

Filed: July 27, 2018

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

ARRIS INTERNATIONAL PLC

Petitioner

v.

CHANBOND, LLC

Patent Owner

Case IPR2018-00573

Patent 8,341,679

**JOINT PROPOSED REDACTED VERSION OF THE DECISION
DENYING INSTITUTION OF *INTER PARTES* REVIEW**

Pursuant to the Board's order in its Decision Denying Institution of *Inter Partes* Review (Paper 22, "Decision"), Patent Owner submits a proposed redacted version of the Decision, attached herewith, on behalf of the joint parties.¹

Dated: July 27, 2018

Respectfully submitted,

/Robert A. Whitman/

Robert A. Whitman

Reg. No. 36,966

Mishcon de Reya New York LLP

156 Fifth Avenue, suite 904

New York, New York 10010

e-mail: robert.whitman@mishcon.com

¹ Because the parties disagree on the extent of the redactions to be applied, the attached proposed redacted version of the Decision reflects portions of the Decision that Petitioner seeks to be redacted. Patent Owner is concurrently seeking Board authorization to file a motion to unseal certain portions of the Decision, redacted in the attached version, that Patent Owner believes should instead be included in the public record.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing document and any accompanying exhibit(s) was served on July 27, 2018, by filing this document though PTAB E2E as well as delivering a copy via electronic mail directed to the attorneys of record for Petitioners at the following address:

Patrick D. McPherson
Duane Morris LLP
505 9th Street NW, Suite 1000
Washington, D.C. 20004
PDMcPherson@duanemorris.com

Diana Sangalli
Duane Morris LLP
1330 Post Oak Boulevard, Suite 800
Houston, TX 77056
DMSangalli@duanemorris.com

The parties have agreed to electronic service in this proceeding.

Dated: July 27, 2018

Respectfully submitted,

/Robert A. Whitman/

Robert A. Whitman
Reg. No. 36,966
Mishcon de Reya New York LLP
156 Fifth Avenue, suite 904
New York, New York 10010
e-mail: robert.whitman@mishcon.com

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

ARRIS INTERNATIONAL PLC,
Petitioner,

v.

CHANBOND, LLC,
Patent Owner.

Case IPR2018-00573
Patent 8,341,679 B2

Before JONI Y. CHANG, JEFFREY S. SMITH, and
DAVID C. McKONE, *Administrative Patent Judges*.

SMITH, *Administrative Patent Judge*.

DECISION
Denying Institution of *Inter Partes* Review
35 U.S.C. § 314

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I. INTRODUCTION

ARRIS International PLC (“Petitioner”) filed a Petition requesting an *inter partes* review of claims 12–14, 26, 27, and 36–40 (“the challenged claims”) of U.S. Patent No. 8,341,679 B2 (Ex. 1001, “the ’679 patent”). Paper 1 (“Pet.”). ChanBond, LLC (“Patent Owner”) filed unredacted and redacted versions¹ of a Preliminary Response (Papers 14 and 15, “Prelim. Resp.”), a Motion to Seal the Preliminary Response (Paper 13), and a Motion to Seal (Paper 9) and the Stipulated Default Protective Order (attached to the Motion to Seal), which is a copy of the default Protective Order set forth in Appendix B of the Patent Office Trial Practice Guide (“Trial Practice Guide”), 77 Fed. Reg. 48,756, 48,756–66 (Aug. 14, 2012). Pursuant to our authorization, Patent Owner filed a Motion for Additional Discovery (Papers 11 and 12, “Disc. Mot.”); Petitioner filed an Opposition (Papers 17 and 18, “Disc. Opp.”) to the Motion for Additional Discovery; and Patent Owner filed a Reply (Papers 20 and 21, “Disc. Reply”) to Petitioner’s Opposition.²

For the reasons stated below, we determine that a privy of Petitioner was served with a complaint alleging infringement of the ’679 patent more than one year before the Petition was filed. Consequently, we deny the

¹ Citations hereinafter correspond to the unredacted version (Paper 14).

² Both parties filed unredacted and redacted versions of their papers, along with corresponding Motions to Seal (Papers 10, 13, 16, and 19). Our citations correspond to the unredacted version of each paper.

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Petition as it is time-barred under 35 U.S.C. § 315(b), and dismiss Patent Owner's Motion for Additional Discovery as moot. We also grant the parties' Motions to Seal (Papers 9, 10, 13, 16, and 19).

