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RPI or RIP? How failing to list a real party-in-interest can kill a post-grant proceeding

BY STATUTE, A PETITION FOR A post-grant proceeding must name the real party-in-interest ("RPI"). But who is a RPI and why does it matter whether the petitioner lists all RPIs?

Who is a RPI? Neither the statute nor the Patent Office rules defines RPI. The Patent Trial and Appeal Board ("PTAB" or "Board") trial practice guide gives some basic insight: "at a general level, the 'real party-in-interest' is the party that desires review of the patent." This is "the petitioner itself, and/or it may be the party or parties at whose behest the petition has been filed."

As elaborated by the Board, RPI is a fact specific analysis that goes to financial control and involvement in a proceeding. It includes determining the "existence of a financially controlling interest in the petitioner[,] ... the nonparty's relationship with the petitioner; the nonparty's relationship to the petition itself, including the nature and/or degree of involvement in the filing; and the nature of the entity filing the petition." (IPR2013-00606, Paper 13.)

Limits on whether to consider a nonparty as a RPI have arisen in cases involving co-defendants or related corporate entities. The PTAB has found entities listed in a certificate of interested entities in an unrelated district court proceeding to not be RPIs. Similarly, co-defendants in a litigation, without more, are not RPIs. Contractual agreements that do not give co-defendants the right to intervene or control the petitioner's defense for patent infringement do not give rise to RPIs. Likewise, indemnification clauses in purchase agreements between petitioner and the unnamed entity, without more, do not make a RPI.

As for related corporations, the inquiry is not merely whether the unnamed corporate entity controls the listed entity, but whether the unnamed entity can exercise control over the post-grant proceeding. Where a corporate relationship has been "blurred to the point that it is not possible to determine where one entity ends and the other begins" and the unnamed entity has exercised, or could have exercised, control over the petition, then that unnamed party is a RPI and should be listed on a petition. **However, even if the corporate relationship looks blurred,**

declaratory evidence that the parent company was not paying for or making decisions related to the proceeding, and that outside counsel handling the procedure was corresponding with and being paid by petitioner, can show that the unnamed corporate entity is not a RPI.

Why does it matter whether the petition identifies all RPIs? It matters for two reasons. First because a "petitioner, real party-in-interest, or privy of the petitioner" is barred from filing a petition for *inter partes* review more than one year after being first served with a complaint for patent infringement. 35 U.S.C. § 315(b). So while a petitioner may not be time-barred, a patent owner could still raise a defense under 35 U.S.C. § 315(b) if RPI had been served with a complaint for patent infringement more than one year before the petitioner requested an IPR.

Second, it matters because of the estoppel that arises upon entry of a final written decision in favor of a patent owner. The estoppel applies to the petitioner, all real parties-in-interest, or any privy, and prevents those parties from challenging the same claims in a district court, International Trade Commission, or other USPTO proceeding based on any ground the petitioner "raised or reasonably could have raised" during the post-grant proceeding.

But in a practical sense, it really matters because failure to name a RPI can lead to loss of petition filing date, a denial of institution, or a termination of an instituted proceeding. It is the petitioner that bears the burden of compliance. Losing a petition filing date can be critical when a petitioner has waited until just before the 315(b) one-year bar date to file a petition. In IPR2015-01420, for example, the PTAB denied institution where the petitioner had failed to list all RPIs and granting a new filing date would have been futile because petitioner would have been time barred under 315(b). In another case, the PTAB dismissed an instituted IPR once the patent owner provided sufficient evidence that the petition did not list all RPIs.

In short, it behooves the petitioner to properly list all RPIs in the petition. Likewise, a patent owner should carefully consider whether it can challenge the petition on this procedural issue, if it believes the petition to be lacking a RPI.

This article represents the current views of the authors and not necessarily of Sterne Kessler or any of its clients.

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