

**PUBLIC VERSION**

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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CLEAR-VU LIGHTING LLC,  
Petitioner,

v.

UNIVERSITY OF STRATHCLYDE,  
Patent Owner.

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IPR2019-00588  
Patent 9,039,966 B2

IPR2019-00747  
Patent 8,398,264 B2

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Before DONNA M. PRAISS, CHRISTOPHER L. CRUMBLEY, and  
JEFFREY W. ABRAHAM, *Administrative Patent Judges*.

PRAISS, *Administrative Patent Judge*.

DECISION<sup>1</sup>

Denying Institution of *Inter Partes* Review  
Granting Motions to Seal  
*35 U.S.C. §§ 42.14, 42.54, 314(a), 315(b)*

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<sup>1</sup> This Decision applies to each captioned case. The parties are not authorized to use this heading style for any subsequent papers.

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## I. INTRODUCTION

Clear-Vu Lighting LLC (“Petitioner”) filed Petitions initiating these proceedings for *inter partes* review of claims 1 and 2 of U.S. Patent No. 9,039,966 B2 (“the ’966 patent”) and claims 1–30 of U.S. Patent No. 8,398,264 (“the ’264 patent”). IPR2019-00588, Paper 2; IPR2019-00747, Paper 2. University of Strathclyde (“Patent Owner”) filed Preliminary Responses to the Petitions. IPR2019-00588, Paper 23; IPR2019-00747, Paper 24. The parties separately briefed the issue of whether Petitioner named all of the real parties in interest to the proceedings. IPR2019-00588, Papers 17, 20, 22; IPR2019-00747, Papers 18, 21, 23.

“A petition filed under section 311 may be considered only if . . . the petition identifies all real parties in interest,” among other requirements. 35 U.S.C. § 312(a)(2). A petitioner bears the ultimate burden of persuasion in establishing that all real parties in interest have been named. *Worlds Inc. v. Bungie, Inc.*, 903 F.3d 1237, 1242 (Fed. Cir. 2018). In addition, “[a]n *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 complaint alleging infringement of the patent.” 35 U.S.C. § 315(b).

For the reasons set forth below, we determine that Petitioner did not meet its burden of showing that the Petitions name all of the real parties in interest pursuant to 35 U.S.C. § 312(a)(2). Consequently, the Petitions are time-barred pursuant to 35 U.S.C. § 315(b). Accordingly, we deny institution of the Petitions.

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A. *Related Proceedings*

The parties indicate that the '966 and '264 patents are at issue in *Kenall Mfg. Co. v. Clear-Vu Lighting LLC*, No. 2:18-cv-01337 (E.D.N.Y.). IPR2019-00588, Paper 2, 1, Paper 5, 2–3; IPR2019-00747, Paper 2, 1, Paper 4, 3.

Patent Owner also states that the '966 and '264 patents were at issue in *Kenall Mfg. Co. v. Vital Vio, Inc.*, No. 1:15-cv-00818 (D. Del.) (voluntarily dismissed on March 3, 2016) and are currently at issue in *Kenall Mfg. Co. v. Oldenburg Group Inc.*, No. 2:18-cv-01352 (E.D. Wis.) (pending). IPR2019-00588, Paper 5, 3–4; IPR2019-00747, Paper 4, 3–4. Patent Owner indicates the '966 patent was also at issue in *Kenall Mfg. Co. v. 555 Int'l, Inc.*, No. 1:17-cv-01668 (D. Del.) (voluntarily dismissed on May 4, 2018). IPR2019-00588, Paper 5, 3; IPR2019-00747, Paper 4, 3.

The parties state that the '966 patent issued from U.S. Application No. 11/997,227 (“the '227 Application”) and that U.S. Patent Application No. 14/657,398 (now U.S. Patent No. 9,839,706) is a continuation of the '227 Application. IPR2019-00588, Paper 2, 1–2, Paper 5, 2. U.S. Patent No. 9,839,706 (“the '706 patent”) is the subject of IPR2019-00431, in which we instituted an *inter partes* review on July 12, 2019. IPR2019-00431, Paper 12.

B. *The '966 Patent*

The '966 patent, titled “Inactivation of Gram-Positive Bacteria,” issued on May 26, 2015. IPR2019-00588, Ex. 1001, at codes (45), (54). The '966 patent explains that Gram-positive bacteria, including methicillin (multi)-resistant *Staphylococcus aureus* (MRSA), are known to cause health

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problems, such as infections, especially in a hospital environment. *Id.* at 1:13–49. The '966 patent discusses prior art techniques for destroying harmful bacteria, including ones that use light energy in combination with photosensitizing agents. *Id.* at 1:50–2:9. The '966 patent characterizes these as “useful,” but “suffer[ing] from the significant practical disadvantage that photosensitising agents must be applied to the bacteria that are to be inactivated.” *Id.* at 2:1–5. Thus, the '966 patent is directed to a “simple and effective” technique for inactivating bacteria comprising exposing bacteria to visible light without using a photosensitizer. *Id.* at 2:17–19. According to the '966 patent, the inventors found that exposing certain bacteria to blue light, or white light containing blue light, stimulates an inactivation process. *Id.* at 2:39–41. Using light in the visible-wavelength region is advantageous because it has no detrimental effect on human or animal health, and, therefore, “can be used for an extensive range of applications, such as air disinfection, contact-surface and materials disinfection and, most noteworthy, wound protection and tissue disinfection.” *Id.* at 2:41–46.