Related Matters

The parties indicate that the '679 patent and two other related patents, U.S. Patent Nos. 8,948,565 B2 ("565 patent") and 7,941,822 B2 ("822 patent"), are involved in the following proceedings in the United States District Court for the District of Delaware (the "Delaware actions"):

ChanBond, LLC v. Atlantic Broadband Group, LLC, 1:15-cv-00842-RGA (D. Del.); *ChanBond, LLC v. Bright House Networks, LLC*, 1:15-cv-00843-RGA (D. Del.); *ChanBond, LLC v. Cable One Inc., LLC*, 1:15-cv-00844-RGA (D. Del.); *ChanBond, LLC v. Cablevision Systems Corp.*, 1:15-cv-00845-RGA (D. Del.); *ChanBond, LLC v. Cequel Communications, LLC*, 1:15-cv-00846-RGA (D. Del.); *ChanBond, LLC v. Charter Communications, LLC*, 1:15-cv-00847-RGA (D. Del.); *ChanBond, LLC v. Comcast Corp.*, 1:15-cv-00848-RGA (D. Del.); *ChanBond, LLC v. Cox Communications, Inc.*, 1:15-cv-00849-RGA (D. Del.); *ChanBond, LLC v. Mediacom Communications Corp.*, 1:15-cv-00850-RGA (D. Del.); *ChanBond, LLC v. RCN Telecom Services, LLC*, 1:15-cv-00851-RGA (D. Del.); *ChanBond, LLC v. Time Warner Cable Inc.*, 1:15-cv-00852-RGA (D. Del.); *ChanBond, LLC v. WaveDivision Holdings, LLC*, 1:15-cv-00853-

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RGA (D. Del.); and *ChanBond, LLC v. WideOpen West Finance, LLC*, 1:15-cv-00854-RGA (D. Del.).³ Pet. 4–5; Paper 8, 1–2.

Petitioner also filed four additional petitions: IPR2018-00574 and IPR2018-00575 involving the ’565 patent; IPR2018-00572 involving the ’679 patent; and IPR2018-00570 involving the ’822 patent. Pet. 5.

II. DISCUSSION

The instant Petition was filed on February 2, 2018. Paper 6, 1. Patent Owner served the defendants in the Delaware actions with a complaint, alleging infringement of the ’679 patent on October 1, 2015, more than one year prior to the filing of the instant Petition. Ex. 2006. Petitioner was not a named party in the Delaware actions. *Id.* Nonetheless, Patent Owner asserts that the instant Petition is time-barred under 35 U.S.C. § 315(b) because Petitioner is in privity with the Delaware defendants. Prelim. Resp. 12–33. Accordingly, the main issue here is whether at least one of the Delaware defendants is a privy of Petitioner.

A. Principles of Law

Section 315(b) of Title 35 of the United States Code provides:

(b) PATENT OWNER’S ACTION.—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, real party in interest, or privy of the petitioner is served with a

³ In this Decision, we refer the defendants of these Delaware actions as “the Delaware defendants.”

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complaint alleging infringement of the patent. The time limitation set forth in the preceding sentence shall not apply to a request for joinder under subsection (c).

The legislative history indicates that § 315(b) was intended to set a “deadline for allowing an accused infringer to seek *inter partes* review after he has been sued for infringement.” 157 CONG. REC. S5429 (daily ed. Sept. 8, 2011) (statement of Sen. Kyl). The deadline helps to ensure that *inter partes* review is not used as a tool for harassment by “repeated litigation and administrative attacks.” H.R. REP. NO. 112-98 at 48 (2011), *as reprinted in* 2011 U.S.C.C.A.N. 67, 78. Hence, “the rationale behind § 315(b)’s preclusion provision is to prevent successive challenges to a patent by those who previously have had the opportunity to make such challenges in prior litigation.” *WesternGeco LLC v. ION Geophysical Corp.*, 889 F.3d, 1308, 1319 (Fed. Cir. 2018).

The term “privity” is not defined in the statute, but it “is a well-established common-law term.” *Id.* at 1317. “[W]hen Congress uses language with a settled meaning at common law, Congress presumably knows and adopts the cluster of ideas that were attached to each borrowed word in the body of learning from which it was taken.” *Beck v. Prupis*, 529 U.S. 494, 500–01 (2000); *see also* 154 CONG. REC. S9987 (daily ed. Sept. 27, 2008) (statement of Sen. Kyl) (“The concept of privity, of course, is borrowed from the common law of judgments.”).

