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IPR2014-00935, Paper 52  
IPR2014-00936, Paper 56  
IPR2014-00938, Paper 57  
Entered: August 21, 2015

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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JIAWEI TECHNOLOGY (HK) LTD., JIAWEI TECHNOLOGY (USA) LTD.,  
SHENZHEN JIAWEI PHOTOVOLTAIC LIGHTING CO., LTD., ATICO  
INTERNATIONAL (ASIA) LTD., ATICO INTERNATIONAL USA, INC.,  
CHIEN LUEN INDUSTRIES CO., LTD., INC. (CHIEN LUEN FLORIDA),  
CHIEN LUEN INDUSTRIES CO., LTD., INC. (CHIEN LUEN CHINA),  
COLEMAN CABLE, LLC, NATURE'S MARK, RITE AID CORP., SMART  
SOLAR, INC., AND TEST RITE PRODUCTS CORP.,  
Petitioner,

v.

SIMON NICHOLAS RICHMOND,  
Patent Owner.

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IPR2014-00935 (Patent 8,089,370 B2)  
IPR2014-00936 (Patent 7,196,477 B2)  
IPR2014-00938 (Patent 7,429,827 B2)

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Before WILLIAM V. SAINDON, JUSTIN T. ARBES, and  
BARRY L. GROSSMAN, *Administrative Patent Judges*.

SAINDON, *Administrative Patent Judge*.

DECISION

Denying Patent Owner's Motion to Terminate  
35 U.S.C. § 312(a)(2) and 37 C.F.R. § 42.72

IPR2014-00935 (Patent 8,089,370 B2)  
IPR2014-00936 (Patent 7,196,477 B2)  
IPR2014-00938 (Patent 7,429,827 B2)

## I. INTRODUCTION

Patent Owner filed a Motion to Terminate each of the instant proceedings on the basis that Petitioner failed to identify Southwire Company, LLC (“Southwire”) as a real party in interest (“RPI”) under 35 U.S.C. § 312(a)(2) at the time it filed its Petition. Paper 34 (“Mot.”).<sup>1</sup> Petitioner filed an Opposition, Paper 43 (“Opp.”), and Patent Owner filed a Reply, Paper 46 (“Reply”).<sup>2</sup> For the reasons stated below, Patent Owner’s Motion is DENIED.

### A. Issue

The issue addressed in this Decision is whether Patent Owner has rebutted the presumption that Southwire was not a real party in interest at the time Petitioner filed its Petition (June 11, 2014). If Southwire was a real party in interest at the time Petitioner filed its Petition, then, according to Patent Owner, Petitioner’s Petition was incomplete under 35 U.S.C. § 312(a)(2), and this proceeding must be terminated, as the Petition would be accorded a new filing date and at least one of the Petitioner entities would be time-barred under 35 U.S.C. § 315(b). *See* Mot. 11–12; Paper 14, 3 n.4.

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<sup>1</sup> This Decision addresses and disposes of similar motions appearing in IPR2014-00936, IPR2014-00935, and IPR2014-00938. Citations in this Decision are to those papers and exhibits filed in IPR2014-00936. Similar papers and exhibits may be found in IPR2014-00935 and IPR2014-00938.

<sup>2</sup> Petitioner also filed a motion to seal, along with redacted and unredacted versions of certain exhibits submitted with its Opposition. Paper 40. Patent Owner did not file an opposition to the motion. We do not refer to any of the material sought to be sealed in this Decision, and refer to the redacted versions of the exhibits where necessary. The motion to seal will be decided in a separate decision.

IPR2014-00935 (Patent 8,089,370 B2)  
IPR2014-00936 (Patent 7,196,477 B2)  
IPR2014-00938 (Patent 7,429,827 B2)

### *B. Background*

The matter at hand stems from the relationship between Petitioner entity Coleman Cable, LLC (“Coleman”) and Southwire, Coleman’s current parent corporate entity, which was not listed as a RPI in the Petition. The following represents our understanding of the relevant events in this relationship.

Patent Owner served a complaint on Coleman Cable, Inc. on July 3, 2013, alleging infringement of one or more of its patents. Paper 14, 3 n.4. In December 2013, Southwire, Cubs Acquisition Corporation (“Cubs”), and Coleman Cable, Inc. signed an “Agreement and Plan of Merger,” wherein Southwire purchased 100% of the outstanding stock of Coleman Cable, Inc. Ex. 1046 ¶ 5.<sup>3</sup> At that time, the then-President of Coleman Cable, Inc. issued a letter to its customers, explaining the existence of the merger agreement and that “[y]our Coleman contacts will remain the same, all current contracts will be honored, and there will be no immediate changes in how we conduct business with you.” Ex. 1030. The transaction later closed when Cubs merged with and into Coleman Cable, Inc., with Coleman Cable, Inc. being the surviving corporation; a merger certificate was filed on February 11, 2014. Ex. 1046 ¶ 5; *see also* Ex. 2037 (a Southwire PRNewswire release announcing the successful completion of the tender offer). On March 5, 2014, Coleman Cable, Inc. was reorganized into

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<sup>3</sup> Exhibit 1046 contains the testimony of Mr. Guyton Cochran. Mr. Cochran is Treasurer of Coleman and Executive Vice President and Chief Financial Officer of Southwire. Ex. 1046 ¶¶ 2–3.

