

**UNITED STATES PATENT AND TRADEMARK OFFICE  
BEFORE THE PATENT TRIAL AND APPEAL BOARD**

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ONE WORLD TECHNOLOGIES, INC., D/B/A TECHTRONIC  
INDUSTRIES POWER EQUIPMENT,  
Petitioner,

v.

CHERVON (HK) LIMITED,  
Patent Owner.

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Case IPR2020-00886  
Patent 9,826,686

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**PATENT OWNER'S OPPOSITION TO PETITIONER'S  
MOTION TO UPDATE MANDATORY NOTICES**

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Pursuant to the Board’s August 27, 2020 Order (Paper 12), Patent Owner submits its opposition to Petitioner’s motion to update its mandatory notice to identify additional real parties-in-interest (“RPIs”), Techtronic Industries Co. Ltd. (“Techtronic”), Techtronic Industries North America, Inc. (“TTI NA”), and Homelite Consumer Products, Inc. (“Homelite”).

## **I. INTRODUCTION**

Petitioner failed to comply with the unambiguous language of the IPR statute and the PTO rules when it failed to identify all RPIs at the time it filed its Petition. And now that *Patent Owner* has pointed out the incorrect representations that Petitioner has made to the Board about the true RPIs here, Petitioner continues to claim that such parties are not RPIs, ignoring a mountain of evidence suggesting otherwise. Petitioner asks the Board to forgive what the facts demonstrate is, at worst, a bad-faith concealment of three RPIs, or, at best, gamesmanship to avoid estoppel. Petitioner ignores that it was aware of the importance of the unnamed RPIs to this proceeding when it filed its Petition. Petitioner knew of the close relationship between itself and the unnamed RPIs as they related to the products accused of infringement by Patent Owner in the parallel district court litigation (the “Litigation”). Petitioner also knew that all of the unnamed RPIs stand to directly benefit if the Board invalidates any of the claims. Yet Petitioner ignores all of these facts and fails to provide any reasonable factual explanation for its omission of the

unnamed RPIs. The Board should deny Petitioner’s motion to update its mandatory notice to identify additional RPIs and retain its original filing date.

## **II. ARGUMENT**

### **A. Petitioner Knew At The Time It Filed Its Petition That It Had Failed To Name Several RPIs.**

The PTAB conducts the RPI analysis ““with an eye toward determining whether the non-party is a *clear beneficiary* that has a preexisting, established relationship with the petitioner.”” *Ventex Co., Ltd. v. Columbia Sportswear North Am., Inc.*, IPR2017-00651, Paper 148, at 6 (Jan. 24, 2019) (quoting *Applications in Internet Time*, 897 F.3d at 1351) (emphasis added)). When a party receives a “direct benefit of a finding of unpatentability,” as opposed to a “merely generalized benefit,” that party is likely an RPI. *See id.* at 10.

At the time it filed the Petition, Petitioner knew that the unnamed RPIs (i) were critically involved in the development of the products accused of infringement in the Litigation, had committed allegedly infringing acts, and stood to directly benefit from a Board holding of invalidity and (ii) have blurred corporate lines with Petitioner. Under these circumstances, the only conclusion to reach is that Petitioner knew that it failed to name several RPIs when it filed its Petition.

First, Petitioner was aware of the critical importance that Techtronic, Homelite, and TTI NA play in this proceeding when it filed its Petition. Petitioner knew that each of the unnamed RPIs played an integral role in the design,

development, importation, distribution and/or customer service for the accused products in the Litigation. For example, Petitioner knew that Homelite imports and distributes, *i.e.*, allegedly infringing acts, “[a]ll of the Accused Products” according to Petitioner (and Techtronic) in the Litigation. (EX2008, Litigation, Techtronic and Petitioner’s Objs. and Resps. to Patent Owner’s Second Set of Interrogatories, at 6.) Petitioner also knew that Homelite and Techtronic were involved in the design and/or development of the accused products. (EX2019, Declaration of Matthew J. Levinstein, ¶ 5.) Petitioner knew that TTI NA provided consumer warranties for all Ryobi 40V Lithium products, including the mowers accused of infringement in the Litigation. (EX2021, Warranty On All RYOBI 40V Lithium-Ion Outdoor Tools, available at <https://www.ryobitools.com/support/warranties>.) Petitioner knew all of the foregoing at the time it filed its Petition at least because it shares legal counsel with Homelite and Techtronic (and presumably TTI NA).

The three entities also attempted to settle the Litigation as one. Specifically, Lee Sowell, an employee of Petitioner (according to Petitioner<sup>1</sup>), attempted to settle

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<sup>1</sup> Petitioner falsely states that Patent Owner “concludes, without any support that “TTI’ stands for Techtronic Industries Co. Ltd..” (Paper 13, at 4.) To the contrary, Patent Owner explained that Techtronic itself uses “TTI” to denote Techtronic, in Techtronic’s annual report. (Paper 11, at 52.)

the Litigation on behalf of Techtronic, Homelite, *and* Petitioner. Regardless of who Mr. Sowell works for, he, as President of Petitioner, was aware of the Litigation, the fact that both Homelite and Techtronic were named defendants, and that the unnamed RPIs all played an integral role in the design and sale of the accused products identified in the Litigation.

Second, Petitioner knew that there was substantial corporate overlap between itself and the unnamed RPIs when it filed its Petition. Techtronic and Petitioner have blurred the lines of corporate separation between them for at least the reasons identified in Patent Owner's Preliminary Response (which Patent Owner hereby incorporates by reference). (Paper 11, at 49-56.)