The concept of “privity” is more expansive and encompasses parties that do not necessarily need to be identified in the Petition as real parties-in-

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interest. Trial Practice Guide, 77 Fed. Reg. at 48,759. The term “privity” is used “more broadly, as a way to express the conclusion that nonparty preclusion is appropriate on any ground.” *Taylor v. Sturgell*, 553 U.S. 880, 894 n.8 (2008) (citing 18A Charles Alan Wright, Arthur R. Miller & Edward H. Cooper, *Federal Practice and Procedure* § 4449, pp. 351–53, n.33 (2d ed. 2002) (hereinafter “Wright & Miller”)); *WesternGeco*, 889 F.3d at 1318–19. The legislative history endorsed the expression of “privity” as follows:

The word “privity” has acquired an expanded meaning. The courts, in the interest of justice and to prevent expensive litigation, are striving to give effect to judgments by extending “privies” beyond the classical description. *The emphasis is not on the concept of identity of parties, but on the practical situation. Privity is essentially a shorthand statement that collateral estoppel is to be applied in a given case; there is no universally applicable definition of privity. The concept refers to a relationship between the party to be estopped and the unsuccessful party in the prior litigation which is sufficiently close so as to justify application of the doctrine of collateral estoppel.*

154 CONG. REC. S9987 (daily ed. Sept. 27, 2008) (statement of Sen. Kyl) (emphases added) (citing *Cal. Physicians’ Serv. v. Aoki Diabetes Research Inst.*, 163 Cal. App. 4th 1506 (Cal. App. 2008)); 157 CONG. REC. S1376 (daily ed. Mar. 8, 2011) (incorporating prior 2008 statement).

The determination of whether a petitioner is in privity with a time-barred district court party is a “highly fact-dependent question.” Trial Practice Guide, 77 Fed. Reg. at 48,759. More importantly, “the standards

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for the privity inquiry must be grounded in due process.” *WesternGeco*, 889 F.3d. at 1319. “[T]he privity inquiry in this context naturally focuses on *the relationship* between the named IPR petitioner and the party *in the prior lawsuit*. For example, it is important to determine whether the petitioner and the prior litigant’s relationship—as it relates to the lawsuit—is sufficiently close that it can be fairly said that the petitioner had a full and fair opportunity to litigate the validity of the patent in that lawsuit.” *Id.* (emphases added).

In *Taylor*, the United States Supreme Court identified a non-exhaustive list of six categories under which nonparty preclusion based on a privity relationship may be found: (1) an agreement between the parties to be bound; (2) pre-existing substantive legal relationships between the parties; (3) adequate representation by the named party; (4) the nonparty’s control of the prior litigation; (5) where the nonparty acts as a proxy for the named party to re-litigate the same issues; and (6) where special statutory schemes foreclose successive litigation by the nonparty (e.g., bankruptcy or probate). *Taylor*, 553 U.S. at 893–95, 893 n.6. The Supreme Court noted that this list of the six “established grounds for nonparty preclusion” is “meant only to provide a framework . . . , not to establish a definitive taxonomy.” *Id.* at 893 n.6. Each ground alone is sufficient to establish privity between a nonparty and a named party in the prior litigation. *WesternGeco*, 889 F.3d at 1319–20.

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Here, in our analysis, we mainly address the fourth *Taylor* category of nonparty preclusion. For the reasons stated below, the evidence of record establishes sufficiently that Petitioner is in privity with a time-barred district court party because Petitioner had substantial control over the Delaware actions. As such, it is not necessary for us to determine whether privity exists based on other grounds.

Under the fourth *Taylor* category of nonparty preclusion, a nonparty to a prior action is bound by a judgment if that party “‘assume[d] control’ over the litigation in which that judgment was rendered.” *Taylor*, 553 U.S. at 895 (citing *Montana v. United States*, 440 U.S. 147, 154 (1979)). “Courts and commentators agree, however, that there is no ‘bright-line test’ for determining the necessary quantity or degree of participation to qualify as . . . ‘privity’ based on the control concept.” Trial Practice Guide, 77 Fed. Reg. at 48,759 (citing *Gonzalez v. Banco Cent. Corp.*, 27 F.3d 751, 759 (1st Cir. 1994)).

