

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Texas Association of REALTORS®

Petitioner,

v.

IP3, SERIES 100 OF ALLIED SECURITY TRUST I,

Patent Owner

Case IPR2016-00615

Patent No. 8,510,045

**UPDATED MOTION TO TERMINATE *INTER PARTES* REVIEW
UNDER 37 C.F.R. § 42.8(b)(1)**

TABLE OF CONTENTS

TABLE OF AUTHORITIES..... *ii*

I. INTRODUCTION1

II. PETITIONER FAILED TO IDENTIFY

 ALL REAL-PARTIES-IN-INTEREST1

 A. National Association of Realtors (“NAR”) is an unnamed RPI3

 B. Keller Williams (“KW”) is an unnamed RPI.....4

 C. Avis Wukasch (“Wukasch”) is an unnamed RPI.....4

 D. Fathom Realty, LLC (“Fathom”) is an unnamed RPI.....5

III. PETITIONER IS TIME BARRED UNDER 35 U.S.C. § 315(b).....9

IV. BURDEN OF PERSUASION RESTS WITH PETITIONER.....9

V. Conclusion10

Exhibits:

Exhibit 2002: Texas Association of REALTORS® Meeting Minutes, Legal Review Committee Special Meeting – May 28, 2015

Exhibit 2003: Texas Real Estate Commission Biography of Ms. Avis Wukasch

Exhibit 2004: Texas Assoc. of Realtors v. Property Disclosure Technologies, LLC, Petitioner’s Reply

TABLE OF AUTHORITIES

Cases

<i>Atlanta Gas Light Co. v. Bennett Regulator Guards, Inc.</i> , IPR2013-00453, Paper 88 (PTAB Jan. 6, 2015).....	2, 9
<i>Chicago R.I. & P. Ry. Co. v. Schendel</i> , 270 U.S. 611 (1926).....	7
<i>General Foods Corp. v. Massachusetts Dept. of Public Health</i> , 648 F. 2d 784 (1 st Cir. 1981).....	3
<i>Paramount Home Entertainment Inc. v. Nissim Corp.</i> , IPR2014-00961 (PTAB Dec. 29, 2014).....	6
<i>RPX Corp. v. Virnetx Inc.</i> , IPR2014-00171 (PTAB June 5, 2014)	3, 7, 9
<i>Taylor v. Sturgell</i> , 553 U.S. 880 (2008).....	2

Statutes

35 U.S.C. § 312(a)(2).....	1, 10
35 U.S.C. § 315(b)	1, 9, 10

Other Authorities

Trial Practice Guide, 77 Fed. Reg., 48,759 (Aug. 14, 2012).....	passim
---	--------

Regulations

37 C.F.R. § 42.8(b)(1).....	1, 7
-----------------------------	------

I. INTRODUCTION

Under 35 U.S.C. § 312(a)(2), 37 C.F.R. § 42.8(b)(1), and pursuant to the Board's authorization from its November 3, 2016 ORDER (*see* Paper 23), Patent Owner, IP3, Series 100 of Allied Security Trust I ("IP3")¹, files this motion to terminate the instant *inter partes* review ("Motion") as Petitioner, Texas Association of REALTORS® ("Petitioner"), failed to identify all real parties-in-interest ("RPI's") and, as such, Petitioner is now time-barred from doing so under 35 U.S.C. § 315(b).

II. PETITIONER FAILED TO IDENTIFY ALL REAL-PARTIES-IN-INTEREST

The instant *inter partes* review ("IPR") must be terminated because Petitioner failed to identify all RPI's. The requirement regarding RPI's is clear: "A petition [for *inter partes* review] may be considered only if . . . [it] identifies all real parties in interest." 35 U.S.C. § 312(a)(2). Identification of RPI's assists "members of the Board in identifying potential conflicts" and assures "proper application of the statutory estoppel provisions." Trial Practice Guide, 77 Fed. Reg., 48,759 (Aug. 14, 2012). The RPI requirement "seeks to protect patent owners from harassment via successive petitions by the same or related parties, to prevent parties from having a

¹ U.S. Patent No. 8,510,045 ("the '045 Patent") was owned by POI Search Solutions, LLC (hereinafter "POI") at the time Petitioner filed its Petition. While POI is the named Patent Owner in the Petition, the present Patent Owner is IP3, by assignment duly executed on 19 Aug 2016, and recorded in the USPTO Assignments Branch on 26 Aug 2016 at reel/frame 039840/0815.

