

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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SONY COMPUTER ENTERTAINMENT AMERICA LLC,  
Petitioner,

v.

GAME CONTROLLER TECHNOLOGY LLC,  
Patent Owner.

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Case IPR2013-00634  
Patent 8,094,885 B2

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Before KEVIN F. TURNER, MITCHELL G. WEATHERLY,  
and JENNIFER M. MEYER, *Administrative Patent Judges*.

MEYER, *Administrative Patent Judge*.

DECISION  
Denying Motion to Terminate  
*37 C.F.R. § 42.72*

## I. INTRODUCTION

On October 22, 2013, Sony Computer Entertainment America LLC (“Petitioner”) filed a Petition (Paper 3) seeking *inter partes* review of claims 1–11 of U.S. Patent No. 8,094,885 B2 (Ex. 1001, “the ’885 patent”). A Corrected Petition was filed November 12, 2013. Paper 6 (“Pet.”). In addition to Petitioner, the Petition lists Sony Corporation of America (“SCA”) as a real party-in-interest (“RPI”). Pet. 50.

On January 22, 2014, Game Controller Technology LLC (“Patent Owner”) filed a Preliminary Response (Paper 10), and on April 16, 2014, we instituted *inter partes* review of claims 1–11 on all asserted grounds of unpatentability (Paper 11). Patent Owner subsequently filed its Patent Owner Response (Paper 15), and Petitioner filed its Reply thereto (Paper 16). An oral hearing was held on December 11, 2014. *See* Paper 27.

On March 12, 2015, Patent Owner filed a Motion to Terminate the Petition based on a failure to name all RPIs in the Petition—namely Sony Americas Holdings, LLC (“SAH”) and Sony Corporation (“SONY”). Paper 29 (“Mot.”). Petitioner filed an Opposition to the Motion. Paper 30 (“Opp.”).

For the reasons discussed, Patent Owner’s Motion to Terminate is *denied*.

## II. ANALYSIS

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. § 312(a)(2). In its Motion, Patent Owner asserts for the first time that the Petition is “fatally defective for failure to name all [RPIs].” Mot. 1. Petitioner argues that Patent Owner’s Motion should be denied, both on

procedural grounds, as well as on the merits. Opp. 1–5. We address both of these issues in turn.

A. *Whether Patent Owner’s Challenge is Barred Procedurally*

Petitioner argues that Patent Owner’s Motion should be denied on procedural grounds, as untimely raised.<sup>1</sup> Opp. 1–3. As pointed out by Petitioner, Patent Owner “was on notice of the relevant facts before the petition was even filed.” Opp. 2–3 (citing, e.g., Ex. 2009 (Corporate Disclosure Statement filed in district court on Sept. 23, 2013<sup>2</sup>)). The Preliminary Response was filed on January 22, 2014 (Paper 10); the statutory deadline for the Decision to Institute was, thus, April 22, 2014. *See* 35 U.S.C. § 314(b). Petitioner, however, would not have been subject to a time-bar under 35 U.S.C. § 315(b) until at least August 5, 2014.<sup>3</sup> Therefore, if Patent Owner had challenged the RPI identification in its

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<sup>1</sup> Petitioner also argues that Patent Owner’s Motion is “too late because ‘during trial’ means before the final oral hearing.” Opp. 1 n.1. *CBS v. Helferich*, Case IPR2013-00033, slip op. at 2–3 (PTAB Oct. 23, 2013) (Paper 118), cited by Petitioner to support this proposition, however, is limited to a discussion of what may be included in the demonstrative exhibits presented at the oral hearing.

<sup>2</sup> The Petition was filed October 22, 2013. Paper 1; Paper 4.

<sup>3</sup> *See* Pet. 50 (“The ’885 Patent is presently the subject of a patent infringement lawsuit *filed on August 5, 2013* by Game Controller Technology LLC against Petitioner and Sony Corporation of America in the United States District Court for the Southern District of Florida . . . .”) (emphasis added). While we note that the 35 U.S.C. § 315(b) bar date is tied to the date of *service of the complaint*, this date could not be any earlier than the date of filing. Thus, even if SAH and/or SONY should have been identified as RPIs, the earliest date on which Petitioner would have been time-barred under 35 U.S.C. § 315(b) was August 5, 2014.

Preliminary Response, and if we had found the RPI identification to be defective, Petitioner, at a minimum, would have had an opportunity to re-file its Petition correcting any problems therewith.

Patent Owner, instead, waited until March 6, 2015<sup>4</sup>—a mere six weeks before the deadline for the Board to issue its Final Written Decision in this *inter partes* review (*see* 37 C.F.R. § 42.100(c))—to bring any issue with the RPI identification to the attention of the Board. We agree with Petitioner that to grant Patent Owner’s Motion under these circumstances would create incentives encouraging Patent Owners to reserve arguments relating to RPIs that could be brought early in the proceeding until after all the merits in the underlying review have been briefed and argued. *See* Opp. 2. Our rules, however, should be construed to encourage the opposite behavior, in order “to secure the just, speedy, and inexpensive resolution of every proceeding.” 37 C.F.R. § 42.1(b).

Patent Owner asserts that “[a] challenge to the naming of RPIs is a jurisdictional issue that can be raised at any time.” Mot. 3 (citing 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) (“Final Rule”)). The Final Rule, however, states that “such a challenge [to real party-in-interest identification] should be brought *before or with the filing of the patent owner preliminary response.*” Final Rule, 77 Fed. Reg. at 48,695

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<sup>4</sup> Patent Owner contacted the Board by email on March 6, 2015 to request a teleconference with the Board and Petitioner’s counsel to request permission to file the Motion to Terminate.