Neither absolute control, nor actual control, is a requirement for finding of privity. Rather, “it should be enough that the nonparty has the actual measure of control or opportunity to control that might reasonably be expected between two formal coparties.” Trial Practice Guide, 77 Fed. Reg. at 48,759 (quoting Wright & Miller § 4451); *see also WesternGeco*, 889 F.3d at 1320. “Such relationships between a party and a nonparty are most often found when . . . an indemnitor participates in defending an action brought against its indemnitee.” Wright & Miller § 4451; *Benson & Ford*,

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Inc. v. Wanda Petroleum Co., 833 F.2d 1172, 1174 (5th Cir. 1987); *cf. Intel Corp. v. U.S. Int’l Trade Comm’n*, 946 F.2d 821, 839 (Fed. Cir. 1991) (finding that “an indemnification agreement, in other cases, has alone been enough to find privity”) (citing *Urbain v. Knapp Bros. Mfg. Co.*, 217 F.2d 810 (6th Cir. 1954); *Weyerhaeuser Timber Co. v. Bostitch, Inc.*, 178 F. Supp. 757, 760–61 (D.R.I. 1959)); *SpeedTrack, Inc. v. Office Depot, Inc.*, 2014 WL 1813292, at *6–7 (N.D. Cal. May 6, 2014) (ruling that in view of the indemnification obligations the manufacturer owed to its customer, the manufacturer was in privity with the customer such that claim preclusion could apply), *aff’d*, 791 F.3d 1317, 1324–29 (Fed. Cir. 2015).

“Preclusion is fair so long as the relationship between the nonparty and a party was such that the nonparty had the same practical opportunity to control the course of the proceedings that would be available to a party.” Wright & Miller § 4451. “The appropriate measure of control does not require that the named party or parties totally abandon control to the nonparty.” *Id.* “A common consideration is whether the non-party exercised or could have exercised control over a party’s participation in a proceeding.” Trial Practice Guide, 77 Fed. Reg. at 48,759 (citing *Taylor*, 553 U.S. at 895; Wright & Miller § 4451).

With these principles in mind and for the reasons stated below, we find that Petitioner is in privity with at least one of the Delaware defendants as the evidence of record shows that Petitioner had substantial control over the Delaware actions.

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B. Analysis on Privity

As an initial matter, the Board has considered, in certain cases, the relationship between those alleged to be in privity *at the time of service of the complaint* with regard to the time bar under § 315(b). *See, e.g., Nestle USA, Inc. v. Steuben Foods, Inc.*, Case IPR2015-00195, slip op. at 9–10 (Paper 51) (PTAB June 29, 2015). As noted above, the term “privity” is not defined in the statute, but it “is a well-established common-law term.” *WesternGeco*, 889 F.3d at 1317. Our reviewing court has explained that “the privity inquiry in this context naturally focuses on *the relationship* between the named IPR petitioner and the party *in the prior lawsuit*.” *Id.* at 1319 (emphases added). This approach of focusing the privity inquiry on the relationship *during the prior lawsuit*, rather than *at the time of service of the complaint* (i.e., at the start of the lawsuit) is consistent with *Taylor*. *Aruze Gaming Macau, LTD. v. MGT Gaming Inc.*, Case IPR2014-01288, slip op. 12–14 (Paper 13) (PTAB Feb. 20, 2015). As the Supreme Court explained in *Taylor*, regarding the fourth category of nonparty preclusion, “a nonparty is bound by a judgement if she *assumed control over the litigation* in which that judgment was rendered.” *Taylor*, 553 U.S. at 895 (internal quotation marks and citation omitted) (emphasis added).

As such, our privity inquiry in the instant processing focuses on the relationship between Petitioner and the Delaware defendants *during the prior lawsuit*. More specifically, we focus on whether the relationship, as it relates to the Delaware actions, “is sufficiently close that it can be fairly said

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that the petitioner had a full and fair opportunity to litigate the validity of the patent in that lawsuit.” *WesternGeco*, 889 F.3d at 1319; *Aruze Gaming*, Case IPR2014-01288, slip op. at 15.

We now turn to Parties’ contentions and supporting evidence. In its Preliminary Response, Patent Owner argues that Petitioner “had a right to substantially control the Delaware litigation for years prior to the filing of the present petition.” Prelim. Resp. 17. As support, Patent Owner notes that Petitioner’s own public filings with the Securities and Exchange Commission (“SEC”) establish the existence of indemnification agreements with several Delaware defendants. *Id.* According to Patent Owner, [REDACTED]

[REDACTED] Petitioner had a legal right to control the litigation, [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED] Upon consideration of the evidence before us, we agree with Patent Owner that Petitioner had substantial control over the Delaware actions.

