

PTAB Finds RPX Member Google is not Real Party in Interest or Privy

RPX Corporation v. Publishing Technologies, LLC, IPR2018-01131, Paper 44 (PTAB Jan. 7, 2020).

By: Adam Reis and Lisa Holubar | January 17, 2020

In what amounts to the next in a long line of cases addressing the subject, the Patent Trial and Appeal Board issued an opinion again confirming that membership in an organization committed to filing IPRs does not rise to the level of “real party in interest.”

RPX Corporation (“RPX”) filed a petition for *inter partes* review (“IPR”) of a patent owned by Publishing Technologies, LLC (“Publishing Tech.”). The patent had previously been asserted against and found not infringed by Google, Inc. (“Google”). Google is a long-term member of RPX, which is an organization dedicated to mitigating patent risk by, inter alia, acquiring patents, licensing its patent portfolio to its members, and filing IPRs to challenge the validity of third-party patents. The Patent Act provides “[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.”¹ It was undisputed that Google had been served with such a complaint more than a year prior to the IPR, and was thus time barred from filing an IPR itself. Publishing Tech. argued that Google, by virtue of its long-standing membership in RPX, was both a real party in interest to the petition and a privy to RPX and thus the IPR was time barred.

“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.”² Such an inquiry “demands a flexible approach that takes into account both equitable and practical considerations, with an eye toward determining whether the nonparty is a clear beneficiary that has a preexisting, established relationship with the petitioner.”³

The PTAB made clear that Google’s RPX membership did not alone make it a real party in interest. Critical to this conclusion was RPX’s representation that it always acted alone, funding its own petitions and discouraging input from its members. Further, the PTAB noted that the RPX membership agreement imposed no obligation on RPX to file IPRs or discuss them with its members. The PTAB likewise found Google not to be a privy of RPX because the evidence did not demonstrate that Google was likely to receive any benefit from the petition. Without being deemed a real party in interest or privy, the time bar applicable to Google could thus not be applied to RPX, and the PTAB allowed the petition to proceed.

¹ 35 U.S.C. § 315(b).

² *Wi-Fi One, LLC v. Broadcom Corp.*, 887 F.3d 1329, 1336 (Fed. Cir. 2018).

³ *Applications in Internet Time, LLC v. RPX Corp.*, 897 F.3d 1336, 1351 (Fed. Cir. 2018).

This is not the first time this argument has been unsuccessful at the PTAB. Interestingly, a group such as RPX would not have Article III standing to challenge the validity of a patent in district court unless it faced an assertion of infringement. Yet, in the PTAB, such a group can freely challenge the validity of a patent, and the argument goes that such a challenge benefits the members of that group by giving them a free bite at the proverbial apple, and allows the group to circumvent the time bar that would apply to the member.⁴ While it was not the case for Google here, one can envision situations in which a party-member clearly benefits from the organization filing an IPR. As it stands, however, these relationships do not rise to the level of constituting a real party in interest or privy. Patent owners nonetheless have not relented in their effort to convince the PTAB that members should be determined real parties in interest, perhaps setting the stage for an appeal to the Federal Circuit.

⁴ As some indication that this issue is gaining traction, last year, the STRONGER Patents Act was introduced, which would add a requirement that IPR petitioners meet a standing requirement similar to that for district court litigants. See STRONGER Patents Act, H. R. 3666, 116th Cong. § 102(c) (2019).