### *C. The '264 Patent*

The '264 patent, titled “Lighting Device,” issued on March 19, 2013. IPR2019-00747, Ex. 1001, at codes (45), (54). The '264 patent explains that MRSA and other healthcare associated infections are “an increasing problem for hospitals and medical clinics” and that “[m]ethods currently available for whole-room decontamination, such as UV-light, ozone and formaldehyde/ethylenoxide/hydrogen peroxide fumigation, cannot be used in the presence of people due to their toxicity.” *Id.* at 1:20–23. Thus, the '264 patent is directed to a lighting device that emits visible light at a

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wavelength and irradiance sufficient to inactivate one or more pathogenic bacterial species from a first element and that emits light of relatively longer wavelength and higher illuminance from a second element. *Id.* at 1:46–56. The '264 patent further describes a means for switching between two modes of light emitted from the device, such as the first mode light is operated continuously in the presence of human beings and the second mode light has a higher irradiance than the first mode, where switching between the modes is responsive to the detection of movement, such as the opening or closure of a door. *Id.* at 2:62–3:10.

## II. ANALYSIS

### A. *Whether the Petitions are Time-Barred under 315(b)*

Petitioner asserts that its Petitions were filed timely. IPR2019-00588, Paper 2, 3; IPR2019-00747, Paper 2, 3. Petitioner indicates that the real parties in interest (“RPI”) in the proceedings are Clear-Vu Lighting, LLC and Autronics Plastics, Inc., “an entity that is commonly owned with Clear-Vu Lighting, LLC.”<sup>2</sup> IPR2019-00588, Paper 14, 2; IPR2019-00747, Paper

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<sup>2</sup> According to Clear-Vu Lighting, LLC’s website, the company is a subsidiary of Autronics Plastics, Inc. *See* <http://clearvulighting.com/company/about-us/>. It is also represented in the record that “Autronic[s] Plastics, Inc. does business as Clear-Vu Lighting.” Ex. 1042 ¶ 1. We further note that Petitioner did not identify Autronics Plastics, Inc. as a real party in interest in its Petitions, but after our Order granting additional discovery regarding the real party in interest issue, Petitioner filed Updated Mandatory Notices to identify Autronics Plastics, Inc. as a real party in interest. IPR2019-00588, Paper 13 (Order), Paper 14 (Petitioner’s Updated Mandatory Notices); IPR2019-00747, Paper 14 (Order), Paper 15 (Petitioner’s Updated Mandatory Notices). A mistake in identifying a RPI is correctable, both before or after institution of the proceeding, while maintaining the original filing date of a petition. *Wi-Fi*

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15, 2. Petitioner asserts that Vital Vio, Inc. (“Vital Vio”) is a supplier to Petitioner, Vital Vio is “covering the cost of [these] Petition[s]” based on an agreement that includes an indemnity provision, and “Vital Vio provided technical assistance.” IPR2019-00588, Paper 14, 3; IPR2019-00747, Paper 15, 3. Nevertheless, Petitioner contends that Vital Vio is not a real party in interest because Vital Vio resolved its prior dispute with Patent Owner and because the decision to file the Petitions and the strategies in these proceedings are “not directed or controlled by Vital Vio.” IPR2019-00588, Paper 14, 3; IPR2019-00747, Paper 15, 3. According to Petitioner, “it would be unfair to impose the one-year time bar on Petitioner simply because its supplier, Vital Vio, was involved in a prior litigation with Patent Owner in which Petitioner did not participate.” IPR2019-00588, Paper 22, 1.<sup>3</sup>

Patent Owner argues that the Petitions are time-barred under § 315(b). IPR2019-00588, Paper 20, 1. According to Patent Owner, Vital Vio is also an RPI to these proceedings, and a privy of Petitioner. *Id.* Patent Owner avers that the Petitions were filed more than a year after Vital Vio was served with a complaint. *Id.* at 2.

It is not disputed that the Petitions in these proceedings would be time-barred under 35 U.S.C. § 315(b) if Vital Vio is a real party in interest or privy of Petitioner, because Vital Vio was served with a complaint for infringement of the patents involved in these proceedings more than one year before the filing date of the Petitions. *See Ex. 2003* (Complaint against

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*One, LLC v. Broadcom Corp.*, 878 F.3d 1364, 1374 n.9 (Fed. Cir. 2018) (en banc) (“the Director can, and does, allow the petitioner to add a real party in interest”).