‘second bite at the apple,’ and to protect the integrity of both the USPTO and Federal Courts by assuring that all issues are promptly raised and vetted.” *Id.*

RPI analysis is “highly fact-dependent” and judged by the totality of the circumstances rather than any “bright-line test.” *Id.* There are a number of relevant factors, including, but not limited to: (1) an agreement to be bound; (2) pre-existing substantive legal relationships between the named and unnamed parties, including preceding and succeeding owners, and assignee and assignor; (3) adequate representation by someone with the same interests, such as a trustee or fiduciary; (4) assumption of control over the proceeding; (5) agency; and (6) a special statutory scheme expressly foreclosing successive litigation, such as bankruptcy and probate proceedings. *See Taylor v. Sturgell*, 553 U.S. 880, 893–895, 893 n.6 (2008); *see also* 77 Fed. Reg. at 48,759 (citing *Taylor* factors). Moreover, the RPI is determined from the totality of the circumstances rather than a piecemeal consideration of individual facts. *See Atlanta Gas Light Co. v. Bennett Regulator Guards, Inc.*, IPR2013-00453, Paper 88 at 12 (PTAB Jan. 6, 2015).

In addition, “[a] party that funds and directs and controls an IPR or PGR petition or proceeding constitutes a ‘real party-in-interest,’ even if that party is not a ‘privy’ of the petitioner.” Trial Practice Guide, 77 Fed. Reg. at 48,760. Furthermore, “a member of a trade association who finances an action which it brings on behalf of its members impliedly authorizes the trade association to represent him in

that action.” *RPX Corp. v. Virnetx Inc.*, IPR2014-00171, p. 10 (PTAB June 5, 2014), p. 8 (quoting *General Foods Corp. v. Massachusetts Dept. of Public Health*, 648 F. 2d 784, 788 (1st Cir. 1981)).

IP3 is troubled that approximately a page and a half of the Petition (*see* Paper 1, pp. 59-60) is devoted to explaining, or perhaps better stated, explaining away, RPI’s. More specifically, Petitioner provides overly broad and self-serving assertions that Keller Williams Realty, Inc. (“KW”), Fathom Realty, LLC. (“Fathom”), Avis Wukasch (“Wukasch”) as well as, its approximately 97,000 members are not RPI’s.

Notwithstanding these unsubstantiated assertions, IP3 contends National Association of Realtors (“NAR”), KW, Wukasch and Fathom are in fact all unnamed RPI’s who should have been included in Petitioner’s mandatory notices. Petitioner, in an effort to circumvent the RPI issue stated it is not in privity with its members, despite its contradictory statement made to the Patent Trial and Appeal Board (“PTAB”) in an earlier Covered Business Method (“CBM”) proceeding, discussed *infra*, that Petitioner was in direct privity with all of its members.

A. *National Association of Realtors (“NAR”) is an unnamed RPI*

Of critical importance are Petitioner’s Legal Review Committee Minutes, (“Minutes”), wherein NAR agreed to pay for one-third the costs, on behalf of KW, for its litigation with the previous patent owner, POI, and for this IPR several

months before it was filed. *See* Texas Association of REALTORS® Meeting Minutes, Legal Review Committee Special Meeting – May 28, 2015 (“Minutes”) (*See* Ex. 2002).

As evidenced therein, NAR agreed to contribute funds specifically for the KW litigation with POI and for this IPR, thus showing NAR’s involvement in the decision, control and funding of this IPR. As such, it is readily apparent NAR should have been included as a RPI in the Petition.

B. Keller Williams (“KW”) is an unnamed RPI

KW, by and through its agents, is a member of Petitioner and was also a named defendant in the POI suit instituted February 4, 2015. Membership in a trade association is a relevant factor for analyzing RPI and privity. *See* Trial Practice Guide, 77 Fed. Reg. at 48,760. The Minutes evidence the intertwined relationship between and among NAR, KW, and Wukasch, in KW requesting, and being granted funds, from both Petitioner and NAR to pay for the POI litigation and this IPR. As such, KW cannot get a second bite at the apple in this IPR.