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Petitioner counters that it is not a privy of the Delaware defendants. Dis. Opp. 4–6.⁴ In support of its contention, Petitioner argues that it “is not controlling the Delaware litigation,” and it “has no legal right to do so” because the complaints and infringement contentions in the Delaware actions “identify multiple accused products that are supplied to each of the Defendants by many different suppliers, of which ARRIS is only one.” *Id.* Petitioner also argues that Patent Owner “points to no indemnification provision and provides no argument that could support a conclusion that ARRIS has a legal right to control a lawsuit that involves other suppliers’ products.” *Id.* Petitioner avers that “ARRIS could not take responsibility for the other products accused of infringement, and it could not have assumed (and did not assume) control over litigation strategy or settlement.” *Id.* Petitioner further argues that “ARRIS’s [REDACTED] plainly shows that ARRIS does not control the litigation.” *Id.* at 5–7. In Petitioner’s view, “ARRIS’s agreement to [REDACTED] thus merely establishes a typical customer-supplier relationship that controlling authority has held insufficient to establish privity.” *Id.* (citing *Wi-Fi One v. Broadcom*

⁴ Petitioner did not present any privity argument in its Petition. Pet. 6–8. Nor did Petitioner seek leave to file a reply to Patent Owner’s Preliminary Response. Rather, Petitioner presents its privity arguments in the Opposition to Patent Owner’s Motion for Additional Discovery. Although improperly presented, we nevertheless exercise our discretion to consider Petitioner’s arguments, and address each of Petitioner’s privity arguments in turn. See 37 C.F.R. § 42.5.

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Corp., 887 F.3d 1329 (Fed. Cir. 2018); *Nestle*, Case IPR2015-00195, slip op. at 6–17).

We are not persuaded by Petitioner’s arguments because they rest on an erroneous privity standard, requiring *actual and complete* control of the *entire* litigation. As discussed above, neither absolute control, nor actual control, is required for finding of privity. Rather, “it should be enough that the nonparty has the actual measure of control or opportunity to control that might reasonably be expected between two formal coparties.” Trial Practice Guide, 77 Fed. Reg. at 48,759 (citing Wright & Miller § 4451).

The Board as well as the courts “have found privity where an entity’s control over the litigation was substantial, even though not complete.” *General Electric Co. v. TransData, Inc.*, Case IPR2014-01380 (Paper 34, 9) (PTAB Apr. 15, 2015) (citing *Jefferson Sch. of Soc. Sci. v. Subversive Activities Control Bd.*, 331 F.2d 76, 83 (D.C. Cir. 1963)). “If a nonparty either participated vicariously in the original litigation by exercising control over a named party or had the opportunity to exert such control, then the nonparty effectively enjoyed his day in court, and it is appropriate to impute to him the legal attributes of party status for purposes of claim preclusion.” *Gonzalez*, 27 F.3d at 758. “[P]reclusion is fair so long as the relationship between the nonparty and a party was such that the nonparty had the same practical opportunity to control the course of the proceedings that would be available to a party.” *Id.* (citing Wright & Miller § 4451).

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Here, it is undisputed that Patent Owner served the Delaware defendants with a complaint, more than one year prior to the filing of the instant Petition, alleging infringement of the '679 patent. Ex. 2006. Petitioner confirms that it is the supplier for at least one of the allegedly infringing products and has a “customer-supplier relationship” with one or more of the Delaware defendants. Dis. Opp. 5. Petitioner’s SEC Form 10-K dated February 29, 2016, indicates the following:

On September 21, 2015, [Patent Owner] ChanBond filed suit against several MSOs [Multiple Systems Operators] alleging infringement of three US Patents. Certain of our customers have requested that we provide indemnification In the event of an unfavorable outcome, ARRIS may be required to indemnify the MSOs and/or pay damages for utilizing certain technology.

Ex. 2002, 5, 31.

Further, it is undisputed that Petitioner has indemnification agreements with one or more of the Delaware defendants. *See generally* Dis. Opp.; Ex. 2002, 31; Exs. 2007–09. Notably, Petitioner’s Corporate Terms and Conditions of Sale include the following:

22. INDEMNIFICATION. *ARRIS will defend* and hold Customer . . . harmless against damages finally awarded . . . and will, *at ARRIS’ expense*, defend any third party claim, suit, or proceeding (“Claim”) brought against Customer insofar as such Claim is based on an allegation that a Product as provided to Customer directly infringes a valid patent or copyright. *ARRIS will pay Damages as the result of the Claim provided* that (i) Customer promptly notifies ARRIS of the Claim, (ii) Customer gives ARRIS all applicable evidence in Customer’s possession, custody or control, and (iii) *Customer gives ARRIS reasonable*

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assistance in and sole control of the defense and all negotiations for its settlement or compromise.

