

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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VALEO NORTH AMERICA, INC., VALEO S.A., VALEO GMBH,  
VALEO SCHALTER UND SENSOREN GMBH, AND CONNAUGHT  
ELECTRONICS LTD.,  
Petitioner,

v.

MAGNA ELECTRONICS, INC.,  
Patent Owner.

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Case IPR2014-00220 (Patent 7,859,565)  
Case IPR2014-00221 (Patent 7,991,522)  
Case IPR2014-00222 (Patent 8,386,114)  
Case IPR2014-00227 (Patent 7,877,175)<sup>1</sup>

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Before JAMESON LEE, PHILLIP J. KAUFFMAN, and  
MATTHEW R. CLEMENTS, *Administrative Patent Judges*.

CLEMENTS, *Administrative Patent Judge*.

ORDER  
Conduct of the Proceedings  
37 C.F.R. § 42.5

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<sup>1</sup> This order addresses issues that are the same in all identified cases. We exercise our discretion to issue one order to be filed in each case. The parties, however, are not authorized to use this style heading in subsequent papers.

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On December 5, 2014, Magna Electronics, Inc. (“Patent Owner”) filed a Motion to Terminate. Paper 34 (“Mot.”).<sup>2</sup> Valeo North America, Inc., Valeo S.A., Valeo GmbH, Valeo Schalter Und Sensoren GmbH, and Connaught Electronics Ltd. (“Petitioner”) filed an Opposition. Paper 39 (“Opp.”). Patent Owner filed a Reply. Paper 41 (“Reply”).

For the reasons that follow, we deny Patent Owner’s Motion to Terminate.

### BACKGROUND

The Petition, filed on December 4, 2013, identified five entities as the real parties-in-interest, including Valeo, Inc. Pet. 3.

On December 31, 2013, Valeo, Inc. merged with another entity to become Valeo North America, Inc. Ex. 2009.

In Preliminary Responses filed in related proceedings<sup>3</sup> on October 31, 2014, Patent Owner alleged that Valeo, Inc., is not a proper real-party-in-interest due to its merger with another entity to form Valeo, North America, Inc. effective December 31, 2013. *See, e.g.*, IPR2014-01203, Paper 6, 4–5.

On November 14, 2014, Petitioner filed Updated Mandatory Notices in these proceedings that omit Valeo, Inc., and identify Valeo North America, Inc., as a real party-in-interest.

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<sup>2</sup> Citations are to IPR2014-00220 unless otherwise noted. Equivalent papers were filed in IPR2014-00221, IPR2014-00222, and IPR2014-222.

<sup>3</sup> The related proceedings are IPR2014-01203, IPR2014-01204, IPR2014-01206, and IPR2014-01208.

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## ANALYSIS

Patent Owner contends that Petitioner failed to properly and timely update its Mandatory notices pursuant to 37 C.F.R. § 42.8(a)(3) because it did not name Valeo North America, Inc., as a real party-in-interest within 21 days of Valeo, Inc. ceasing to exist due to merger into Valeo North America, Inc. Mot. 1–4.

Petitioner does not dispute that Valeo, Inc. merged with another entity to become Valeo North America, Inc. effective December 31, 2013, but argues instead that (1) the identification of real-parties-in-interest was proper at the time the petitions were filed; (2) post-filing changes to real-party-in-interest information is governed only by regulation, not by statute; (3) the Board has discretion to waive or suspend regulations, and to accept or excuse late-filed papers; and (4) the present circumstances justify acceptance of Petitioner’s Updated Mandatory Notice. Opp. 1–5.

The Updated Mandatory Notice should have been filed within 21 days of the effective date of the merger—December 31, 2013. 37 C.F.R. § 42.8(a)(3). However, as Petitioner notes, the Board has authority to excuse a late action on a showing of good cause or upon a Board decision that consideration of the merits would be in the interests of justice. Pet. 2–4; 37 C.F.R. §§ 42.5(b), 42.5(c)(3).

Petitioner’s counsel represents that it filed the Updated Mandatory Notices within 21 days of the issue being brought to its attention by Patent Owner. Mot. 4. Moreover, the late filing of the Updated Mandatory Notice does not appear to have resulted in any prejudice or delay. Valeo North

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America, Inc. is the legal successor to the original entity (Valeo, Inc.). *See* Opp. 4; Ex. 2009, 1–2.

Patent Owner contends that the core function of the obligation to update mandatory notices within 21 days under 37 C.F.R. § 42.8(a)(3) is to assist the Board in identifying potential conflicts and ensure proper application of estoppel provisions. Motion 1-2 (citing the Office Patent Trial Practice Guide, 77 Fed. Reg. 48756, 48759 (Aug. 12, 2012)). Despite this acknowledgement, Patent Owner does not identify how Petitioner’s delay impacted either of these core functions. *See* 37 C.F.R. § 42.22. Further, Patent Owner articulates no prejudice suffered by it due to Petitioner’s failure to identify “Valeo North America, Inc.” earlier in the proceeding. Patent Owner does not argue, for example, that an earlier-filed Mandatory Notice identifying “Valeo North America, Inc.” would have affected Petitioner’s standing, or that Patent Owner would have sought discovery it was otherwise not entitled to. Nor does Patent Owner argue that acceptance of the late-filed Updated Mandatory Notice will cause any delay in these proceedings, which are scheduled for hearing on January 14 and 15, 2015. Patent Owner argues only that Petitioner knew, or should have known, of the change in corporate identity, and updated its Mandatory Notices sooner.

In these circumstances, we excuse the late Updated Mandatory Notice because we are persuaded that consideration of the merits would be in the interests of justice. Thus, we are not persuaded that Petitioner’s failure to identify Valeo North America, Inc., as a real-party-in-interest prior to November 14, 2014, warrants termination of the proceedings.

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ORDER

It is ORDERED that Patent Owner's Motion to Terminate is *denied*.

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