<sup>3</sup> The parties’ briefing on the RPI issue in IPR2019-00747 mirrors the briefing on the issue in IPR2019-00588. Therefore, unless otherwise indicated, we cite to the papers filed in IPR2019-00588 for brevity.

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Vital Vio); Ex. 2004 (Proof of service of same); IPR2019-00588, Paper 3 (Notice According Filing Date); IPR2019-00747, Paper 6 (Notice According Filing Date).

### 1. 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 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).

“Whether a party who is not a named participant in a given proceeding nonetheless constitutes a ‘real party-in-interest’ . . . to that proceeding is a highly fact-dependent question” with no “bright line test,” and is assessed “on a case-by-case basis.” Office Patent Trial Practice Guide (“TPG”), 77 Fed. Reg. 48,756, 48,759 (Aug. 14, 2012) (citing *Taylor v. Sturgell*, 553 U.S. 880, 893–95 (2008); 18A Charles Alan Wright, Arthur R. Miller & Edward H. Cooper, Federal Practice & Procedure §§ 4449, 4451). “To decide whether a party other than the petitioner is the real party in interest, the Board seeks to determine whether some party other than the petitioner is the ‘party or parties at whose behest the petition has been filed.’” *Wi-Fi One, LLC v. Broadcom Corp.*, 887 F.3d 1329, 1336 (Fed. Cir. 2018) (“Wi-Fi Remand”) (emphasis added). “A party that funds and directs and controls an IPR or post-grant review proceeding constitutes a ‘real party-in-interest,’ even if that party is not a ‘privy’ of the petitioner.” *Id.* (quoting TPG at 48,760). Also, several relevant factors for determining

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whether a party is an RPI include the party's relationship with the petitioner, the party's relationship to the petition, and the nature of the entity filing the petition. *Applications in Internet Time, LLC v. RPX Corp.*, 897 F.3d 1336, 1351 (Fed. Cir. 2018) ("AIT").

The concept of "privity" is more expansive and encompasses parties that do not necessarily need to be identified in the petition as RPIs. TPG, 77 Fed. Reg. at 48,759.

Petitioner "bears the ultimate burden of persuasion to show that its petitions are not time-barred under § 315(b) based on a complaint served on an alleged real party in interest [or privy] more than a year earlier." *Worlds Inc. v. Bungie, Inc.*, 903 F.3d at 1242.

## 2. *Whether Vital Vio is a Real Party in Interest*

Petitioner characterizes non-party Vital Vio's involvement with these proceedings as limited and insufficient to bar these challenges to the '966 and '264 patents. Petitioner relies upon the June 3, 2019 Declaration of Daniel Lax, Principle/Owner of Autronic Plastics, Inc. doing business as Clear-Vu Lighting (Ex. 1042, "Lax Declaration"), the June 3, 2019 Declaration of Robert Barron, an employee of Vital Vio, Inc. (Ex. 1041, "Barron Declaration"), and two agreements between Petitioner and Vital Vio (Ex. 1036; Ex. 1037). Upon consideration of the evidence and arguments presented, we determine that Petitioner has not carried its burden of proof that Vital Vio is not an RPI for the following reasons.

Vital Vio supplies Petitioner with disinfecting LED lighting that Petitioner sells under a license agreement entered into as of September 29, 2017 ("the 2017 Agreement"). Ex. 1036, 4, 15; Ex. 1042 ¶ 3. Under the



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terms of the 2017 Agreement, [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]. Ex. 1036,  
12; Ex. 1042 ¶ 4. [REDACTED]

[REDACTED]  
[REDACTED]  
[REDACTED] Ex. 1036, 12. Thus, by the express terms of the 2017 Agreement, Vital Vio would have been obligated to fund and control the defense of the subsequent litigation brought by Patent Owner against Petitioner for infringement of the '966 and '264 patents if Petitioner properly notified Vital Vio of the litigation and requested indemnification.

On May 11, 2018, after Patent Owner sued Petitioner for infringement of the '966 and '264 patents, Petitioner and Vital Vio amended the 2017 Agreement. Ex. 1037 (“the 2018 Agreement”), 1; Ex. 1042 ¶ 6. The 2018 Agreement acknowledges that Vital Vio’s indemnification obligation under the 2017 Agreement was triggered by Patent Owner’s litigation against Petitioner.<sup>4</sup> Ex. 1037, 1. The 2018 Agreement also acknowledges [REDACTED]

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED] *Id.* at 1; Ex. 1042 ¶ 6. Under both the 2017 Agreement and the 2018 Agreement, [REDACTED]  
[REDACTED]

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<sup>4</sup> The 2018 Agreement refers to this litigation as “the Action.” Ex. 1037, 1.