Ex. 2007, 2 (emphases added). Significantly, under the indemnification agreement, Petitioner had an obligation to defend a patent infringement claim brought against the customer as to Petitioner’s product. *Id.* Petitioner also was obligated to indemnify the customer any damages as the result of the infringement claim. *Id.* Moreover, the agreement required the customer to give Petitioner “sole control of the defense” in order to receive any indemnity payment.

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

In short, Petitioner had the opportunity to exercise “sole control” of those Delaware defendants’ defense. The evidence in the instant proceeding establishes that Petitioner had substantial control over the Delaware actions. *Gonzalez*, 27 F.3d at 758 (“Substantial control . . . connotes the availability of the significant degree of effective control in the . . . defense of the case—what one might term, in the vernacular, the power—whether exercised or not—to call the shots.”).

We also are not persuaded by Petitioner’s arguments that it does not have a right to control the Delaware actions that involve other suppliers’ products, and that Petitioner’s “[REDACTED] plainly shows that ARRIS does not control the litigation.” Disc. Opp. 5–7. [REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

In essence, Petitioner “has already had his day in court” as it had the opportunity to present proofs and arguments with respect to its own accused product in the Delaware actions. *See Taylor*, 553 U.S. at 895 (“Because such a person has had the opportunity to present proofs and argument, he has already had his day in court even though he was not a formal party to the litigation.”) (internal quotation marks and citations omitted). Petitioner had the same practical opportunity to control the course of the proceedings that would be available to the named party. As such, Petitioner had the actual measure of control or opportunity to control that might reasonably be expected between formal coparties.

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Furthermore, Petitioner’s reliance on *Wi-Fi One* and *Nestle* is misplaced. Disc. Opp. 5–7 (citing *Wi-Fi One*, 887 F.3d 1329; *Nestle*, Case IPR2015-00195, slip op. at 6–17). The determination of whether a petitioner is in privity with a time-barred district court party is a “highly fact-dependent question.” Trial Practice Guide, 77 Fed. Reg. at 48,759. The particular facts in those cases are distinguishable from the instant proceeding.

In *Wi-Fi One*, the court found that “the evidence did not show that Broadcom had the right to control that litigation or otherwise participated in that litigation to the extent that it should be bound by the results.” *Wi-Fi One*, 887 F.3d at 1341. In *Nestle*, the Board explicitly found that there is no evidence to suggest that the IPR petitioner financed the district court litigation or prior *inter partes* reviews. *Nestle*, Case IPR2015-00195, slip op. at 12. In fact, the Board noted that the “Agreement expressly states that ‘[e]ach party will bear their own legal costs . . . in handling the [Patent Owner] Claim (e.g., defending, filing counterclaims or cross claims . . . , etc.).’” *Id.*

Here, in contrast, Petitioner has a right to substantially control the Delaware actions. Under the indemnification agreement, Petitioner had the obligations to defend the patent infringement claim brought against its customer as to its accused product. Ex. 2007. [REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED] Therefore, unlike *Wi-Fi One* and *Nestle*, the evidence in the instant proceeding establishes that Petitioner had substantial control over the Delaware actions. Petitioner’s involvement was not merely indemnity payments and minor participation. Rather, Petitioner had the same practical opportunity to control the course of the proceedings that would be available to a named party.

In addition, we agree with Patent Owner that cases where the Board rejected a privity argument based on indemnification are distinguishable because in those cases, unlike here, the Board found no sufficient evidence to show that the petitioner exercised or could have exercised control over a named party’s participation in the prior litigation. Prelim. Resp. 32–33; *see, e.g., Apple Inc. v. Achates Reference Publ’g, Inc.*, Case IPR2013-00080, slip op. at 12 (PTAB June 2, 2014) (Paper 90) (noting that the agreement “does not give the [indemnitor] the right to intervene or control [the indemnitee’s] defense to any charge of patent infringement”).