There is additional overlap between Petitioner and the other unnamed RPIs:

- Homelite and Petitioner share a principal place of business: 100 Innovation Way, Anderson, South Carolina 29621. (EX2007, District Court Litigation, Defendants' Answer to Plaintiffs' Second Amended Complaint, at 2.);
- Homelite and Petitioner share counsel in the Litigation; (*See, e.g., id.*)
- Petitioner and TTI NA have common directors. (*Compare* **EX2022**, Petitioner's Delaware Annual Franchise Tax Report, at 5-6, *with* **EX2023**, TTI NA's Delaware Annual Franchise Tax Report, at 4.);
- Prior Petitioner IPRs have named TTI NA as an RPI. (*See* IPR2016-01772, Paper 2; IPR2016-01774, Paper 2; IPR2016-01846, Paper 2; IPR2017-00073, Paper 2; IPR2017-00126, Paper 1; IPR2017-00214, Paper 2; IPR2017-00432, Paper 1; IPR2017-01040, Paper 2; IPR2017-01042, Paper 2; IPR2017-01132, Paper 2; IPR2017-01137, Paper 2; IPR2017-01546, Paper 2.)
- Prior IPRs brought by a related entity have named Petitioner, Techtronic, and TTI NA as RPIs. (*See* IPR2015-01461, Paper 2; IPR2015-01462, Paper 2.)

Lest there be any doubt that Petitioner, Techtronic, and TTI NA are intertwined corporate entities, Petitioner’s former President, Michael Farrah, testifying in another proceeding, stated during a deposition that he could not distinguish between the three RPIs, and that they are all really part of the same company. (EX2024, Order Exercising Jurisdiction, *Chamberlain Grp. v. Techtronic Indus. Co. Ltd. et al.*, No. 1:16-cv-06097, Dkt. 517 (filed Aug. 8, 2017), at 2-3 (“Q. You’re not sure which legal entity – entity Techtronic Industries Company Limited falls under? A. No. They’re partners—our co-development partners, really, part of our company. We treat them as our company.”).) Under these circumstances, Petitioner knew that it failed to name Techtronic, Homelite and TTI NA as RPIs when it filed its Petition.

**B. The Board Should Not Allow Petitioner To Update Its RPIs And Maintain Its Original Filing Date Because Petitioner Has Engaged In Gamesmanship And Failed To Identify The Unnamed RPIs In Bad Faith.**

In determining whether to allow a Petitioner to amend its mandatory notices to include RPIs, the Board will consider the following factors: whether there has been ... bad faith by the petitioner, ... or ... gamesmanship by the petitioner. *Elektta, Inc. v. Varian Medical Systems, Inc.*, Case IPR2015-01401, Paper 19 (PTAB Dec. 31, 2015); *see also Proppant Express Investments v. Oren Techs.*, IPR2017-01917, Paper 86 (precedential); *see also Applications in Internet Time, LLC v. RPX Corp.*,

897 F.3d 1336, 1355 (Fed. Cir. 2018) (noting that a party cannot use willful blindness to circumvent the RPI disclosure requirements).

Here, Petitioner's failure to name Techtronic, Homelite, and TTI NA as RPIs when it filed its Petition was in bad faith given the circumstances of Petitioner's omission, or at the very least constitutes gamesmanship. As demonstrated in Section A., *supra*, Petitioner knew of the close relationship between itself and the unnamed RPIs as they related to the products accused of infringement by Patent Owner in the Litigation. Petitioner also knew that the unnamed RPIs and it were intertwined at the corporate level. And look no further for evidence of bad faith and gamesmanship than Petitioner's attempt to deprive the Board of the opportunity to evaluate Petitioner's Motion on a complete record. (*See* EX2019, Declaration of Matthew J. Levinstein, ¶¶ 5-12.) Ultimately, Petitioner knew when it filed its Petition that all of the unnamed RPIs stood to directly benefit if the Board invalidates the claims of the challenged patents in this proceeding.

Petitioner does not offer a *mea culpa* to the Board and claim that its failure to include the unnamed RPIs was mere inadvertence or mistake. Rather, Petitioner sticks to its guns that the unnamed RPIs are not RPIs at all as a basis for its good faith. (Paper 13, at 3-6 (explaining that neither Techtronic nor Homelite controlled the filing of the Petition and therefore are not RPIs).) At best, Petitioner is continuing to be willfully blind to the well-established relationships between it and

the unnamed RPIs as they relate to this proceeding and the Litigation, knowing full well that if it were caught, it could simply move to amend its mandatory notices while retaining its original filing date, as it has now done. At worst, Petitioner intentionally concealed the unnamed RPIs in bad faith. Regardless, there is no basis for the Board to conclude under these circumstances that Petitioner reasonably believed that the unnamed RPIs were not actually RPIs. The Board should not permit Petitioner to update its mandatory notices and retain its filing date.

**C. The Board Should Not Allow Petitioner To Circumvent § 312 Without Consequence.**

When a petitioner fails to identify all RPIs at the time of filing, *the Board may not consider an IPR petition*. *Id.* at § 312(a)(1)-(2). Permitting amendments to mandatory disclosures, upon cursory proclamations of good faith “effectively nullifies the requirement set forth in § 312 that all real parties in interest must be identified for a petition to be considered.” *See Toshiba Memory Corp. v. Anza Tech. Inc.*, IPR 2018-01597, Paper 35 at 2-3 (PTAB June 6, 2019) (BEST, A.P.J., concurring). Here, there is no dispute that Petitioner failed to meet its burden to name three RPIs. (*See* Sections A., B., *supra.*) Petitioner must bear the consequence of its omission, and the Board should not permit Petitioner to retain its filing date.

Respectfully submitted,

Dated: September 10, 2020

By: /s/ James J. Lukas, Jr.

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## **CERTIFICATE OF SERVICE**

Pursuant to 37 C.F.R. 42.6(e), the undersigned hereby certifies that on the below date, I caused the forgoing to be served by electronic mail to the following:

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