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██████████. Ex. 1036, 12; Ex. 1037, 1. The fees and disbursements paid by Vital Vio include the fees associated with the preparation and filing of the instant IPR Petitions.<sup>5</sup> Ex. 1042 ¶ 12.

Based on the record before us, the defense against the assertion of patent claims in litigation under the 2018 Agreement appears to include challenging the patents in an *inter partes* review. Petitioner’s statement that “the IPR funding flowed from a general indemnification agreement” (Pet. 7) is an admission that IPR’s are contemplated within the “defense of the Action” obligation in the 2018 Agreement. It is also significant that Vital Vio’s role in these IPR proceedings—i.e., funding, providing an expert, and advising on prior art to the patents asserted—is consistent with its stated indemnification obligations under the 2018 Agreement to fund and control. The Lax Declaration supports the fact that the IPR proceedings are being fully funded by Vital Vio and that the IPR proceedings are a defense against the patent infringement allegation in the litigation. Ex. 1042 ¶¶ 10, 12. The Barron Declaration supports the use of a technical expert designated or contributed by Vital Vio to assist with the preparation of the Petitions, including technical assistance as to the prior art to the ’966 and ’264 patents. Ex. 1041 ¶¶ 3–6.

Thus, based on the evidence presented, Vital Vio is fully funding and at least partially controlling the defense against Patent Owner’s claims of infringement, which appears to include both the litigation and the IPR

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<sup>5</sup> A party who funds and controls the defense to a patent challenge in an *inter partes* review proceeding has been called a real party in interest. *See Wi-Fi One*, 887 F.3d at 1336; TPG, 77 Fed. Reg. at 48,760 (“A party that funds and directs and controls an IPR or post-grant review proceeding constitutes a ‘real party-in-interest,’ even if that party is not a ‘privy’ of the petitioner.”).

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proceedings. There is no evidence of any difference between the control exercised by non-party Vital Vio in the IPR proceedings and the control exercised by Vital Vio in the district court litigation. The 2018 Agreement makes no distinction between the litigation and the IPR proceedings with respect to the scope of “the defense of the Action,” and, as discussed above, the parties to the Agreement have acted consistent with the “defense of the Action” encompassing both the litigation and the IPR proceedings.

Ex. 1037, 1. Vital Vio meets with Petitioner every month [REDACTED] and [REDACTED] has been doing so since July 2018, two months after the May 11, 2018 effective date of the 2018 Agreement. *Id.* The expenditure of attorney’s fees includes the fees for preparing and filing the Petitions to commence the IPR proceedings. Ex. 1042 ¶ 12. Thus, according to the facts presented and consistent with the terms of the 2018 Agreement, Vital Vio has been meeting monthly with Petitioner regarding the progress of “the Action” involving the ’264 and ’966 patents since July 2018, both before and after the filing of the instant Petitions occurred in January and February 2019. IPR2019-00588, Paper 3; IPR2019-00747, Paper 6.

The facts in this case are also distinguishable from those in the cases relied upon by Petitioner regarding the significance of indemnification agreements and customer-supplier relationships in an analysis of whether a third party is a real party in interest. Paper 17, 6–8; Paper 22, 2. Here, Vital Vio is given explicit control over the proceedings under the indemnification provisions of the 2017 Agreement. In cases where a third party was found not to be a real party in interest, the third party was not accorded the right to control the proceeding. *Cf. Petroleum Geo-Services Inc. v. WesternGeco*

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*LLC*, IPR2014-00687, Paper 100 at 35–36 (PTAB Dec. 15, 2015) (finding third party was not a real party in interest where the indemnification agreement did not require the third party to defend a lawsuit); *BAE Sys. Info. & Elec. Sys. Integration, Inc. v. Cheetah Omni, LLC*, 2013 WL 5653116 at \*2 (PTAB July 23, 2013) (indemnity provision did not extend the right to exercise control over proceeding); *Broadcom Corp. v. Telefonaktiebolaget LM Ericsson*, IPR2013-00601, Paper 23 at 11 (PTAB Jan. 24, 2014)(no evidence of control by the third party in the record, only evidence of potential future control as a non-party over the appeal of an issue of damages); *SIPNET EU S.R.O. v. Straight Path IP Group, Inc.*, IPR2013-00246, Paper 62 at 12 (PTAB Oct. 9, 2014)(only evidence of control in the record was that third party provided one reference at the petitioner’s request); *Google LLC v. Seven Networks*, IPR2018-01051, Paper 28 at 11–12, 21–22 (PTAB Nov. 19, 2018) (no employee of the third party was consulted regarding the preparation of the IPR petition, the petitioner independently controlled and funded its petition and proceeding, and the record established no funding or control of a third party’s petition); *Unified Patents, Inc. v. Realtime Adaptive Streaming, LLC*, IPR2018-00883, Paper 36 at 16–17 (PTAB Oct. 11, 2018)(no evidence of direct financing of the IPR proceeding or payment to petitioner, no evidence of communication regarding the petition, and no evidence that any third party was time-barred from filing its own IPR).