We also are mindful that, in a prior proceeding involving the same petitioner,⁵ the Board rejected patent owner’s privity argument because, [REDACTED] the Board found that “Patent Owner does not provide evidence

⁵ The petitioner (ARRIS Group, Inc.) in Case IPR2014-00746 was the predecessor in interest of Petitioner here (ARRIS International plc). Ex. 2002, 2 (ARRIS Form 10-K dated February 29, 2016).

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sufficient to demonstrate that [the named party] provided prompt notification to Petitioner, and that Petitioner exercised sole control or full authority according to the Agreements.” *ARRIS Group, Inc. v. C-Cation Techs.*, Case IPR2014-00746, slip op. at 8–10 (Paper 22) (PTAB Nov. 24, 2014). The Board, in the prior proceeding, also noted that “absent is evidence of Petitioner’s conduct in the 2011 district court proceeding from which we could infer that Petitioner exercised control or could have exercised control as provided for in the Agreements.” *Id.*

Here, to the contrary, the evidence in the instant proceeding shows that Petitioner had substantial control over the Delaware actions. Exs. 2007–23. As discussed above, Petitioner had the obligation to defend the patent infringement claim brought against its customer with respect to its accused product. *Id.* [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] Petitioner had the same practical opportunity to control the course of the proceedings that would be available to a named party. Therefore, the facts in the prior proceeding are distinguishable from the instant proceeding.

In sum, based on the evidence in the entirety of this record, we find that Petitioner had substantial control over the Delaware actions. One or more of the defendants of the Delaware actions was in privity with

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Petitioner, and those defendants were served with a complaint, alleging infringement of the '679 patent more than one year prior to the filing of the instant Petition. Therefore, we determine that the instant Petition is time-barred under § 315(b).

C. Motion for Additional Discovery

In its Motion for Additional Discovery, Patent Owner indicates that the parties had conferred and agreed to additional discovery between themselves. Disc. Mot. 1; 37 C.F.R. § 42.51(b)(2)(i) (“The parties may agree to additional discovery between themselves.”). In particular, Petitioner agreed to produce “relevant indemnification provisions from agreements with the Delaware defendants, any indemnification claims made by the defendants, and ARRIS’s responses to those claims.” Ex. 2035; Ex. 2030, 3–4. Petitioner produced the following documents: several indemnification agreements; letters from several of the Delaware defendants to Petitioner, requesting indemnification [REDACTED]; and several response letters from Petitioner to one or more of the Delaware defendants. Exs. 2009–23.

In its Motion for Additional Discovery, Patent Owner alleges that Petitioner did not produce the indemnification agreement and the response letter for each of the [REDACTED] customers that sent indemnification notices to Petitioner. Disc. Mot. 1–2. Patent Owner requests discovery of missing documents and interrogatories concerning Petitioner’s involvement in the

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Delaware litigation. *Id.*; Ex. 2033. Patent Owner avers that the requested additional discovery is necessary in the interests of justice, arguing that it is beyond speculation that Petitioner was in privity with the Delaware defendants. Disc. Mot. 2–3.

Under the circumstances of this case, we need not assess the merits of Patent Owner’s Motion for Additional Discovery. As discussed above, even without the additional requested documents and information, the evidence in the current record establishes sufficiently that Petitioner was in privity with one or more of the Delaware defendants, and we determine that the instant Petition is time-barred under § 315(b).

Accordingly, Patent Owner’s Motion for Additional Discovery is *dismissed* as moot.

D. Motions to Seal

Patent Owner filed unredacted and redacted versions of its Preliminary Response (Papers 14 and 15), and a Motion to Seal the Preliminary Response (Paper 13). Patent Owner also filed a First Motion to Seal (Paper 9) and a Stipulated Default Protective Order agreed to by the parties, which is a copy of the Board’s Default Protective Order and attached to Patent Owner’s First Motion to Seal. Trial Practice Guide, 77 Fed. Reg. 48,760 (Aug. 14, 2012), App’x B. Patent Owner requests the Board to enter the Stipulated Default Protective Order. Because the parties agree to the terms of the Board’s Default Protective Order, we hereby enter the

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Stipulated Default Protective Order, which governs the treatment and filing of confidential information in the instant proceeding.

In its First Motion to Seal, Patent Owner seeks to seal Exhibits 2008–23 and portions of its Preliminary Response that discuss the substance of these exhibits. Exhibits 2008–23 were produced by Petitioner pursuant to the Stipulated Default Protective Order, and designated “CONFIDENTIAL-PROTECTIVE ORDER MATERIAL” by Petitioner. Exhibits 2008–23 relate to indemnification agreements between Petitioner and its customers.

