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Paper 13, IPR2014-00251; Paper 16, IPR2014-00255
Paper 15, IPR2014-00256; Paper 15, IPR2014-00257
Paper 15, IPR2014-00258; Paper 18, IPR2014-00259
Paper 14, IPR2014-00260; Paper 18, IPR2014-00261
Paper 14, IPR2014-00262; Paper 14, IPR2014-00263
Paper 14, IPR2014-00264; Paper 14, IPR2014-00265
Paper 16, IPR2014-00266 Entered: May 30, 2014

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

TRW AUTOMOTIVE US LLC
Petitioner

v.

MAGNA ELECTRONICS, INC.
Patent Owner

Cases

IPR2014-00251 (Patent 6,097,023), IPR2014-00255 (Patent 7,423,248),
IPR2014-00256 (Patent 7,459,664), IPR2014-00257 (Patent 8,203,440),
IPR2014-00258 (Patent 7,994,462), IPR2014-00259 (Patent 7,344,261),
IPR2014-00260 (Patent 7,459,664), IPR2014-00261 (Patent 7,339,149),
IPR2014-00262 (Patent 7,655,894), IPR2014-00263 (Patent 8,222,588),
IPR2014-00264 (Patent 7,459,664), IPR2014-00265 (Patent 8,222,588),
IPR2014-00266 (Patent 7,994,462)¹

Before JUSTIN T. ARBES, BENJAMIN D. M. WOOD,
PATRICK R. SCANLON, NEIL T. POWELL, BARRY L. GROSSMAN,
BART A. GERSTENBLITH, BEVERLY M. BUNTING,
JO-ANNE M. KOKOSKI, and FRANCES L. IPPOLITO, *Administrative
Patent Judges.*

GERSTENBLITH, *Administrative Patent Judge.*

¹ This Decision pertains to all thirteen cases; thus, we issue one Decision for filing in each case. The parties may not use this heading for future filings.

Cases IPR2014-00251, IPR2014-00255, IPR2014-00256, IPR2014-00257, IPR2014-00258, IPR2014-00259, IPR2014-00260, IPR2014-00261, IPR2014-00262, IPR2014-00263, IPR2014-00264, IPR2014-00265, IPR2014-00266

DECISION

Service Under 35 U.S.C. § 315(b);
Real Party In Interest Under 35 U.S.C. § 312(a)(2)

TRW Automotive US LLC (“Petitioner”) filed eighteen petitions for *inter partes* review between December 16, 2013, and December 26, 2013, challenging several patents owned by Magna Electronics, Inc. (“Patent Owner”). Patent Owner filed preliminary responses in each proceeding. In twelve of the instant proceedings, Patent Owner asserted that the Board should not institute *inter partes* review because, *inter alia*, the petitions are time barred under 35 U.S.C. § 315(b),² and in all thirteen of the instant proceedings, Patent Owner asserted that Petitioner failed to identify accurately all real parties in interest under 35 U.S.C. § 312(a)(2).³

Following a conference call on April 10, 2014, among respective counsel for Petitioner and Patent Owner, the Board ordered the parties to submit additional briefing “addressing the issue of when Petitioner was ‘served with a complaint’ alleging infringement of the respective patents under 35 U.S.C. § 315(b).” Paper 11, 5. The Order divided seventeen of the eighteen petitions into two groups—Group 1 (which included twelve of the

² Patent Owner did not raise the issue of section 315(b) in IPR2014-00251 and, thus, our discussion of section 315(b) applies to each of the captioned proceedings except IPR2014-00251.

³ In each proceeding, except IPR2014-00251 and IPR2014-00266, the Patent Owner’s preliminary response is Paper 7. In IPR2014-00251 and IPR2014-00266, the Patent Owner’s preliminary response is Paper 9. As the relevant papers in each of the captioned proceedings are substantially similar, we refer herein to the papers filed in IPR2014-00257 for convenience.

Cases IPR2014-00251, IPR2014-00255, IPR2014-00256, IPR2014-00257, IPR2014-00258, IPR2014-00259, IPR2014-00260, IPR2014-00261, IPR2014-00262, IPR2014-00263, IPR2014-00264, IPR2014-00265, IPR2014-00266

proceedings captioned above) and Group 2—in light of the common facts presented in each group. *Id.* at 3.

On April 17, 2014, Petitioner filed a “Group 1’ Brief Pursuant to Order of April 11, 2014 (Paper 12)” in each of the twelve proceedings.⁴ Paper 12 (bold font omitted). Patent Owner filed a “Reply Brief to TRW’s Brief for Group 1” in each of the instant proceedings on April 23, 2014. Paper 13 (bold font omitted). For the reasons set forth below, we disagree with Patent Owner’s arguments and do not deny the petitions based on sections 315(b) and 312(a)(2).⁵

35 U.S.C. § 315(b)

Background

Patent Owner filed a complaint against Petitioner on June 20, 2012, in the United States District Court for the Western District of Michigan.