IPR2014-00935 (Patent 8,089,370 B2)  
IPR2014-00936 (Patent 7,196,477 B2)  
IPR2014-00938 (Patent 7,429,827 B2)

Coleman Cable, LLC, with Southwire as the sole member.<sup>4</sup> Ex. 1046 ¶¶ 7–8; Ex. 1017.

On June 11, 2014, Coleman, along with several other entities, filed a Petition in each of the instant proceedings. *See* Paper 4 (Coleman Power of Attorney); Paper 10 (first petition). The power of attorney for Coleman was signed by Mr. Floyd W. Smith, having a title of “Secretary.” Paper 4. At that time, Mr. Smith was also Executive Vice President, Secretary, and General Counsel of Southwire. Opp. 3; Ex. 1046 ¶¶ 12–13. Coleman’s share of the payments for the IPRs came from Coleman accounts, separate from Southwire’s accounts. Opp. 4–5; Ex. 1046 ¶¶ 17–21.

Patent Owner alleges that at the National Hardware Show (May 5–7, 2015), Southwire was listed in the directory as the exhibitor of a product formerly exhibited by Coleman. Mot. 4–5; Ex. 2055 ¶ 3. On June 22, 2015, Patent Owner contacted the Board seeking authorization to file the subject Motion, leading to the above-identified briefing. Paper 30. On July 17, 2015, Petitioner filed updated mandatory notice information adding Southwire as a real party in interest, pursuant to 37 C.F.R. § 42.8. Paper 38.

## II. ANALYSIS

### A. *Legal Principles*

Pursuant to 35 U.S.C. § 312(a)(2), a petition for *inter partes* review “may be considered *only if* . . . the petition identifies *all* real parties in

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<sup>4</sup> The ownership of limited liability companies is by one or more “members,” akin to the shareholders of traditional corporations or the partners of partnerships.

IPR2014-00935 (Patent 8,089,370 B2)  
IPR2014-00936 (Patent 7,196,477 B2)  
IPR2014-00938 (Patent 7,429,827 B2)

interest” (emphasis added). We generally accept a petitioner’s identification of real parties in interest at the time of filing the petition. *See Changes to Implement Inter Partes Review Proceedings, Post-Grant Review Proceedings, and Transitional Program for Covered Business Method Patents; Final Rule, 77 Fed. Reg. 48,680, 48,695 (Aug. 14, 2012)*. Thus, there is a rebuttable presumption that a petitioner’s identification of real parties in interest is accurate. However, when a patent owner provides sufficient rebuttal evidence that reasonably brings into question the accuracy of the petitioner’s identification, the ultimate burden of proof remains with the petitioner to establish that it has complied with the statutory requirement of 35 U.S.C. § 312(a)(2) to identify all real parties in interest.

Whether a non-party is a real party in interest for purposes of an *inter partes* review proceeding is a “highly fact-dependent question” that takes into account how courts generally have used the term to “describe relationships and considerations sufficient to justify applying conventional principles of estoppel and preclusion.” *Office Patent Trial Practice Guide, 77 Fed. Reg. 48,756, 48,759 (Aug. 14, 2012)* (“Trial Practice Guide”). In general, a real party in interest is “the party that desires review of the patent,” and “may be the petitioner itself, and/or it may be the party or parties at whose behest the petition has been filed.” *Id.* Courts have identified multiple relevant factors that inform our analysis. *Id.* at 48,759–60. Relevant factors include the non-party’s “relationship with the petitioner” and “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.” *Id.*

IPR2014-00935 (Patent 8,089,370 B2)  
IPR2014-00936 (Patent 7,196,477 B2)  
IPR2014-00938 (Patent 7,429,827 B2)

### *B. Analysis*

We have reviewed the arguments and evidence before us and determine that Southwire was not a RPI in this proceeding at the time Petitioner filed its Petition. In general, “rarely will one fact, standing alone, be determinative” of the RPI issue. Trial Practice Guide at 48,760. Accordingly, we discuss those facts that we considered most important in making our decision.

