, Case IPR2015-00039, slip op. at 12 (PTAB April 24, 2015) (Paper 18) ("The proper RPI analysis [] focuses on . . . the degree to which [the related non-named entity] exercised, or could have exercised, control over the Petitions.").

Other considerations may include whether a non-party "funds and directs and controls" an IPR petition or proceeding; the non-party's relationship with the petitioner; the non-party's relationship to the petition itself, including the nature and/or degree of involvement in the filing; and the nature of the entity filing the petition. Trial Practice Guide, 77 Fed. Reg. at 48,760; *see also id*. at 48,759 (citing *Taylor*, 553 U.S. at 893–95 & n.6 (2008)). A party does not become a RPI merely through association with another party in an endeavor unrelated to the IPR proceeding. *Id*. at 48,760; *see also Denso Corp. v. Beacon Navigation GmbH*, Case IPR2013-00026, slip op. at 10–11 (PTAB Mar. 14, 2014) (Paper 34) (stating

that the mere fact that parties are co-defendants or concurrent defendants in related litigation does not make them RPI).

A non-party's participation with a petitioner may be overt or covert, and the evidence may be direct or circumstantial, but the evidence as a whole must show that the non-party possessed effective control over the IPR proceeding. *Zoll Lifecor Corp. v. Philips Elec. N. Am. Corp.*, Case IPR2013-00609, slip op. at 10 (PTAB Mar. 20, 2014) (Paper 15). In this regard, we consider "the degree of control the nonparty could exert over the *inter partes* review." *Aruze Gaming Macau, Ltd. v. MGT Gaming, Inc.*, Case IPR2014-01288, slip op. at 11 (PTAB Feb. 20, 2015) (Paper 13).

We may consider whether a non-party "has the actual measure of control or opportunity to control that might reasonably be expected between two formal coparties." Trial Practice Guide, 77 Fed. Reg. at 48,759 (quoting 18A CHARLES ALAN WRIGHT, ARTHUR R. MILLER & EDWARD H. COOPER, FEDERAL PRACTICE & PROCEDURE § 4451 (2d ed. 2011)) (internal quotations omitted). We also may consider whether Petitioner's actions "have blurred sufficiently the lines of corporate separation with [an unnamed related entity], such that [the entity] could have controlled the filing and participation of the IPRs." *Zoll Lifecor Corp. v. Philips Elec. N. Am. Corp.*, Case IPR2013-00606, slip op. at 10 (PTAB Mar. 20, 2014) (Paper 13); *see also Galderma S.A. v. Allergan Industrie, SAS*, Case IPR2014-01422, slip op. at 12 (PTAB Mar. 5, 2015) (Paper 14) (same person serving as President and CEO of both parent and subsidiary determined to have "a significant degree of effective control over the present matter").

*3. Analysis—Real Parties-In-Interest*

Petitioner argues that Patent Owner has not alleged that Corning NC has funded this proceeding. Opp. 8, 10. In relation to Corning Inc., Petitioner contends that Patent Owner "alleges funding, and control solely through counsel, not management." *Id*. at 8. Petitioner asserts that such "halfway allegations do not establish RPI," and suggests that our Trial Practice Guide "requires funding, direction, ***and*** control." *Id*. (citing Trial Practice Guide, 77 Fed. Reg. at 48760). As discussed above, however, the Trial Practice Guide indicates that whether a party is a RPI "is a highly fact-dependent question," taking into account number of factual considerations. 77 Fed. Reg. at 48,759–60. Thus, "whether something less than complete funding and control suffices to justify similarly treating the party requires consideration of the pertinent facts." *Id*. at 48,760.

Here, as discussed in more detail below, we determine that a preponderance of the evidence indicates that "Petitioner's actions have blurred sufficiently the lines of corporate separation" with Corning NC, such that Corning NC "could have controlled the filing and participation of the IPRs." *Zoll*, Case IPR2013-00606, slip op. at 10 (Paper 13). Furthermore, we determine that evidence sufficiently establishes that Corning Inc. funded these IPR proceedings, and also exercised or could have exercised control over Petitioner's participation in these proceedings. Trial Practice Guide, 77 Fed. Reg. at 48,759–60; *Atlanta Gas*, Case IPR2013-00453, slip op. at 8–9 (Paper 88). For the reasons set forth below, Patent Owner persuades us that the Petitions should have named both Corning NC and Corning Inc. as real parties-in-interest.

