

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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TRW AUTOMOTIVE US LLC  
Petitioner

v.

MAGNA ELECTRONICS, INC.  
Patent Owner

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Cases<sup>1</sup>

IPR2014-00293 (Patent 8,314,689)  
IPR2014-00294 (Patent 8,314,689)  
IPR2014-00296 (Patent 8,324,552)  
IPR2014-00297 (Patent 8,324,552)  
IPR2014-00298 (Patent 8,324,552)

Before JUSTIN T. ARBES, BARRY L. GROSSMAN,  
BART A. GERSTENBLITH, BEVERLY M. BUNTING, and  
FRANCES L. IPPOLITO, *Administrative Patent Judges*.

BUNTING, *Administrative Patent Judge*.

DECISION

Service Under 35 U.S.C. § 315(b) and  
Real Party In Interest Under 35 U.S.C. § 312(a)(2)

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<sup>1</sup> This Order addresses issues that are the same in all five cases. Therefore, we exercise our discretion to issue one Decision to be filed in each case. The parties are not authorized to use this style heading for any subsequent papers.

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## I. INTRODUCTION

Petitioner TRW Automotive US LLC filed two Petitions, IPR2014-00293 and IPR2014-00294, requesting *inter partes* review of U.S. Patent No. 8,314,689 B2 (“the ’689 patent”) on December 24, 2013, and filed three Petitions, IPR2014-00296, IPR2014-00297, and IPR2014-00298, requesting *inter partes* review of U.S. Patent No. 8,324,552 B2 (“the ’552 patent”) on December 26, 2013. In each of these proceedings, Patent Owner Magna Electronics, Inc. filed a Preliminary Response.<sup>2</sup>

Case No.	Petition Paper No.	Preliminary Response Paper No.
IPR2014-00293	1 (“Pet.”)	8 (“Prelim. Resp.”)
IPR2014-00294	1	8
IPR2014-00296	1	8
IPR2014-00297	1	8
IPR2014-00298	1	12

Patent Owner contends that (1) each of the respective Petitions is time-barred under 35 U.S.C. § 315(b), which provides that an *inter partes* review may not be instituted based on a petition “filed more than 1 year after

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<sup>2</sup> As the Order, briefs, and exhibits in all five proceedings are substantially similar, and the analysis herein applies to each of these proceedings, we refer to papers filed in IPR2014-00296 for convenience.

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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,” and (2) Petitioner failed to “identif[y] all real parties in interest” as required by 35 U.S.C. § 312(a)(2). Prelim. Resp. 1-2.

Following a conference call on April 10, 2014, among respective counsel for Petitioner and Patent Owner, we ordered the parties to submit additional briefing “addressing the issue of when Petitioner was ‘served with a complaint’ alleging infringement of the respective patents under 35 U.S.C. § 315(b).” Paper 10 (“Order”). The Order divided seventeen of the eighteen petitions into two groups, i.e., Group 1 and Group 2, in light of the common facts presented in each group. *Id.* at 3. Each of the proceedings identified above all fall within Group 2, and Petitioner filed a Group 2 Brief addressing the common issues in each of the instant proceedings. Paper 11 (“Brief”). Subsequently, Patent Owner filed a Reply in each of the instant proceedings. Paper 12 (“Reply”).<sup>3</sup>

We note that this Decision only addresses the petitions in Group 2. Because the analysis herein applies to each of these proceedings, our Decision likewise is applicable to each proceeding. Based on the record

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<sup>3</sup> Patent Owner asserts that Petitioner did not serve its Group 2 Brief in compliance with the requirements set forth in 37 C.F.R. § 42.6(e), and thus, the Brief should be expunged. Reply 6-7. We agree that mailing via U.S. Mail, as indicated in Petitioner’s certificates of service, fails to comply with 37 C.F.R. § 42.6(e). The error appears harmless because Patent Owner received notice of Petitioner’s Group 2 Brief and timely responded. Therefore, we decline to expunge Petitioner’s Group 2 Brief in this instance. Petitioner, however, must follow Rule 42.6(e) going forward.

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before us, for the reasons that follow, we do not deny the Petitions under §§ 315(b) and 312(a)(2).<sup>4</sup>

## II. DISCUSSION

### A. 35 U.S.C. § 315(b)

We first consider arguments raised in Patent Owner’s Preliminary Response challenging whether Petitioner timely filed its Petitions for *inter partes* review of the ’689 and ’552 patents. Prelim. Resp. 1, 6-9. Patent Owner initially filed a complaint against Petitioner, alleging infringement of patents related to the ’689 and ’552 patents, on June 20, 2012, in the United States District Court for the Western District of Michigan. Petitioner then filed an amended complaint (“First Amended Complaint”) on July 18, 2012, alleging infringement of the same patents.<sup>5</sup> Ex. 1052, 1.