Ex. 1054, 1 (Docket Item (“D.I.”) 1). Patent Owner and Petitioner engaged

⁴ Patent Owner asserts that Petitioner did not serve its Group 1 Brief in compliance with the requirements set forth in 37 C.F.R. § 42.6(e), and, thus, the Brief should be expunged. Paper 13, 7. We agree that mailing via U.S. Mail, as indicated in Petitioner’s certificates of service, fails to comply with 37 C.F.R. § 42.6(e). The error appears harmless because Patent Owner received notice of Petitioner’s Group 1 Brief and timely responded. Therefore, we decline to expunge Petitioner’s Group 1 Brief in this instance. Petitioner, however, must follow Rule 42.6(e) going forward.

⁵ This Decision only addresses Patent Owner’s assertions regarding Petitioner’s identification of all real parties in interest and the issues related to section 315(b) for the “Group 1” cases. This Decision does not address any other issues affecting whether an *inter partes* review will be instituted in any of the instant proceedings. We will address separately whether to institute an *inter partes* review in each of the proceedings in forthcoming decisions.

Cases IPR2014-00251, IPR2014-00255, IPR2014-00256, IPR2014-00257, IPR2014-00258, IPR2014-00259, IPR2014-00260, IPR2014-00261, IPR2014-00262, IPR2014-00263, IPR2014-00264, IPR2014-00265, IPR2014-00266

in discussions regarding the complaint. *See, e.g.*, Exs. 1053, 2001, 2002, 2015-20, 2029-30. On July 18, 2012, Patent Owner filed an amended complaint against Petitioner.⁶ Ex. 1054, 1 (D.I. 5). Patent Owner and Petitioner continued discussions, which included, *inter alia*, an extension of time to serve the amended complaint, possible waiver of service of the amended complaint, the means by which the amended complaint would be served, and on whom the amended complaint would be served. *See, e.g.*, Exs. 2001, 2002, 2020, 2030. On September 19, 2012, Patent Owner filed an unopposed motion for extension of time to serve the amended complaint (Ex. 2021), which was granted subsequently by the district court (Ex. 2024). The district court's Order extended the deadline for service of the amended complaint "up to and including December 17, 2012."⁷ Ex. 2024, 1.

In the record before us, the last correspondence between the parties prior to December 14, 2012, is an email, dated December 6, 2012, from Patent Owner's counsel Terence Linn to Petitioner's in-house counsel Stefan Chmielewski and Jeff Cooper. Paper 13, 2; Ex. 2020. Mr. Linn's email states the following:

Pursuant to the parties' agreement, absent a binding settlement having been reached, I will serve the complaint on all defendants on December 17, 2012 by overnight Federal Express mailing to you at the following address:

⁶ For clarity, there is no dispute that Patent Owner's actions with respect to the original complaint did not constitute service; rather, the parties dispute when, if at all, the amended complaint (D.I. 5) was served.

⁷ The District Court's Order did not address how the amended complaint would be served. *See generally* Ex. 2024.

Cases IPR2014-00251, IPR2014-00255, IPR2014-00256, IPR2014-00257, IPR2014-00258, IPR2014-00259, IPR2014-00260, IPR2014-00261, IPR2014-00262, IPR2014-00263, IPR2014-00264, IPR2014-00265, IPR2014-00266

Stefan Chmielewski

...

On that date I will also provide copies via email to you and Mr. Cooper at the above noted email addresses.

Ex. 2020.

On Friday, December 14, 2012, Mr. Linn sent Mr. Chmielewski and Mr. Cooper an email stating: “Per the agreement, attached is an email copy of the Service of Process on TRW Automotive Holdings Corp. that is being sent to you today via Federal Express.” Ex. 2003. The email indicates that several documents were attached, including documents with file names of “Summons Issued to TRW Automotive Holdings Corp.,” “Amended Complaint,” and “Exhibit [].” *Id.*

On Monday, December 17, 2012, Mr. Linn filed the summons, including an executed proof of service, and attached thereto an email tracking update from Federal Express. Ex. 1054, 2 (D.I. 11); Ex. 2005.⁸ In

⁸ Exhibit 2005 is an executed summons for TRW Automotive Holdings Corp., also shown as D.I. 10 on Exhibit 1054. Although neither party submitted an executed summons for Petitioner in the record before us (*see* Ex. 1054, 2 (D.I. 11)), we have reviewed the District Court’s electronic docket and take judicial notice that the executed summons for Petitioner is identical to Exhibit 2005 (with the exception of the TRW entity named therein) and also had the same Federal Express email tracking update attached thereto. Thus, because Exhibit 2005 is identical to the executed summons for Petitioner (with the exception of the TRW entity named therein), we refer herein to Exhibit 2005 for ease of reference and because it is an exhibit in the instant proceedings. We also note that Patent Owner submitted Exhibit 2027, although that document is an unexecuted summons