First, no evidence before us indicates that Southwire is accused of infringing Patent Owner’s patent. *See* Opp. 4 (alleging that Southwire “did not sell any allegedly infringing products [and] had not been sued”). If a RPI is “the party that desires review of the patent,” Trial Practice Guide at 48,759, it would stand to reason that of the Southwire/Coleman parent/subsidiary relationship, it is Coleman, not Southwire, that desires review of the patent. Further, the Board has indicated previously that neither corporate control nor mutual interest in invalidity, alone, is sufficient to deem a non-party a RPI. *See, e.g., Sony Comp. Entm’t Am. LLC v. Game Controller Tech. LLC*, Case IPR2013-00634, slip op. at 7–8 (PTAB Apr. 2, 2015) (Paper 31) (parent-subsidiary relationship insufficient); *Butamax Advanced Biofuels LLC v. Gevo, Inc.*, Case IPR2013-00215, slip op. at 4 (PTAB Sept. 30, 2013) (Paper 10) (mutual interest in invalidity of a patent insufficient); *Denso Corp. v. Beacon Navigation GmbH*, Case IPR2013-00026, slip op. at 11 (PTAB Mar. 14, 2014) (Paper 34) (status as co-defendant insufficient); Trial Practice Guide at 48,760 (participation in joint defense group insufficient).

IPR2014-00935 (Patent 8,089,370 B2)  
IPR2014-00936 (Patent 7,196,477 B2)  
IPR2014-00938 (Patent 7,429,827 B2)

Second, the evidence before us indicates that Coleman contributed funds towards this proceeding, but not Southwire. *See* Opp. 4–5 (describing the evidence showing Coleman’s payments to Petitioner’s law firm); *see also GEA Process Eng’g, Inc. v. Steuben Foods, Inc.*, IPR2014-00041, slip op. at 13–21 (PTAB Feb. 11, 2015) (Paper 140) (finding a non-party that paid the petitioner’s legal fees for a period of time in an *inter partes* review to be a real party in interest) (“*GEA Process*”); *In re Guan*, Reexamination Control No. 95/001,045, Decision Vacating Filing Date at 8 (Aug. 25, 2008) (“a party paying for a particular patent to be the subject of a request for *inter partes* reexamination would appear to be a real party in interest”); Trial Practice Guide at 48,760 (funding of a petition can be an important factor in the RPI inquiry).

In this case, the evidence before us indicates that the monies paid for this proceeding were paid out of a Coleman account. *See* Ex. 1020 (listing Coleman’s bank accounts separately from Southwire’s); Ex. 1044 (depicting Coleman-logo checks having a Southwire address); Ex. 1043 (reproducing receipts for funds wires from Coleman to Petitioner’s counsel); Ex. 1045 (declaration of Petitioner’s counsel explaining the fund transfer evidence provided). The invoices for legal services were directed to Coleman. Ex. 1042.

Patent Owner points out that the address on Coleman’s checks lists Southwire’s address. Reply 3 (discussing the checks in Exhibit 1044). This co-location, however, does not speak to the authority to issue the payments, nor does it speak to which entity was making the payments; it just indicates where the administrative unit that processed the payments was physically

IPR2014-00935 (Patent 8,089,370 B2)

IPR2014-00936 (Patent 7,196,477 B2)

IPR2014-00938 (Patent 7,429,827 B2)

located. *See* Ex. 1046 ¶¶ 19–20 (explaining that the account listed on the checks is a Coleman account, that “[t]he reason Southwire’s name appears on the paystubs is that in October 2014, Coleman switched its financial software from an AS400 platform to an SAP platform,” and that “[a]t that time, Coleman accounts payable processing moved to Carrollton, Georgia and a PO box was utilized for Coleman and Southwire mail”).

Third, the particular type of corporate structure does not require us to find Southwire a RPI, as Patent Owner argues. *See* Reply 1–4. Southwire is the sole member of Coleman. *See supra* n.3; Ex. 1017 (Section 3 – listing “Southwire Company, LLC” as sole Member). In that sense, Southwire exercises control over Coleman generally. *See also id.* (discussing in Section 7 the Member’s authority). Although corporate control may imply the right to control all aspects of an organization in theory, the relevant inquiry here is whether Southwire had practical control over Coleman’s participation in *this proceeding* or, in other words, “the opportunity to present proofs and argument.” *Taylor v. Sturgell*, 553 U.S. 880, 895 (2008); *Gonzalez v. Banco Central Corp.*, 27 F.3d 751, 759 (1st Cir. 1994) (requiring that “the non[-]party possessed effective control over a party’s conduct of the [proceeding] as measured from a practical, as opposed to a purely theoretical standpoint”). Patent Owner has only provided evidence of theoretical control, by way of corporate structure, but has not provided sufficient evidence that Southwire had any actual control over Coleman’s participation in this proceeding.