C. Avis Wukasch (“Wukasch”) is an unnamed RPI

As KW is a RPI, so is Wukasch. As also evidenced by the Minutes, Wukasch is a member of Petitioner’s Legal Review Committee and was present at the May 28, 2015 special meeting to discuss financing the POI litigation and this IPR. *See* Ex. 2002. Wukasch plays an active leadership and management role in

KW, overseeing almost 300 KW agents and managing three real estate offices (*see* https://www.youtube.com/watch?v=Ryl_rHF08qI from 3:00 minutes to 5:50 minutes).

Not surprising to Petitioner, the Minutes, while silent on Wukasch's participation in the May 28, 2015 special meeting, do clearly indicate she later recused herself from the vote on funding the POI litigation and IPR. This is clear evidence of Wukasch's leadership and management role with KW, and perhaps Petitioner, is far more substantial than a mere non-interested party. The only items discussed during the special meeting of the Legal Review Committee were the litigation against KW and the IPR. One can deduce there was no other reason for Wukasch's presence than to participate in the discussion, despite her later recusing herself from the final vote.

D. Fathom Realty, LLC ("Fathom") is an unnamed RPI

Lastly, Fathom, by and through its agents, is a member of Petitioner and was also sued by POI with KW. Membership in a trade association is a relevant factor for analyzing RPI and privity. *See* Trial Practice Guide, 77 Fed. Reg. at 48,760. Petitioner has not shown it did not contribute to Fathom's defense in the POI litigation and Petitioner is in the best position to provide such information, not IP3.

It is readily apparent NAR, KW, Wukasch and Fathom, each meet several of the *Taylor* factors.

First, a pre-existing substantive legal relationship exists between and among all of noted parties. The close real estate business relationship between and among NAR, KW, Wukasch and Fathom with Petitioner indicates all of the noted parties remain so inextricably intertwined that all must be included as RPI's. *See* Trial Practice Guide 77 Fed. Reg. at 48,760 (non-party's "relationship with the petitioner" is relevant to real party-in-interest analysis).

Second, the highly interdependent legal and business relationships between and among NAR, KW, Wukasch and Fathom show the parties share a common interest in the IPR proceedings and a motive to control. *See Paramount Home Entertainment Inc. v. Nissim Corp.*, IPR2014-00961, Paper 11 at 8 (PTAB Dec. 29, 2014) (parties to patent-related litigation had "documented interest" in invalidating patent).

Third, NAR, KW, Wukasch and Fathom assumed a degree of control over this IPR as they all were present at the special Legal Review Committee Meeting to discuss the POI litigation and this IPR. Furthermore, Wukasch is not only a leader of KW, but a current member of the NAR Legal Review Committee, as well as serving her second term as Chairman of the Texas Real Estate Commission through 2019. (*See* Ms. Wukasch's biography, Texas Real Estate Commission website, Ex. 2003.) In addition, Wukasch's biography reflects she was the prior

Chairman of the Board for Petitioner, as well as, served on and chaired several of Petitioner's committees, task forces and management teams. *Id.*

Fourth, Wukasch's leadership/management roles with the noted parties establishes an agency/fiduciary relationship at least with KW, if not Petitioner, NAR and Fathom, allowing her to improperly re-litigate on behalf of KW through a proxy, i.e., Petitioner.

Inter Partes Review Rules mandate mandatory notices to include the identification of the RPI's for this very reason - to avoid having the patent owner, here IP3, from being harassed by multiple suits and not being able to obtain quiet title to its patent. *See* 37 C.F.R. § 42.8(b)(1). "Identity of parties is not a mere matter of form, but of substance. Parties nominally the same may be, in legal effect, different; and parties nominally different may be, in legal effect, the same." *See RPX Corp.*, p. 10 (citing *Chicago R.I. & P. Ry. Co. v. Schendel*, 270 U.S. 611, 620 (1926)). While Petitioner claims to be the sole interested party in this proceeding, other parties, as mentioned, have much more of an interest in the outcome of this IPR. That is, unlike Petitioner, the other parties are not without risk from infringement liability. IP3 has a real concern of being harassed by the aforementioned RPI's should the termination of this IPR not have a statutory estoppel effect with respect to same.

Petitioner is acting as a mere proxy for the additional RPI's, who should have been included as RPI's in the original Petition. Petitioner admitted as much in its July 2015 CBM proceeding before the PTAB. To wit, "Petitioner is in direct privity and can expend funds defending with over *almost one hundred thousand* members." (*Emphasis* in original.) See *Texas Assoc. of Realtors v. Property Disclosure Technologies, LLC*, Petitioner's Reply (*expunged*), (See Ex. 2004).