Cases IPR2014-00251, IPR2014-00255, IPR2014-00256, IPR2014-00257, IPR2014-00258, IPR2014-00259, IPR2014-00260, IPR2014-00261, IPR2014-00262, IPR2014-00263, IPR2014-00264, IPR2014-00265, IPR2014-00266

the proof of service, Mr. Linn declares that he served the summons “on Stefan Chmielewski by agreement . . . on December 14, 2012.” Ex. 2005, 1. The attached email tracking update from Federal Express indicates that a shipment was shipped on “Dec 14, 2012” and delivered on “Dec 17, 2012[,]” and that it was signed for by “C.BROOKS.” *Id.* at 2. Docket Item 11 on the docket sheet for the district court case indicates the following: “SUMMONS returned executed; TRW Automotive US LLC served on 12/17/2012, answer due 1/7/2013 (Linn, Terence) (Entered: 12/17/2012).” Ex. 1054, 2 (D.I. 11).⁹

The petitions in the twelve instant proceedings were filed on December 17, 2013.

Discussion

The issue before us is whether Patent Owner served Petitioner with a complaint alleging infringement of the relevant patents prior to December 17, 2012.

The relevant portion of 35 U.S.C. § 315(b) provides: “An *inter partes* review may not be instituted if the petition requesting the proceeding is filed more than 1 year after the date on which the petitioner . . . *is served with a complaint* alleging infringement of the patent” (emphasis added). As discussed in *Motorola Mobility LLC v. Arnouse*, to trigger the one-year period for filing an *inter partes* review, at least for purposes of an original

for Petitioner and, thus, does not contain the relevant proof of service information.

⁹ The description for D.I. 10 on the docket sheet is identical to that of D.I. 11 with the exception of the named TRW entity. *Compare* Ex. 1054, 2 (D.I. 10), *with id.* (D.I. 11).

Cases IPR2014-00251, IPR2014-00255, IPR2014-00256, IPR2014-00257, IPR2014-00258, IPR2014-00259, IPR2014-00260, IPR2014-00261, IPR2014-00262, IPR2014-00263, IPR2014-00264, IPR2014-00265, IPR2014-00266

complaint, a party must be served with a summons and complaint.

IPR2013-00010, slip op. at 6 (PTAB Jan. 30, 2013) (Paper 20).

The parties do not dispute that neither Federal Rule of Civil Procedure (“FRCP”) 4, which governs service of a summons, nor Michigan law expressly authorizes service of a summons by email or Federal Express.¹⁰ Paper 12, 2-3; Paper 13, 3-4. Patent Owner asserts, however, that service via email and Federal Express was permissible based on an agreement by the parties. Paper 13, 4-5.

Even assuming that Patent Owner is correct that “service” for purposes of section 315(b) can be satisfied by agreement, we are not persuaded that the parties’ agreement (to the extent one existed) was for service by email and Federal Express on December 14, 2012, as Patent Owner contends. In particular, we are persuaded that the December 6, 2012, email from Mr. Linn to Mr. Chmielewski accurately reflects Patent Owner’s understanding of the parties’ agreement. Ex. 2020. Mr. Linn expressly states that “the parties’ agreement” is for him to “serve the complaint . . . on December 17, 2012 by overnight Federal Express” to “Stefan Chmielewski” and “[o]n that date [he] will also provide copies via email.” *Id.* (emphases added). Thus, as expressed by counsel for Patent Owner, any agreement between the parties was for service “on December 17, 2012.” *Id.*

¹⁰ Patent Owner asserts that Michigan’s rules of service “are to be liberally construed,” in what appears to be an attempt to persuade us that service via Federal Express and email are permissible. Paper 13, 4. We do not accept Patent Owner’s invitation to sidestep the express requirements of Michigan’s service rules, which do not authorize service by such means. *See generally* Ex. 1052 (Michigan Court Rule (“MCR”) § 2.105).

Cases IPR2014-00251, IPR2014-00255, IPR2014-00256, IPR2014-00257, IPR2014-00258, IPR2014-00259, IPR2014-00260, IPR2014-00261, IPR2014-00262, IPR2014-00263, IPR2014-00264, IPR2014-00265, IPR2014-00266

In light of counsel for Patent Owner's representation of the terms of the agreement, the lack of any evidence in the record before us indicating a change in the apparent agreement between the parties, and the lack of any express legal authority to serve a summons by email or Federal Express (outside of a court order), we are not persuaded that Mr. Linn's email and shipping of the Federal Express package on December 14, 2012, constituted service of the summons and amended complaint.