According to Petitioner, modification of the 2017 Agreement by the 2018 Agreement “merely clarified how the indemnification provision would apply to a specific District Court lawsuit, and had no language relating to IPRs.” Paper 22, 3. Petitioner further asserts that “[n]othing in the [2017]

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Agreement precluded Clear-Vu from filing an IPR.” *Id.* Petitioner also argues that “[r]egardless of whether Vital Vio had the opportunity to control the IPR petitions, it did not do so.” *Id.* at 4. Thus, Petitioner contends that none of the evidence “demonstrates that Vital Vio controlled the IPR petitions at any point in time.” *Id.* at 5. Petitioner relies on the Declaration of Daniel Lax (Ex. 1042 “Lax Declaration”), who states that he “made the decision, as President of Clear-Vu, to seek inter partes review” of the patents, he “approved Banner & Witcoff Ltd.’s filing of the petitions on behalf of Clear-Vu,” and that “Clear-Vu did not file the IPR petitions at Vital Vio’s behest or on Vital Vio’s behalf.” Ex. 1042 ¶¶ 7, 9, 10.

Complete control, however, is not necessary for a non-party to be considered a real party in interest; the degree of funding or control are pertinent facts that are considered among others factors when determining whether a non-party is a real party in interest. TPG, 77 Fed. Reg. at 48,760 (“[W]hether something less than complete funding and control suffices to justify similarly treating the party requires consideration of the pertinent facts.”). Other factors present here are Vital Vio’s complete funding of the district court litigation and these *inter partes* review proceedings; Vital Vio’s involvement with the preparation of the Petitions in these proceedings; Vital Vio’s clear benefit from these proceedings as the manufacturer of the disinfectant LED lighting product; and Vital Vio’s identification as a real-party-in-interest in related IPR2019-00431. *See AIT*, 897 F.3d at 1351 (“Determining whether a non-party is a ‘real party in interest’ demands a flexible approach that takes into account both equitable and practical considerations, with an eye toward determining whether the non-party is a clear beneficiary that has a preexisting, established relationship with the

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petitioner.”); Ex. 1037, 1; Ex. 1041 ¶¶ 1–6; Ex. 1042 ¶¶ 3, 12; Ex. 1036, 3–4; IPR2019-00431, Paper 11. We discuss these factors in turn below.

Petitioner’s assertions (Paper 17, 2) that Vital Vio “merely funded these IPRs” and “provided minor technical assistance” are not supported by the record. Vital Vio is not “merely” funding these IPRs, but *fully funding* these IPRs as well as *fully funding* the related pending district court litigation. Ex. 1037, 1 [REDACTED]

[REDACTED] Vital Vio is also “collectively control[ling]” the defense against the asserted patents in a coordinated manner that includes meeting monthly with Petitioner, and has the right to approve Petitioner’s appointment of counsel. *Id.* [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]; Ex. 1042 ¶ 12.

Similarly, Vital Vio’s assistance with these *inter partes* reviews has not been sufficiently shown to be “minor.” The record reflects monthly meetings between Vital Vio and Petitioner regarding the progress of the defense against the asserted patents and expenditures of attorney fees. Ex. 1037, 1–2. Nothing in the record persuasively suggests that Vital Vio’s involvement is anything other than at least equal to that of Petitioner. The Lax Declaration confirms that Vital Vio fully funds these *inter partes* proceedings, that the Petitions were submitted as part of the defense against Patent Owner’s patent infringement allegations in the pending litigation, and, significantly, Mr. Lax does not refute the monthly meetings or other

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aspects of Vital Vio's control that include Vital Vio's employee assisting with the Petitions. Ex. 1042 ¶¶ 10, 12. Instead, Mr. Lax states that he was the only person *at Clear-Vu* involved in the decision to seek *inter partes* review and that he provided his approval *on behalf of Clear-Vu* for counsel to file the Petitions. *Id.* ¶¶ 7, 9. On balance, the Lax Declaration does little to meet Petitioner's burden of proof that Vital Vio is not an RPI because the Lax Declaration shows Petitioner's role in preparing the Petitions without refuting an equal or greater role exercised by Vital Vio in accordance with the 2018 Agreement.

Petitioner asserts that the technical assistance provided by Vital Vio “does not make Vital Vio a RPI.” Paper 17, 7. Petitioner makes this conclusory statement following a single sentence listing broad categories of technical areas in which Vital Vio's assistance was received. *Id.* The listing mirrors that provided in the Declaration of Robert Barron, an employee of Vital Vio who holds the position of Associate Director, Compliance Engineer, R&D. Ex. 1041 ¶¶ 1, 5, 6. While the technical assistance of a third party alone may not be sufficient to render the third party an RPI, it is a relevant factor that is included in our consideration of all of the factors present. In addition, the Barron Declaration states that Vital Vio provided prior art for use by counsel representing both Vital Vio and Petitioner. Ex. 1041 ¶ 4.