It would defy logic to argue Petitioner is not a proxy for, or in privity with, all its members because, in addition to Petitioner stating in no uncertain terms as an admission against interest, that Petitioner is in direct privity with its members, Petitioner, by its very existence, is an association, whose main purpose is to represent and protect its members. Petitioner itself has no risk or liability regarding infringement of the '045 Patent. Thus, the *raison d'être* of Petitioner is to be controlled by its members, through Petitioner's Legal Review Committee, one of whom is Wukasch, and to act on the members' behalf and at the members' behest to protect them from being held liable for infringement.

This is never more evident than as summarized in the Minutes, where this IPR was discussed and shows the close intertwining among Petitioner and the unnamed RPI's. With Petitioner acting as a proxy of its members, and thus being barred from refiling the IPR, "is also consistent with the express legislative intent

concerning the need for quiet title.” *See RPX Corp.*, p. 10 (citing legislative history).

Even if NAR, KW, Wukasch and Fathom are determined not to be RPI’s for other reasons, “the notion of ‘privity’ is more expansive, encompassing parties that do not necessarily need to be identified in the petition as a ‘real party-in-interest.’” *See* Trial Practice Guide, 77 Fed. Reg. at 48759.

III. PETITIONER IS TIME BARRED UNDER 35 U.S.C. § 315(b)

Because Petitioner failed to include all RPI’s, the Petition for this IPR is incomplete and therefore cannot be afforded its February 11, 2016 filing date. Thus, under 35 U.S.C. § 315(b), Petitioner is time-barred from refiling the Petition to include all RPI’s because of KW, Fathom, and Wukasch’s prior involvement in the POI litigation, which is now more than one year from the date of this Motion. Therefore, Petitioner is time-barred from refiling its Petition for the instant IPR. *See, generally, RPX Corp. v. Virnetx Inc.*, IPR2014-00171 (PTAB June 5, 2014).

IV. BURDEN OF PERSUASION RESTS WITH PETITIONER

The PTAB held in *Atlanta Gas Light Company*, slip op. at 8:

Thus, when, as here, a patent owner provides sufficient rebuttal evidence that reasonably brings into question the accuracy of a petitioner’s identification of the real parties in interest, the burden remains

with the petitioner to establish that it has complied with the statutory requirement to identify all the real parties in interest.

As such, Petitioner now has the burden of proving all RPIs have been named, including proving that KW, Avis Wukasch, Fathom and NAR are not RPIs. As Petitioner cannot meet its burden of proving all RPIs were named, the Petition is incomplete for failing to comply 35 U.S.C. § 312(a)(2). Proper remedy is to terminate proceedings and vacate the decision to institute. *See Atlanta Gas Light Co., Slip op.* at 17.

V. Conclusion

For the foregoing reasons, as the within Petition must be terminated as Petitioner has failed to identify all real parties-in-interest (“RPI’s”) and, as such, Petitioner is now time-barred from doing so under 35 U.S.C. § 315(b).

Date: January 10, 2017

s/John Maldjian/
John Maldjian, Esq. (41,967)
jmaldjian@mlgiplaw.com

William J. Connelly, III (44,086)
wconnelly@mlgiplaw.com

Maldjian Law Group LLC
106 Apple Street, Suite 200N
Tinton Falls, NJ 07724
732-889-1500
Attorneys for Patent Owner

CERTIFICATE OF SERVICE

The undersigned certifies, in accordance with 37 C.F.R. § 42.6, a copy of the foregoing UPDATED MOTION TO TERMINATE THIS INTER PARTES REVIEW UNDER 37 C.F.R. § 42.8(b)(1), and accompanying Exhibits, on January 10, 2017, was duly served, via electronic mail, to counsel of record for Petitioner Texas Association of REALTORS®, at the following email addresses:

HAYNES AND BOONE, LLP

600 Congress Avenue

Austin, Texas 78701

David W. O'Brien, Esq. - david.obrien@haynesboone.com

Raghav Bajaj, Esq. - raghav.bajaj@haynesboone.com

David McCombs, Esq. - david.mccombs@haynesboone.com

s /John Maldjian/

John Maldjian, Esq.

Reg. No. 41,967