We recognize that Mr. Linn declared, in the executed proof of service, that he served Petitioner "on December 14, 2012." Ex. 2005. The factual record prior to and including December 14, as explained above, provides no basis for us to conclude that Mr. Linn's actions on December 14 constitute service of a summons and complaint under FRCP 4. Further, Mr. Linn's subsequent entry of the description for D.I. 11 directly contradicts his declaration by indicating: "TRW Automotive US LLC served on 12/17/2012." Ex. 1054, 2; *see* Exs. 1055-56. Thus, we decline to find that Mr. Linn's declaration of proof of service trumps FRCP 4, MCR § 2.105, the undisputed factual record regarding Mr. Linn's understanding of the parties' agreement, and Mr. Linn's contradictory subsequent actions.

Accordingly, for the foregoing reasons, we conclude that 35 U.S.C. § 315(b) does not bar institution of the twelve petitions identified herein, because the amended complaint was not served more than one year before the petitions in the instant proceedings were filed on December 17, 2013.

Cases IPR2014-00251, IPR2014-00255, IPR2014-00256, IPR2014-00257, IPR2014-00258, IPR2014-00259, IPR2014-00260, IPR2014-00261, IPR2014-00262, IPR2014-00263, IPR2014-00264, IPR2014-00265, IPR2014-00266

35 U.S.C. § 312(a)(2)

In each of the thirteen instant petitions, and in accordance with 37 C.F.R. § 42.8(b)(1), Petitioner “certifies that TRW Automotive US LLC is the real party-in-interest.” Paper 1, 4. In the context of discussing “Other proceedings” in accordance with 37 C.F.R. § 42.8(b)(2), Petitioner indicates that “[t]here are two other defendants in the [district court action]: TRW Automotive Holdings Corp. and TRW Vehicle Safety Systems Inc. Both entities are corporations related to Petitioner.” *Id.* (bold font omitted).

In its preliminary response to each of the thirteen instant petitions, Patent Owner asserts that *inter partes* review should not be instituted, because Petitioner “appears to have failed to accurately identify all real parties in interest.” Paper 7, 8-9. In particular, Patent Owner indicates that while the petitions

identif[y] “TRW Automotive US LLC” as the *sole* real party in interest (Paper No. 1, p. 4), TRW muddies the issue by additionally identifying “TRW Automotive Holdings Corp.” and “TRW Vehicle Safety Systems Inc.” as corporate entities “related to Petitioner” (Paper No. 1, p. 4), without specifying the nature of the relationship.

Id. at 9. Thus, Patent Owner contends that “[t]hese contradictory statements call into question the true identities of the real parties in interest” and that Petitioner “has unnecessarily confused the Board by identifying only a single real party in interest when it appears likely that multiple interrelated parties may have had a hand in TRW’s petition[s].” *Id.*

A petition for *inter partes* review may be considered only if, *inter alia*, “the petition identifies all real parties in interest.” 35 U.S.C.

Cases IPR2014-00251, IPR2014-00255, IPR2014-00256, IPR2014-00257, IPR2014-00258, IPR2014-00259, IPR2014-00260, IPR2014-00261, IPR2014-00262, IPR2014-00263, IPR2014-00264, IPR2014-00265, IPR2014-00266

§ 312(a)(2). The Office Patent Trial Practice Guide provides guidance regarding factors to consider in determining whether a party is a real party in interest. Considerations may include whether a non-party exercises control over a petitioner's participation in a proceeding. 77 Fed. Reg. 48,756, 48,759 (Aug. 14, 2012). Other factors may include whether a non-party is funding the proceeding or directing the proceeding. *Id.* at 48,759-60.

Based on the record before us, Patent Owner does not provide a sufficient factual basis for us to conclude that the two other TRW entities should have been identified as real parties in interest. Moreover, Petitioner's identification of the two other TRW entities as "related to Petitioner" does not, in and of itself, contradict Petitioner's certification as to the real party in interest. Accordingly, Patent Owner fails to demonstrate sufficiently that Petitioner has not named all real parties in interest for the thirteen instant proceedings, and we do not deny the petitions for failure to identify all real parties in interest under 35 U.S.C. § 312(a)(2).

CONCLUSION

For the foregoing reasons, we conclude that 35 U.S.C. § 315(b) does not bar institution of the twelve petitions identified herein, and we do not deny any of the thirteen petitions for failure to identify all real parties in interest under 35 U.S.C. § 312(a)(2).

Cases IPR2014-00251, IPR2014-00255, IPR2014-00256, IPR2014-00257,
IPR2014-00258, IPR2014-00259, IPR2014-00260, IPR2014-00261,
IPR2014-00262, IPR2014-00263, IPR2014-00264, IPR2014-00265,
IPR2014-00266

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