*a. Corning NC*

As discussed above, Mr. Bell acts as President of both Petitioner and Corning NC, as well as Corning Wireless, three Corning entities "organized as a business segment" into OCS, where Mr. Bell also acts as Senior Vice President. Opp. 16–17; Ex. 2120; Disc. Resp. 11. Mr. Bell includes OSC in his e-mail signature, and lists his Corning NC address "because that is where his mail is sent." Opp. 17; Ex. 2131 ¶ 20. Likewise, Mr. Morris acts as Secretary for both Petitioner and Corning NC, as well as Chief Compliance Officer for Corning NC, and Mr. Hartfelder acts as Director of Global Connectivity Products for both Petitioner and Corning NC. Ex. 2100, 14; Motion 8; Ex. 2106, 12:2–9. Mr. Hartfelder manages the same product line at both companies, and has indicated that Petitioner is "part of" Corning NC. *Id*. at 12:7–14:22. Such facts supports a finding that "a pre-existing substantive legal relationship with [Petitioner] justifies binding the third party," Corning NC—a factor that weighs in favor of finding that Corning NC is a real party-in-interest. *Atlanta Gas*, Case IPR2013-00453, slip op. at 8–9 (Paper 88) (citing Trial Practice Guide at 48,759; *Taylor*, 553 U.S. at 893 n.6 (2008)).

Evidence also suggests that Corning entities refer to Petitioner and Corning NC interchangeably, despite the fact that they are located in different states (Arizona and North Carolina). For example, the engagement letter with Petitioner's outside counsel refers to Petitioner on the first page, but refers to Corning NC (and not Petitioner) in Appendix A to that letter. Ex. 2101, COCRFLLC_94, COCRFLLC_106; *see also* Ex. 2118 (publicly available profiles for Petitioner's corporate officers); Ex. 2122, 2 (Petitioner's 2014 State of Arizona Corporation Annual Report, indicating that Mr. Bell resides in Arizona, and Mr.

Morris and corporate directors reside in North Carolina). In addition, at one point, Mr. Hartfelder testified that Petitioner develops, distributes, and imports UltraShield connectors, while Corning NC markets and sells those connectors. Ex. 2107, 6, 9.

Thus, "[r]ather than maintaining well-defined corporate boundaries," evidence indicates that Petitioner and Corning NC may be "so intertwined that it is difficult for both insiders and outsiders to determine precisely where one ends and another begins," notwithstanding their different geographic locations. *Atlanta Gas*, Case IPR2013-00453, slip op. at 11 (Paper 88). Indeed, we are persuaded that "Petitioner's actions have blurred sufficiently the lines of corporate separation" with Corning NC, such that Corning NC could have controlled the filing and participation of the IPRs. *Zoll*, Case IPR2013-00606, slip op. at 10 (Paper 13). Evidence in this regard again weighs in favor of finding Corning NC to be a real party-in-interest.

Additionally, Petitioner acknowledges that individuals who "provided direction to counsel for Petitioner in the IPR, and/or review and/or approval of any papers filed by Counsel in the IPR" include Mr. Bell and Mr. Morris, along with two attorneys (Mr. Hulme and Mr. Vynalek) who work as counsel in Corning Inc.'s IP Department. Ex. 2100, 13–14. In addition, Mr. Bell, along with Mr. Aberle and Mr. Hulme, who both work in Corning Inc.'s IP Department, engaged in settlement discussions with Patent Owner to resolve disputes between the parties. Motion 8; Opp. 12–13; Ex. 2131 ¶¶ 10–18. Because Mr. Bell and Mr. Morris act as corporate officers with the same titles for both Petitioner and Corning NC, and because Mr. Aberle also acts as Assistant Secretary for Corning NC (Ex.

2100, 11–12), for example, the above-mentioned facts once again weigh in favor of finding Corning NC to be a real party-in-interest.

We are not persuaded by Petitioner's assertions that Patent Owner "does not allege actual control by [Corning NC], but instead asserts opportunity to control through attorneys," or that Mr. Bell, only in his capacity of President and CEO of Petitioner, "authorized the preparation and filing of the Petition on behalf of Petitioner." Opp. 15. While it is correct that Petitioner's corporate filing lists Mr. Bell and Mr. Morris as corporate officers (*id*. (citing Ex. 2122)), the totality of the evidence before us suggests that both individuals have acted as corporate officers for both Petitioner and Corning NC at the same time, interchangeably, as discussed above. Evidence before us also indicates that Corning NC has a close relationship with Petitioner. We are persuaded that Corning NC at least could have exercised control over the proceeding, a factor weighing in favor of finding Corning NC to be a real party-in-interest. A relationship between an unnamed entity and a petitioner that have "blurred the lines of corporate separation such that the [non-named entity] could control conduct of the *inter partes* review" indicates that the unnamed entity is an RPI. *Aruze Gaming Macau*, Case IPR2014-01288, slip op. at 11–12 (Paper 13).