Against this backdrop, engaging the technical assistance of Vital Vio's employee reflects highly pertinent contributions to these IPR proceedings from Vital Vio. We further note that the declaration of not one, but three, expert witnesses on technical issues is included with the Petitions. Ex. 1025; Ex. 1032; IPR2019-00747, Ex. 1038. This suggests that Vital Vio

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may not be merely acting as a consultant, since other technical consultants who are not Vital Vio employees were available and engaged for the IPR proceedings.

Petitioner does not sufficiently explain why Vital Vio's employee assisted on technical issues in the defense when counsel representing the parties retained multiple outside consultants with technical expertise. *See* Ex. 1025 (Declaration of Michael A. Sulzinski); Ex. 1032 (Declaration of Carrie Gardner, Ph.D.); IPR2019-00747, Ex. 1037 (Declaration of Michael A. Sulzinski, Ph.D.), Ex. 1038 (Declaration of Zane Coleman). Nor does Petitioner provide any evidence regarding the amount of technical assistance provided by Vital Vio as compared to the retained technical experts to support the statement that the assistance provided by Vital Vio was "minor." According to the declaration provided by Vital Vio's employee, Robert Barron, technical assistance by Vital Vio was provided over a period of four months from about September 2018 to about December 2018, commencing after the 2018 Agreement effective date and ending before the Petitions were filed in January and February of 2019. The expert declarations filed as exhibits in these proceedings are dated in January 2019 and February 2019, which is the same time period in which the respective Petitions were filed. Based on the record before us, Vital Vio's technical assistance with the instant Petitions over a period of four months is an additional factor showing involvement that further weighs against the assertion that the Petitions were under Petitioner's independent control.

Vital Vio's technical assistance providing prior art and other explanations pertinent to the issues in these proceedings indicates that it has an interest in the successful "defense of the Action," which on this record



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appears to include the IPR proceedings. Ex. 1037, 1. The correspondence directly from Vital Vio to Patent Owner also shows that Vital Vio is a beneficiary of these proceedings being successful in challenging the asserted patents. Ex. 2008, 1. In one letter, Vital Vio characterizes the litigation brought by Patent Owner as being part of a “lawsuit campaign . . . against various suppliers of lighting products.” *Id.* The letter asserts that “Vital Vio and its customers will have no choice but to pursue all available measures to defend themselves. This will include . . . filing papers to invalidate each of [Patent Owner’s] asserted patents . . . .” *Id.* The letter thus describes how Vital Vio stands to benefit from these proceedings, namely, as a manufacturer of the lighting products being sold and as an entity with multiple “customers” for the lighting products that are being accused of infringement by Patent Owner.

The cases relied upon by Petitioner to support its position that Vital Vio is not a real party in interest to these proceedings are distinguishable based on Vital Vio’s involvement in these proceedings. *Cf. Wi-Fi One, LLC*, 887 F.3d at 1340 (where the manufacturer of the allegedly infringing product was the Petitioner rather than the non-party alleged to be a real party in interest); *Unified Patents, Inc. v. Realtime Adaptive Streaming, LLC*, IPR2018-00883, Paper 29 at 15–16 (PTAB Oct. 11, 2018) (determining third party was not a real party in interest where there was no communication or assistance with the filing of the petition, including financial assistance); *SIPNET EU S.R.O. v. Straight Path IP Group, Inc.*, IPR2013-00246, Paper 62 at 12 (PTAB Oct. 9, 2014) (vendor-reseller relationship does not demonstrate third party exercised control or could have

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exercised any control over the proceeding where the vendor provided a prior art reference requested by the petitioner).

Another practical consideration for our real-party-in-interest analysis is Vital Vio's identification as a real party in interest in a related IPR. IPR2019-00431, Paper 11. Not only is the patent involved in IPR2019-00431 closely related to the patents involved in these proceedings (the '706 patent is a continuation of the '966 patent) and involved in the same litigation between the parties as the '966 and '264 patents, but Vital Vio provided technical assistance there also. Pet. 2; Paper 14, 3; Paper 17, 2. Because the '706 patent is involved in the same litigation between the parties, the 2018 Agreement discussed above also applies to the IPR2019-00431 proceeding with respect to funding and control by Vital Vio. The only apparent difference between the IPR2019-00431 proceeding and the instant proceedings is the fact that the '706 patent was not asserted against Vital Vio more than a year prior to filing of the petition in IPR2019-00431. Consequently, Petitioner's identification of Vital Vio as a real party in interest in IPR2019-00431 does not invoke a statutory bar under 35 U.S.C. § 315(b) to institution in that proceeding, and suggests that the only reason Vital Vio is not similarly identified as an RPI in these proceedings is to avoid application of the bar. The fact that Vital Vio is a named real party in interest in IPR2019-00431 under essentially the same circumstances present in these proceedings suggests that Vital Vio is a real party in interest in these proceedings as well.