(Response to Comment 8) (emphasis added). The Final Rule further states that while “[t]he Office generally will accept the petitioner’s ‘real party-in-interest’ identification at the time of filing the petition[,] . . . [t]he patent owner may provide objective evidence to challenge the identification *in a preliminary response*, which the Board will consider in determining whether to grant the petition.” Final Rule, 77 Fed. Reg. at 48,695 (Response to Comment 9) (emphasis added).

The portion of the Final Rule upon which Patent Owner appears to rely, states that “[a]fter institution, standing issues may still be raised during the trial.” Final Rule, 77 Fed. Reg. at 48,695 (Response to Comment 8). We agree with Petitioner that this statement, particularly in view of other portions of the Final Rule quoted above, cannot be seen as “an open invitation to submit late RPI challenges where a [Patent Owner] could have raised the issue at the outset.” Opp. 1–2. As noted above, Patent Owner in this case waited until after all evidence had been submitted to raise its challenge to the RPI identification, even though it appears to have had the relevant evidence in its possession much earlier in the proceeding.

Therefore, based on the particular facts before us, we determine that Patent Owner’s challenge of whether SAH and SONY should have been listed as RPIs in the Petition is untimely at this stage of the proceeding and, thus, is improper.<sup>5</sup>

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<sup>5</sup> The particular facts of this case, however, do not require us to decide whether, and under what circumstances, Patent Owner may be able to challenge the identification of the real parties-in-interest at a time after filing of the Preliminary Response or post-institution.

*B. Whether Patent Owner Has Presented Sufficient Evidence to Show SONY and SAH Should Have Been Listed as RPIs*

Petitioner argues, alternatively, that Patent Owner’s Motion should be denied for lack of evidence—namely, “failing to present evidence that shows an unnamed party had an opportunity to control this particular IPR.” Opp. 3; *see id.* at 3–5. Patent Owner asserts that both SAH—the immediate parent of both Petitioner and named RPI SCA—and SONY—the ultimate parent of SAH, Petitioner, and SCA—are RPIs in this proceeding, and thus, should have been identified in the Petition. Mot. 1 (citing Ex. 2006, 1).

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.” Office Patent Trial Practice Guide, 77 Fed. Reg. 48,756, 48,759 (Aug. 14, 2012) (“Trial Practice Guide”). There is no “bright-line test.” *Id.* Considerations may include whether a non-party “funds and directs and controls” an IPR petition or proceeding. *Id.* at 48,760. Additional relevant factors include: 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. *Id.* Generally, a party does not become a “real party-in-interest” merely through association with another party in an unrelated endeavor. *Id.* A party also is not considered a real party in interest in an *inter partes* review solely because it is a joint defendant with a petitioner in a patent infringement suit or is part of a joint defense group with a petitioner in the suit. *Id.*

Patent Owner argues that “[a]ctual control is not required; *opportunity* to control is sufficient” (Mot. 4), and that, therefore, because “as the ultimate parent and owner of all stock [of Petitioner], SONY *could* exercise its will

over Petitioner, and by legal right, has full authority to intervene [in this proceeding] in any way whatsoever.” Mot. 3. Patent Owner contends that the Board’s “acknowledgement that wholly-owned subsidiary petitioners should always disclose their parent companies as RPIs[,] would formally recognize that the opportunity to control is always present in such situations and would increase consistency and predictability in the RPI inquiry.”

Mot. 4. Patent Owner’s contention effectively requests we create a bright-line rule that a parent company is always an RPI with a wholly-owned subsidiary. *See* Mot. 4. This conclusion, however, is in direct contradiction to the guidance provided in the Trial Practice Guide, which states “there is no ‘bright-line test’ for determining the necessary quantity or degree of participation to qualify as a ‘real party-in-interest’ . . . based on the control concept.” Trial Practice Guide, 77 Fed. Reg. at 48,759; *see also id.* at 48,760 (“[B]ecause rarely will one fact, standing alone, be determinative of the [RPI] inquiry, the Office cannot prejudge the impact of a particular fact on whether a party is a ‘real party-in-interest’ or ‘privy’ of the petitioner.”). In addition, we are not persuaded that if a long list of parent/subsidiary companies was provided in a petition, such a listing necessarily would assist in making a proper determination of RPI.

Patent Owner provides evidence that “SCA and Petitioner are indirect wholly-owned subsidiaries of SONY . . . through SAH” (Mot. 1 (citing Ex. 2001, 38; Ex. 2009, 1)) and that “all business operations and income of Petitioner are reported on SONY’s SEC statements” (*id.* (citing Ex. 2001)). Patent Owner further states that “SONY’s registered agent in the U.S. is SCA.” *Id.* (citing Ex. 2001, 38). The evidence before us, however, does not establish anything other than a traditional parent/subsidiary business

relationship. There is no persuasive evidence that SAH or SONY has had or could have had any control over the Petition itself or over Petitioner's role in this proceeding. We are not persuaded that this common form of conducting business, without more, establishes a relationship sufficient to make SAH or SONY a real party-in-interest in this *inter partes* review.

Accordingly, even if we were to accept as timely Patent Owner's challenge of whether SAH and SONY should have been listed as RPIs in the Petition, we would not find that Patent Owner has provided a sufficient factual basis to conclude that SAH or SONY should have been identified as a real party-in-interest in this *inter partes* review.

### III. ORDER

Accordingly, it is

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

IPR2013-00634  
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