Patent Owner later filed “Plaintiff’s Consented Motion for Leave to File Second Amended Complaint and Extension of Time to Answer” (“Motion for Leave” or “Motion”) on December 20, 2012. Ex. 2001. The Motion for Leave attached as Exhibit A a copy of a Second Amended

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<sup>4</sup> This Decision only addresses Patent Owner’s assertions regarding Petitioner’s identification of all real parties in interest and the issues related to § 315(b) for the Group 2 cases. This Decision does not address any other issues affecting whether an *inter partes* review will be instituted in any of the instant proceedings. We will address separately whether to institute an *inter partes* review in each of the instant proceedings in forthcoming decisions.

<sup>5</sup> See United States District Court for the Western District of Michigan Civil Docket for Case No. 1:12-cv-00654-PLM.

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Complaint for the court's consideration, adding the newly issued '689 and '552 patents to Patent Owner's allegations of infringement in the First Amended Complaint. *Id.* The Motion also attached a proposed Order granting the Motion. *Id.*

The issue before us is whether Petitioner was “served with a complaint” alleging infringement of the '689 patent prior to December 24, 2012, and alleging infringement of the '552 patent prior to December 26, 2012, which would bar institution of *inter partes* review under 35 U.S.C. § 315(b). Specifically, we address whether the “Second Amended Complaint” attached as an exhibit to Patent Owner's Motion for Leave, filed and served on December 20, 2012, constituted service of a “complaint,” thereby triggering the one-year time bar under § 315(b).

The relevant portion of § 315(b) 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.**

35 U.S.C. § 315(b) (emphasis added).

Patent Owner urges us to deny the instant Petitions, arguing that Petitioner is time-barred from seeking *inter partes* review of the '689 and '552 patents under § 315(b), because Petitioner was *served with a complaint* on December 20, 2012, i.e., more than one year before the respective December 24, 2013, and December 26, 2013, filing dates of the Petitions in these proceedings. Prelim. Resp. 6-9.

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Specifically, as shown in Exhibit 2001, the district court provided a “date-stamp and proof of filing” on December 20, 2012, on all pages of the Motion for Leave and its “Exhibit A,” i.e., the Second Amended Complaint attached to the Motion for Leave. *See* Prelim. Resp. 6-7 (citing W.D. Mich. L. Civ. R. 5.7(i)(iv)). Six days later, on December 26, 2012, the court granted Patent Owner’s Motion for Leave, and the Clerk of the Court filed the Second Amended Complaint the same day. *Id.* at 8; Ex. 2002. The court stated expressly in the Order granting the Motion for Leave that “Plaintiff is granted leave to file its Second Amended Complaint instantler,” “[t]he Clerk shall enter the Second Amended Complaint on the docket of this case,” and “the responses of Defendants to the Second Amended Complaint must be filed on or before February 7, 2012.” Ex. 2002.

Patent Owner contends that the Second Amended Complaint, provided as an attachment to the Motion to Leave, was *served* automatically on Petitioner’s attorneys of record who, in accordance with the court’s Local Rule 5.7(i)(iv), received a transmission of the Notice of Electronic Filing (“NEF”) via the court’s electronic filing system on December 20, 2012. Prelim. Resp. 7 (reproducing excerpts from Ex. 2001). Thus, according to Patent Owner, Petitioner was served with the Second Amended Complaint on December 20, 2012, even though the Second Amended Complaint was not actually *filed* until six days later. *Id.* at 8.

With respect to establishing the date of service of the Second Amended Complaint, Petitioner counters that “a complaint cannot be served if it is not filed.” Brief 1. Petitioner submits that Patent Owner served “a

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motion for *leave to file* a complaint and a *proposed* complaint as an exhibit thereto” on December 20, 2012. *Id.* Thus, Petitioner maintains no complaint was on file until December 26, 2012, when the court granted Patent Owner’s “leave to file its Second Amended Complaint *instanter*.” *Id.* at 2-3 (citing Ex. 2002). In Petitioner’s view, the December 20, 2012, filing was insufficient to trigger the § 315(b) one-year bar date, because the filing was not a complaint, “but rather merely served ‘notice’ of a Second Amended Complaint.” *Id.* at 4. Petitioner further asserts that Patent Owner misrepresented the Western District of Michigan’s Local Rule 5.7(f), which states the following regarding “proposed” pleadings:

Proposed pleadings - Except for proposed sealed filings, if the filing of an electronically submitted document requires leave of court, such as an amended complaint or brief in excess of page limits, the proposed document must be attached as an exhibit to the motion seeking leave to file. If the Court grants leave to file the document, the Clerk of Court will electronically file the document without further action by the attorney.