For the above reasons, these facts weigh strongly in favor of Vital Vio being a real party in interest. *Atlanta Gas Light Co. v. Bennett Regulator Guards, Inc.*, IPR2013-00453, Paper 88 at 9–13 (PTAB Jan. 6, 2015)

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(determining non-party was a real party in interest where petitioner failed to provide clear evidence of the level of involvement of the non-party); *cf.*

*Google LLC v. Seven Networks, LLC*, IPR2018-01051, Paper 28 at 11–12

(PTAB Nov. 19, 2018) (determining petitioner did not fail to name a third

party as a real party in interest where the record showed that no officer,

director, or employee of the third party was consulted regarding the

preparation of the IPR petition or the decision to file the IPR petition);

*Samsung Elec. Co. v. Seven Networks, LLC*, IPR2018-01114, Paper 27 at 9–

10 (PTAB Jan. 22, 2019) (determining third party was not an RPI where the

petition was prepared independently and not funded or controlled by the

third party); *FPUSA, LLC v. M-I LLC*, IPR2016-00213, Paper 45 at 8–12

(PTAB Mar. 20, 2017) (determining third party was not an RPI because

funding and control was not shown by common counsel, an interest-free

loan to pay petitioner’s expert, and a settlement letter that involved multiple

entities and disputes).

After considering all of the arguments and evidence presented by both Petitioner and Patent Owner on the issue of whether Vital Vio is a real party in interest in these proceedings, there is persuasive evidence that the relationship between Petitioner and Vital Vio is one in which Vital Vio is using the proceedings initiated in Petitioner’s name as vehicles to pursue challenges to the validity of the ’966 and ’264 patents that would otherwise be barred if brought in Vital Vio’s own name. As a result, we find Petitioner failed to meet its “burden of persuasion to show that its petitions are not time-barred under § 315(b) based on a complaint served on an alleged real party in interest [or privy] more than a year earlier.” *Worlds Inc. v. Bungie, Inc.*, 903 F.3d at 1242.

3. *Whether Vital Vio is a Privy of Petitioner*

Because we find that Petitioner has not carried its burden to show that Vital Vio is not a real party in interest and that these proceedings are not time barred under § 315(b), we need not reach the issue of whether Vital Vio is a privy of Petitioner.

B. *Motions to Seal Exhibits*

The parties have each filed a Motion to Seal in each of these proceedings. Neither party filed an opposition to any of the Motions to Seal. The Motions are discussed in turn and each is granted for the following reasons.

The Board's standards for granting motions to seal are discussed in *Garmin International v. Cuozzo Speed Technologies, LLC*, IPR2012-00001, Paper 34 (PTAB Mar. 14, 2013). In summary, there is a strong public policy for making all information filed in *inter partes* review proceedings open to the public. *Id.* The standard for granting a motion to seal is "good cause." 35 U.S.C. § 316(a)(1), (7); 37 C.F.R. §§ 42.14, 42.54. The party asserting confidentiality bears the burden of showing that the relief requested should be granted. 37 C.F.R. § 42.20(c). This includes showing that the information is truly confidential, and that such confidentiality outweighs the strong public interest in having an open record. In addition, a motion to seal is required to include a certification that the moving party has in good faith conferred, or attempted to confer, with the opposing party in an effort to come to an agreement on the scope of the protection sought. *Garmin*, Paper 34 at 3.

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For each of the motions, the burden has been met as discussed below.

*1. Petitioner's Unopposed Motion to Seal Exhibits*

Petitioner filed a Motion to Seal Exhibits 1036 and 1037 in IPR2019-00588 and a Motion to Seal corresponding Exhibits in IPR2019-00747 (Exhibits 1051 and 1052). IPR2019-00588, Paper 18; IPR2019-00747, Paper 19.<sup>6</sup> Petitioner states in the unopposed Motions to Seal that the exhibits are confidential agreements between Petitioner and non-party Vital Vio that contain confidential commercial information, such as licensing terms and other confidential business terms. Petitioner represents that the information contained in the exhibits has not been made publicly available and that Petitioner has “undertaken efforts to maintain the confidentiality of the agreements.” Paper 18, 1–2. Petitioner also represents that it conferred in good faith with Patent Owner and that the parties have agreed to be bound by the terms of the Board’s default protective order. *Id.* at 2.

Upon consideration of Petitioner’s Motions to Seal, we are persuaded that the information contained in IPR2019-00588 Exhibits 1036 and 1037 and IPR2019-00747 Exhibits 1051 and 1052 contain confidential business information that has not been made publicly available. That the information contained in the exhibits is confidential and not publicly available is also confirmed by the fact the exhibits were produced after Patent Owner moved for additional discovery, which we granted in part. IPR2019-00588, Paper 13; IPR209-00747, Paper 14. We determine that good cause exists to keep the confidential information in Petitioner’s Exhibits 1036 and 1037 in

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<sup>6</sup> Citations herein to Petitioner’s Motions to Seal are to Paper 18 filed in IPR219-00588, which is virtually identical to Paper 19 filed in IPR2019-00747.