Fourth, Southwire and Coleman share the same officers, but Patent Owner has not provided sufficient evidence that persuades us that the

IPR2014-00935 (Patent 8,089,370 B2)

IPR2014-00936 (Patent 7,196,477 B2)

IPR2014-00938 (Patent 7,429,827 B2)

officers had the ability to, or in fact did, blur the lines between their respective roles in the organizations. Petitioner argues that officers are permitted to “change hats” without triggering RPI. Opp. 5–6 (citing *United States v. Bestfoods*, 524 U.S. 51, 69 (1998) (discussing the “well established principle [of corporate law] that directors and officers holding positions with a parent and its subsidiary can and do ‘change hats’ to represent the two corporations separately, despite their [corporations’] common ownership”). Patent Owner cites *Direct Marketing Concepts, Inc. v. Trudeau*, 266 F. Supp. 2d 794, 797 (N.D. Ill. 2003) to argue that the “changing hats” argument is “legally irrelevant.” Reply 4. Patent Owner’s argument relying on *Direct Marketing Concepts* is unpersuasive because that case involved a different fact pattern from this proceeding. In particular, in *Direct Marketing Concepts*, the “changing hat” issue revolved around the involvement of a single *individual* who was the sole managing-member of multiple limited liability companies. *Id.* Here, the sole member of Coleman is a corporate entity; thus, the management is delegated to a number of individuals (officers) who, as one of a number of individuals having delegated authority, do not have the same kind of complete control of the organization as the individual in *Direct Marketing Concepts*. See Ex. 1017 (Section 7 – discussing how the “Member shall have full, exclusive and complete discretion to manage and control the business and affairs”; and Section 8 – discussing that Officers “shall act pursuant to such *delegated* authority”) (emphasis added). In fact, Petitioner has pointed to evidence indicating that the authority delegated to the officers of Southwire does not include the authority to act on behalf of Coleman. Opp. 7 (citing Ex. 1018, a

IPR2014-00935 (Patent 8,089,370 B2)

IPR2014-00936 (Patent 7,196,477 B2)

IPR2014-00938 (Patent 7,429,827 B2)

Southwire resolution that “would have permitted Southwire officers acting in their capacity as such to make decisions for Coleman”); Ex. 1046 ¶¶ 8–9 (explaining that Coleman did not ratify the resolution in Exhibit 1018 and, as such, Southwire officers do not have the authority to act for Coleman, or vice versa). Thus, even if those officers were the same persons, there is no evidence before us that suggests that Southwire’s officers, acting in that capacity, have been delegated the authority to act on behalf of Coleman. *See also* Ex. 1046 ¶ 9 (the Treasurer of Coleman testifying that “Southwire[’s officers] do not have the authority to act on behalf of Coleman”).

Lastly, in its Opposition, Petitioner notes that Southwire may have become a RPI on July 6, 2015, and, “out of an abundance of caution,” updates its mandatory notices to include Southwire. *Opp.* 13–14. On that day, invoices changed over from Coleman-branded invoices to Southwire-branded ones. Ex. 1032. Regardless of this development, and without commenting on whether Southwire did or did not become a RPI in July 2015, the relevant inquiry here is whether Southwire was a real party in interest as of the filing date of the petition (here, June 11, 2014). 35 U.S.C. § 312(a)(2) (requiring that “the *petition* identifies all real parties in interest”) (emphasis added); 37 C.F.R. § 42.8(a)(3) (addressing a change in the real party in interest); *see also* *Opp.* 14–15 (arguing that the PTAB’s rules and the statutory scheme permit adding real parties in interest, based on changes in circumstances, that were not previously real parties in interest when the petition was filed). Thus, this development does not affect our analysis.

IPR2014-00935 (Patent 8,089,370 B2)

IPR2014-00936 (Patent 7,196,477 B2)

IPR2014-00938 (Patent 7,429,827 B2)

### *C. Conclusion*

Reviewing the arguments and evidence presented by Petitioner and Patent Owner, we determine that Patent Owner has not rebutted the presumption that Petitioner correctly identified all real parties in interest at the time of filing its Petition. No one factor proves dispositive; we considered all of the evidence and arguments in arriving at our decision.

### III. ORDER

In view of the foregoing, it is hereby ORDERED that Patent Owner's Motions to Terminate in IPR2014-00935, -00936, and -00938 are *denied*.

IPR2014-00935 (Patent 8,089,370 B2)  
IPR2014-00936 (Patent 7,196,477 B2)  
IPR2014-00938 (Patent 7,429,827 B2)

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