*Id.* at 5. On this basis, Petitioner contends that the Second Amended Complaint attached to Patent Owner’s Motion for Leave was a “*proposed* complaint” and not an actual “complaint” within the meaning of § 315(b). *Id.* at 1, 3.

Petitioner also disputes whether Exhibit 2001, provided by Patent Owner as evidence in the instant proceedings, is an NEF. Brief 6. Rather, Petitioner characterizes Exhibit 2001 as an “ECF-stamped version” of Patent Owner’s Motion for Leave. *Id.* Finally, Petitioner disputes that the ECF date stamp of December 20, 2012, demonstrates that electronic service was

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made on Petitioner's representative Mr. Mark Magyar.<sup>6</sup> *Id.*

In response, Patent Owner proffers additional evidence regarding the events of December 20, 2012:

- a.) Counsel for Patent Owner and Petitioner discussed a second amendment to the original complaint. Reply 1 (citing Ex. 2015).
- b.) Petitioner memorialized in writing its consent for Patent Owner to file the Second Amended Complaint adding the '689 and '552 patents in exchange for additional time to respond. *Id.* (citing Exs. 2015, 2016).
- c.) On December 20, 2012, Mr. Magyar made an appearance with the court on behalf of Petitioner in the district court case. *Id.* (citing Ex. 2017).
- d.) Also on December 20, 2012, Patent Owner submitted the Motion for Leave to File the Second Amended Complaint, asking the court for leave to amend its First Amended Complaint, and to obtain an extension of time for Petitioner. *Id.* at 2 (citing Exs. 2001, 2018-2020).

As a result of these events, according to Patent Owner, Petitioner's representative, Mr. Magyar, was served automatically with the Second Amended Complaint on December 20, 2012, through the court's electronic system. *Id.*; Exs. 2018-2020. Additionally, Patent Owner contends that, because Petitioner gave its consent to the Second Amended Complaint, leave

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<sup>6</sup> According to Petitioner, Mr. Magyar does not have a record of receiving the December 20, 2012, NEF referred to by Patent Owner. Brief 6.



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of court to amend the complaint was not required under Federal Rule of Civil Procedure 15(a)(2), and the Second Amended Complaint was “operative immediately upon service via transmission of the NEF.” *Id.* at 5. Thus, Patent Owner concludes that Petitioner’s “suggestion that the [Second Amended Complaint] did not ‘legally exist’ until entered on the docket is wrong and confuses service with a legal determination as to the operability of the [Second Amended Complaint].” *Id.* at 6.

We have considered the arguments and evidence provided by Petitioner and Patent Owner in view of the requirements of § 315(b), local court rules, and the Federal Rules of Civil Procedure. For example, we note that the district court’s docket sheet confirms both the appearance of Mr. Magyar on behalf of Petitioner, and the filing of the Motion for Leave, on December 20, 2012. Ex. 1052, 2. Nonetheless, the docket sheet also confirms that Magistrate Judge Joseph Scoville granted the Motion for Leave on December 26, 2012, in an Order requiring that the Second Amended Complaint be filed “*instanter*” by the Court Clerk. *Id.* Accordingly, the Court Clerk filed the Second Amended Complaint on December 26, 2012.<sup>7</sup> *Id.* Service of the Second Amended Complaint was accomplished via the court’s electronic filing system.<sup>8</sup>

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<sup>7</sup> We note that the court entered into the case docket the Second Amended Complaint and Exhibits 1-5 on December 27, 2012, and entered Exhibits 6-11 on December 28, 2012. Ex. 1052.

<sup>8</sup> The local court rules provide that the NEF satisfies the “service” requirement. Ex. 1050 (W.D. Mich. L. Civ. R. 5.7).