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IPR2019-00588 and Exhibits 1051 and 1052 in IPR2019-00747 under seal, as they relate to confidential business information. Accordingly, we grant Petitioner's unopposed motions to seal Exhibits 1036 and 1037 in IPR2019-00588 and Exhibits 1051 and 1052 in IPR2019-00747.

## *2. Patent Owner's Unopposed Motion to Seal Exhibit 2018*

Patent Owner filed a Motion to Seal Exhibit 2018 in both IPR2019-00588 and IPR2019-00747. IPR2019-00588, Paper 21; IPR2019-00747, Paper 22.<sup>7</sup> Patent Owner states in the unopposed Motions to Seal that the exhibit is subject to a confidentiality agreement and that it contains business sensitive information, including obligations between Patent Owner and Vital Vio which resolved the prior litigation between Patent Owner and Vital Vio. IPR2019-00588, Paper 21, 1. Patent Owner asserts that disclosure of the agreement would compromise its ability to fairly negotiate its intellectual property rights. *Id.* Patent Owner also asserts that there is a need to rely on the information sought to be sealed because it is a relevant fact to Vital Vio's relationship to these proceedings, which is a critical issue. *Id.* at 1–2. Patent Owner similarly represents that it conferred with Patent Owner and that the parties have agreed to be bound by the terms of the Board's default protective order. *Id.* at 2.

We are persuaded on this record that the information contained in Exhibit 2018 in IPR2019-00588 and IPR2019-00747 contains confidential business information that has not been made publicly available. We determine that good cause exists to keep the confidential information in

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<sup>7</sup> Citations herein to Patent Owner's Motions to Seal are to Paper 21 filed in IPR219-00588, which is virtually identical to Paper 22 filed in IPR2019-00747.

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Patent Owner's Exhibit 2018 in IPR2019-00588 and IPR2019-00747 under seal as it relates to confidential business information. Accordingly, we grant Patent Owner's unopposed Motions to Seal Exhibits 2018 in IPR2019-00588 and IPR2019-00747.

### *3. Stipulated Default Protective Orders*

Along with each of Petitioner's Motions to Seal, a Stipulated Default Protective Order agreed to by the parties was filed. IPR2018-00588, Paper 18, Appendix A; IPR2018-00747, Paper 19, Appendix A. The Stipulated Default Protective Orders agreed to by the parties are copies of the default Protective Order set forth in Appendix B of the Office Patent Trial Practice Guide, 77 Fed. Reg. 48,756, 48,756–66 (Aug. 14, 2012). As such, we hereby enter the Stipulated Default Protective Orders, which govern the treatment and filing of confidential information in the instant proceedings.

## III. CONCLUSION

For the foregoing reasons, we conclude on this record that Petitioner has not met its burden to show that the Petitions name all real parties in interest as required by 35 U.S.C. § 312(a)(2). Furthermore, we determine that Petitioner has not met its burden to show that these proceedings are not time barred under 35 U.S.C. § 315(b) based on the complaints alleging infringement of the '966 patent and the '264 patent that were served on Vital Vio more than one year before the Petitions in these proceedings were filed. Accordingly, pursuant to 35 U.S.C. §§ 312(a)(2) and 315(b) and 37 C.F.R. § 42.71(a), we deny the Petitions.

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#### IV. ORDER

It is hereby,

ORDERED that the Petitions in IPR2019-00588 and IPR2019-00747 are denied;

FURTHER ORDERED that Petitioner's Motions to Seal Exhibits 1036 and 1037 in IPR2019-00588 and Exhibits 1051 and 1052 in IPR2019-00747 are granted;

FURTHER ORDERED that Patent Owner's Motions to Seal Exhibit 2018 in IPR2019-00588 and IPR2019-00747 are granted;

FURTHER ORDERED that the Stipulated Default Protective Orders (IPR2018-00588, Paper 18, Appendix A; IPR2018-00747, Paper 19, Appendix A) be entered;

FURTHER ORDERED that this Decision is filed under seal, designated as "For Board and Parties Only" as it discusses and cites to the documents under seal; and

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



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For PETITIONER:

Binal Patel

Brian Emfinger

Matthew Becker

BANNER AND WITCOFF, LTD.

bpatel@bannerwitcoff.com

bemfinger@bannerwitcoff.com

mbecker@bannerwitcoff.com

For PATENT OWNER:

Christopher B. Kelly

Jason P. Cooper

ALSTON & BIRD LLP

chris.kelly@alston.com

jason.cooper@alston.com