Thus, based on the particular facts of this case, we determine that Corning NC was an RPI of the instant proceedings that was not identified in the Petitions.

*b. Corning Inc.*

We are persuaded that a preponderance of the evidence establishes that Corning Inc. hired outside counsel to handle these IPR proceedings, and paid for the proceedings. Ex. 2100, 4, 11–14; Ex. 2101, COCRFLLC_94. As discussed above, consistent with the engagement letter and its attachments, outside counsel

directs its invoices to Corning Inc. Ex. 2100, 4; *see also* Ex. 2012; Ex. 1101. Similarly, payments received by outside counsel are sent from Corning Inc., through CSS-NA, on behalf of Petitioner. Ex. 2100, 6; Ex. 2103; Ex. 1104; Ex. 1106. Despite Petitioner's assertions that Petitioner entered into a financial services agreement with CSS-NA, and that CSS-NA acts on Petitioner's behalf in processing invoices (Opp. 8–10), we are persuaded that a preponderance of the evidence establishes that Corning Inc. paid for the IPRs, even if it does so on behalf of Petitioner. Evidence in this regard weighs in favor of finding Corning Inc. to be a real party-in-interest. *See GEA*, Case IPR2014-00041 (Paper 140) (finding a nonparty that paid petitioner's legal fees for an IPR to be a real party-in-interest).

We recognize that Petitioner contends, despite the fact that outside counsel receives payment from Corning Inc. regarding the IPRs, that Petitioner "funds the payment of Counsel's invoices." Opp. 9; Tr. 59:21–22. Relying on a Declaration by Ms. Boemmels (Ex. 1088), Petitioner asserts that "CSS-NA processes payment of Buchanan's invoices on behalf of Petitioner," and Ms. Boemmels, as Plant Controller for Petitioner, "validates that Buchanan's invoices have been appropriately allocated to and funded by Petitioner."[10] Opp. 9 (citing Ex. 1088 ¶¶ 24–32; Ex. 1094; Exs. 1100–1105, Ex. 1107). Petitioner also alleges that its "financial records reflect that all of Buchanan's invoices have been funded by Petitioner." *Id*. (citing Ex. 1088 ¶¶ 24–72; Ex. 1094, Exs.1101–1109; Ex. 2101).

Considering all evidence before us, however, we are not persuaded that the evidence cited by Ms. Boemmels shows sufficiently that Petitioner actually

[10] "Buchanan" refers to "Buchanan, Ingersoll & Rooney PC," the law firm that acts as outside counsel for Petitioner. Paper 3.

reimbursed or otherwise paid Corning Inc. in relation to the IPRs in question. Ex. 1088 ¶¶ 24–72; Exs.1101–1109; Tr. 59:21–71:14, 78:19–79: 8, 80:13–81:6. For example, Exhibits 1101–1109 do not show persuasively any transfer of money from an account of Petitioner to an account of Corning Inc. Rather, the various "ledgers," "balance sheets," and other accounting information reveal costs attributed to Petitioner, which Petitioner acknowledges were paid by Corning Inc., without showing sufficiently that funds went from Petitioner to Corning Inc. In any event, even assuming Petitioner reimbursed Corning Inc. in relation to all costs associated with the IPRs, Corning Inc.'s receipt and review of relevant invoices (Ex. 1088 ¶ 5), as well as initial payment by Corning Inc. (Ex. 2100, 6; Ex. 1104), still weighs in favor of finding Corning Inc. to be a real party-in-interest.