Patent Owner filed its Second Motion to Seal (Paper 10) along with unredacted and redacted versions of its Motion for Additional Discovery (Papers 11 and 12). Patent Owner seeks to seal Exhibits 2033 and 2038–42, as well as portions of its Motion for Additional Discovery, which discuss the substance of Exhibits 2008–23. Petitioner filed a Motion to Seal (Paper 16) along with unredacted and redacted versions of its Opposition (Papers 17 and 18) to the Motion for Additional Discovery. Petitioner seeks to seal portions of its Opposition that discuss the substance of Exhibits 2008–23. Patent Owner filed its Third Motion to Seal (Paper 19) along with unredacted and redacted versions of its Reply (Papers 20 and 21) to Petitioner’s Opposition to the Motion for Additional Discovery. Patent Owner seeks to seal portions of its Reply that discuss the substance of Exhibits 2008–23.

Neither party files an opposition to any of the Motions to Seal filed in this proceeding.

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The record for an *inter partes* review shall be made available to the public, except as otherwise ordered, and a document filed with a motion to seal shall be treated as sealed until the motion is decided. 35 U.S.C.

§ 316(a)(1); 37 C.F.R. § 42.14. There is a strong public policy that favors making information filed in *inter partes* review proceedings open to the public. *Garmin Int’l v. Cuozzo Speed Techs., LLC*, Case IPR2012-00001, slip op. at 1-2 (PTAB Mar. 14, 2013) (Paper 34). The moving party bears the burden of showing that the relief requested should be granted. 37 C.F.R. § 42.20(c). That includes showing that the information is truly confidential, and that such confidentiality outweighs the strong public interest in having an open record. *See Garmin*, Case IPR2012-00001, slip op. at 3. The standard for granting a motion to seal is good cause. 37 C.F.R. § 42.54.

Having considered the documents at issue, we are persuaded that good cause exists to keep the documents under seal as they related to confidential business information of Petitioner. In particular, Exhibits 2008–23, and all other documents that discuss the substance of these exhibits, relate to indemnification agreements between Petitioner and its customers. The details of these agreements are unimportant to the patentability of the challenged claims. The public’s interest in having access to the details of these agreements is minimal. Hence, we agree with the parties that the documents should be kept under seal.

We hereby grant the Motions to Seal with respect to the following documents: Exhibits 2008–23, 2033, and 2038–42; and unredacted versions

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of Patent Owner’s Preliminary Response (Paper 14), Patent Owner’s Motion for Additional Discovery (Paper 11), Petitioner’s Opposition (Paper 17), and Patent Owner’s Reply (Paper 20).

In addition, this Decision is filed under seal, designated as “For Board and Parties Only” as it discusses and cites to the documents under seal. The parties are ordered to file jointly a proposed redacted version of this Decision within 5 business days from the entry of this Decision.

III. CONCLUSION

For the foregoing reasons, the Petition is time-barred under § 315(b).

IV. ORDER

In consideration of the foregoing, it is

ORDERED that the Petition is *denied*, and no trial is instituted

FURTHER ORDERED that Patent Owner’s Motion for Additional Discovery is *dismissed* as moot.

FURTHER ORDERED that Patent Owner’s Motions to Seal and Petitioner’s Motion to Seal are *granted*; the following papers shall be seal as “Board and Parties Only”: Exhibits 2008–23, 2033, and 2038–42; and unredacted versions of Patent Owner’s Preliminary Response (Paper 14), Patent Owner’s Motion for Additional Discovery (Paper 11), Petitioner’s Opposition (Paper 17), and Patent Owner’s Reply (Paper 20);

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FURTHER ORDERED that the Stipulated Default Protective Order attached to Patent Owner's First Motion to Seal (Paper 9) be entered; and

FURTHER ORDERED that, within 5 business days from the entry of this Decision, Patent Owner and Petitioner jointly file a proposed redacted version of this Decision.

For PETITIONER:

Patrick D. McPherson
Diana Sangalli

DUANE MORRIS LLP

pdmcperson@duanemorris.com

dmsangalli@duanemorris.com

For PATENT OWNER:

Robert Whitman
Andrea Pacelli

MISHCON DE REYA NEW YORK LLP

robert.whitman@mishcon.com

andrea.pacelli@mishcon.com

chanbond-arris-ipr@mishcon.com