

Unified Patents Inc. v. Dragon Intellectual Property, LLC: Decision on Institution of Inter Partes Review IPR2014-01252

Drinker Biddle

Article By

[Intellectual Property Litigation Drinker Biddle
Drinker Biddle & Reath LLP
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Takeaway: Mere membership in a trade association, even one that focuses on the business of filing petitions for inter partes review, does not automatically make an entity a real party-in-interest to a petition filed by the trade association.

In its Decision, the Board instituted ***inter partes*** review of claims 1, 2, 7, 8, 10, 13, and 14 of the '444 patent, with the sole instituted ground of challenge being the alleged unpatentability of each of these claims under 35 U.S.C. § 103 in view of Ulmer and Goldwasser. The Board also concluded that the record did not reflect that Petitioner had failed to name all real parties-in-interest in its Petition.

Unified Patents ("Petitioner") had requested *inter partes* review as to claims 1, 2, 7, 8, 10, 13, and 14 of the '444 patent. The '444 patent relates to video cassette recorders ("VCRs") and, in particular, is purported to describe "an audiovisual recording and playback device that can provide substantially simultaneous recording and playback, allowing user-controlled programming delay." Petitioner had challenged the patentability of claims 1, 2, 7, 8, 10, 13, and 14 of the '444 patent based on the purportedly obvious combination of Ulmer and Goldwasser. Patent Owner disputed this challenge and, at the same time, asserted that the Petition failed to identify all of the real parties-in-interest.

Patent Owner's basic position in this latter respect was that Petitioner (Unified Patents) was an entity that "accepted payments from other groups to pay for Petitioner's *inter partes* review ('IPR') activity, without listing any of those other groups as real parties-in-interest." As asserted by Patent Owner, "a party cannot accept payment from another group to file an IPR and fail to name the company paying for the action." In making these arguments, Patent Owner attempted to equate Petitioner (Unified Patents) with RPX Corporation which, in a number of previous cases, had its Petitions denied "because Apple . . . was found to be an unnamed real party-in-interest, and Apple was time-barred under 35 U.S.C. § 315(b)."

The Board addressed Patent Owner's real-party-in-interest positions by agreeing with Patent Owner "that the inquiry regarding real parties-in-interest is not limited to determining who directed or controlled a proceeding." Nonetheless, the Board went on to state that Patent Owner had not shown "any direct evidence of any organization giving funds to Petitioner for the purpose of filing the Petition in this [specific] case." According to the Board, "even if [it accepted] Patent Owner's allegations that Petitioner engages in no activity of practical significance other than filing IPR petitions with money received from its members, this does not demonstrate that any member paid, directed, or suggested to Petitioner to challenge the '444 patent, specifically." Indeed, Petitioner had argued that "none of its members participated in or directly paid for filing the Petition in this case"; that "its members did not and could not exercise control over its conduct of this case, including the decision to file the Petition"; and that "its members had no prior knowledge of Petitioner's plan to file the Petition in this case." Thus, the Board contrasted the current situation from that of the previous RPX cases, in which RPX "member" Apple was found to have participated more directly in the filing of Petitions aimed at specifically targeting particular patents.

As to the § 103 obviousness challenge to claims 1, 2, 7, 8, 10, 13, and 14 based on Ulmer and Goldwasser, the Board agreed with Petitioner that Ulmer discloses most of the limitations of at least claims 1 and 2; that "a person of ordinary skill in the art would be motivated to combine Goldwasser's disclosure with Ulmer's because both references 'address the same problem: providing simultaneous recording and playback as a mechanism to allow a viewer to skip commercials'"; and that "due to extensive overlap between the systems of Ulmer and Goldwasser, a person of ordinary skill in the art would have been led to use various design details from Goldwasser's teachings in a combination of Ulmer's and Goldwasser's systems." Based on this framework, the Board went on to conclude that Petitioner had shown a reasonable likelihood that it would prevail with its obviousness arguments against claims 1, 2, 7, 8, 10, 13, and 14 of the '444 patent.

Unified Patents Inc. v. Dragon Intellectual Property, LLC, IPR2014-01252

Paper 37: Decision on Institution of *Inter Partes* Review

Dated: February 12, 2015

Patent: 5,930,444

Before: Neil T. Powell, Gregg I. Anderson, and J. John Lee

Written by: Powell

Related Proceedings: The '444 patent had been asserted against ten companies in ten different patent infringement proceedings, respectively, in the U.S. District Court for the District of Delaware, although Petitioner is not a party to any of these

district court proceedings

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