We also are persuaded that Corning Inc., through attorneys in its IP Department (Mr. Hulme and Mr. Vynalek), provided direction to outside counsel in relation to these proceedings. Ex. 2100, 13–14. A relevant engagement letter clarifies that Corning Inc. hired outside counsel, even if on Petitioner's behalf, and states that Mr. Hulme acts as Corning Inc.'s in-house Case Manager. Ex. 2101, COCRFLLC_94 (stating in the engagement letter from a corporate officer of Corning Inc, not Petitioner, that "Dan Hulme will be our in-house Case Manager"). We also are persuaded that Corning exerted control over the proceedings via Mr. Hulme and/or Mr. Aberle (both patent counsel with Corning Inc.'s IP Department), who engaged in settlement discussions with Patent Owner to resolve disputes between the parties, along with Mr. Bell. Motion 8; Ex. 2131 ¶¶ 10–18; Ex. 2100, 12–14.

We are not persuaded otherwise by Petitioner's assertion that Corning Inc.'s IP Department "functions and supports" Corning entities "like a law firm," such

that Mr. Hulme and Mr. Vynalek are "professionally obligated to serve their client's [(i.e., Petitioner's)] interests, *not* the interests of entities that issue their paycheck," i.e., Corning Inc. Opp. 12–13. Petitioner does not point us to credible evidence indicating that if interests of Corning Inc. and Petitioner ever diverged, Mr. Hulme and Mr. Vynalek, who are employees of Corning Inc. (Ex. 2100, 12–14), would act in a matter contrary to Corning Inc.'s interests. We note further that neither Mr. Hulme nor Mr. Vynalek submitted testimony indicating that they represented the interests of Petitioner and not the interests of Corning Inc.

Nor are we persuaded by Petitioner's contention that "Mr. Hulme advises, and takes direction from" Mr. Bell. *Id*. at 13. Even assuming Mr. Hulme takes direction from Mr. Bell, that assumption does not negate evidence establishing that: (i) Mr. Hulme and Mr. Vynalek provided direction in these proceedings; (ii) Corning Inc. provides payment for the proceedings; (iii) Mr. Hulme and Mr. Vynalek work for Corning Inc.; and (iv) a relevant engagement letter with outside counsel states that Mr. Hulme acts as Corning Inc.'s in-house Case Manager. We also do not find dispositive Petitioner's assertions that Patent Owner has not sued Corning NC or Corning Inc., or that no indemnification agreement exists between Petitioner and Corning NC or Corning Inc. *Id*. at 7–8, 16.

We agree with Petitioner that Corning Inc. being the ultimate parent of Petitioner is not sufficient evidence, by itself, that Corning Inc. exerts control over these proceedings. As discussed above, however, other evidence sufficiently establishes that Corning Inc. not only had an opportunity to control, but actually exerted control, over the proceedings. Thus, multiple factors support a determination that Corning Inc. is a real party-in-interest to Petitioner. *See* Trial

Practice Guide, 77 Fed. Reg. at 48,759 (citing *Taylor*, 553 U.S. 880); *Atlanta Gas*, Case IPR2013-00453, slip op. at 8–9 (Paper 88).

Accordingly, based on the particular facts of this case, we determine that Corning Inc. was an RPI of the instant proceedings that was not identified in the Petitions.

*F. Analysis—Amending the Petition to Reflect RPIs*

Under 35 U.S.C. § 312(a)(2), we may consider a petition for *inter partes* review "only if . . . the petition identifies all real parties in interest." Our rules require Petitioners and Patent Owners to "[i]dentify each real party-in-interest for the party." 37 C.F.R. § 42.8.

Petitioner contends that even if we find that "a non-named party is an RPI, Petitioner should be permitted to amend its Petition and retain its filing date." Opp. 1, 19–25 (arguing that 35 U.S.C. § 312(a) and 37 C.F.R. § 42.106 and other rules do not require that a petition list all RPIs to obtain a filing date). As noted by Patent Owner (Reply 11–15), however, prior panels have terminated proceedings where a petitioner has failed to name all RPIs, and consistently found that any Petition corrected to disclose additional RPIs must be given a new filing date. *Medtronic*, Case IPR2014-00488, slip op. at 19 (Paper 61); *Reflectix*, Case IPR2015-00039, slip. op at 15–16 (Paper 18); *Galderma*, Case IPR2014-01422, slip op. at 13 (Paper 14); *Zerto, Inc. v. EMC Corp.*, Case IPR2014-01254, slip op. at 15 (PTAB Mar. 3, 2015) (Paper 35); *Atlanta Gas*, Case IPR2013-00453, slip op. at 14 (Paper 88); *GEA*, Case IPR2014-00041, slip op. at 21–26 (Paper 135); *Zoll*, Case IPR2013-00606, slip op. at 12 (Paper 13); *Askeladden LLC v. McGhie*, IPR2015-00122, slip op. at 15–16 (PTAB Mar. 6, 2015) (Paper 30); *First Data*

*Corp. v. Cardsoft, LLC*, Case IPR2014-00715, slip op. at 10 (PTAB Oct. 17, 2014) (Paper 9).

Petitioner provides similar reasoning to that rejected in *Reflectix* and *Medtronic* based on, for example, Federal Rule of Civil Procedure 17. *See Reflectix*, Case IPR2015-00039, slip. op at 13–18 (Paper 18); *Medtronic*, Case IPR2014-00488, slip op. at 18–20 (Paper 61). As stated in *Medtronic*, an IPR petition may be considered "only if" it meets certain statutory requirements, including identification of "all" real parties-in-interest. *Medtronic*, Case IPR2014-00488, slip op. at 18–19 (Paper 61) (citing 35 U.S.C. § 312(a)(2)). Because Petitioner here has failed to name all real parties-in-interest, the Petitions have not met the requirements of 35 U.S.C. § 312(a)(2), and, therefore, are incomplete and cannot be considered. *Id.*

Furthermore, even if Petitioner amended its Petitions, those Petitions would receive a new filing date. *Id.* (citing 37 C.F.R. § 42.106(b)). Petitioner disagrees with Patent Owner's assertion that § 42.106 requires compliance with 37 C.F.R. § 42.8 to obtain a filing date. Opp. 24. Petitioner argues that § 42.106 "requires compliance with 37 C.F.R. §§ 42.104, 42.105(a), and 42.15(a)," but not the "additional requirements of 37 C.F.R. §§ 42.6, 42.8, 42.22, and 42.24." *Id.*

We disagree. Rule 42.106 states that an IPR petition "will not be accorded a filing date until the petition satisfies all of the following requirements: (1) Complies with § 42.104. . . ." 37 C.F.R. § 42.106(a)(1). Rule 42.104, in turn, states "[i]n addition to the requirements of §§ 42.6, 42.8, 42.22, and 42.24, the petition must set forth" grounds for standing and an identification of each challenge. 37 C.F.R. § 42.104. A straightforward reading of the language of § 42.104 indicates that this rule requires compliance with, among other things,

§ 42.8, which states mandatory notices that "must be filed," including "each real party-in-interest for the party." 37 C.F.R. § 42.8(b)(1). Although we recognize that the above-mentioned rules are regulatory, not statutory, and, therefore, may be waived by the Board (37 C.F.R. § 42.5(b)), we are not persuaded that sufficient reason exists to do so in these cases, especially in view of 35 U.S.C. § 312(a)(2). *See also Reflectix*, Case IPR2015-00039, slip. op at 13–18 (Paper 18) (explaining why Petitioner "has not provided a sufficient showing of good cause or otherwise convinced us that it would be in the interests of justice to allow correction of the RPIs identified in its Petition without loss of the original filing date") (*id*. at 18).

Here, a new filing date necessarily would be more than one year after the date on which Petitioner was served with a complaint alleging infringement of the challenged patents, making the Petitions time-barred under 35 U.S.C. § 315(b). Because we cannot consider the Petitions, and should not have considered them at the time of institution, the appropriate remedy is to grant Patent Owner's Motions to Dismiss, terminate the instant proceedings, and vacate our Decisions on Institution.

## III. CONCLUSION

Under 35 U.S.C. § 312(a)(2) an IPR petition may be considered "only" if it identifies "all" real parties-in-interest. We are persuaded that Patent Owner has established by a preponderance of the evidence that Petitioner is not the sole RPI, as stated in the Petition (Pet. 1). Based on all evidence of record before us, we conclude that Corning NC and Corning Inc. should have been named as real parties-in-interest in these proceedings. Accordingly, we grant Patent Owner's Motions to Dismiss, vacate the Decisions on Institution, and do not issue final

written decisions under 35 U.S.C. § 318(a) with respect to the patentability of the challenged claims.

In consideration of the foregoing, it is:

ORDERED that Patent Owner's Motions to Dismiss the Petition for Failure to Name All Real Parties-In-Interest are *granted*;

FURTHER ORDERED that the instant proceedings are *terminated*; and

FURTHER ORDERED that the Decisions on Institution in the instant proceedings are *vacated*.

IPR2014-00440 (Patent 8,597,041 B2)
IPR2014-00441 (Patent 8,562,366 B2)
IPR2014-00736 (Patent 6,676,446 B2)

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