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In view of the record before us, we conclude that on December 20, 2012, Patent Owner served Petitioner with a Motion for Leave to file its Second Amended Complaint, but did not serve a “complaint” for purposes of § 315(b). On that date, Patent Owner requested that the court grant “leave to file a Second Amended Complaint *in the form attached as Exhibit A.*” Ex. 2001, 1 (emphasis added). In other words, Patent Owner requested, but had not obtained yet, permission to file a Second Amended Complaint. At the point of filing the Motion for Leave to file its Second Amended Complaint, the attachment to the Motion for Leave was merely a proposed complaint, and Petitioner was not yet a defendant in a lawsuit with respect to the ’689 and ’552 patents.

“We do not believe that the Congress intended to have the [one-year] time period start before a petitioner is officially a defendant in a law suit.” *Motorola Mobility LLC v. Arnouse*, Case IPR2013-00010, slip op. at 5 (PTAB Jan. 30, 2013) (Paper 20). Moreover, as stated by the Supreme Court as “a bedrock principle,” an “entity named as a defendant is not obliged to engage in litigation unless notified of the action, and brought under a court’s authority, by formal process.” *Murphy Bros. v. Michetti Pipe Stringing*, 526 U.S. 344, 347 (1999). Here, by virtue of the filing of the Motion for Leave on December 20, 2012, Petitioner was not “brought under a court’s authority, by formal process,” i.e., was not officially a defendant, in relation to the ’689 and ’552 patents. *Id.* Patent Owner’s request for the court’s leave did not obligate Petitioner to engage in litigation in relation to those two patents until granted by the court.

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As to Patent Owner's argument regarding Federal Rule of Civil Procedure 15(a)(2), which states in relevant part that "a party may amend its pleading only with the opposing party's written consent or the court's leave," it is undisputed that Patent Owner requested the court's leave in this case. Thus, regardless of any prior "consent" by Petitioner, on December 20, 2012, Patent Owner requested leave to amend its pleading and make Petitioner a defendant with respect to the '689 and '552 patents, which left the matter in the court's hands to decide. The attachment to the Motion for Leave was merely a proposed complaint, not an actual "complaint" within the meaning of § 315(b).<sup>9</sup>

In view of the record before us, we conclude that on December 20, 2012, Patent Owner served Petitioner with a Motion for Leave to file its Second Amended Complaint, but Petitioner was not "served with a complaint" alleging infringement of the '689 and '552 patents for the purposes of § 315(b). We, therefore, are not persuaded that Petitioner was "served with a complaint" alleging infringement of the '689 patent prior to December 24, 2012, and alleging infringement of the '552 patent prior to December 26, 2012. Thus, we conclude that 35 U.S.C. § 315(b) does not bar institution of the Petitions identified herein.

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<sup>9</sup> There are numerous situations in which a proposed amended complaint may never result in a party being "served with a complaint" within the meaning of § 315(b). We need not address those situations, because they are not before us. We determine on the facts of this case only that on December 20, 2012, the attachment to the Motion for Leave was a proposed complaint, and not an actual complaint within the meaning of § 315(b).

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B. 35 U.S.C. § 312(a)(2)

In each of the instant Petitions, and in accordance with 37 C.F.R. § 42.8(b)(1), Petitioner “certifies that TRW Automotive US LLC is the real party-in-interest.” Pet. 6. In the context of discussing “[o]ther proceedings” in accordance with 37 C.F.R. § 42.8(b)(2), Petitioner indicates that “[t]here are two other defendants in the [district court action]: TRW Automotive Holdings Corp. and TRW Vehicle Safety Systems Inc. Both entities are corporations related to Petitioner.” *Id.* (emphasis omitted).

In its Preliminary Response to each of the instant Petitions, Patent Owner asserts that *inter partes* review should not be instituted because Petitioner “appears to have failed to accurately identify all real parties in interest.” Prelim. Resp. 9-10. In particular, Patent Owner indicates that while the Petitions identify “TRW Automotive US LLC” as the *sole* real party in interest (Paper 1, 6), TRW muddies the issue by additionally identifying “TRW Automotive Holdings Corp.” and “TRW Vehicle Safety Systems Inc.” as corporate entities “related to Petitioner” (*id.*), without specifying the nature of the relationship. Prelim. Resp. at 9. Thus, Patent Owner contends that “[t]hese contradictory statements call into question the true identities of the real parties in interest” and that Petitioner “has unnecessarily confused the Board by identifying only a single real party in interest when it appears likely that multiple interrelated parties may have had a hand in TRW’s petition[s].” *Id.* at 9-10.

A petition for *inter partes* review may be considered only if, *inter alia*, “the petition identifies all real parties in interest.” 35 U.S.C.

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§ 312(a)(2). The Office Patent Trial Practice Guide provides guidance regarding factors to consider in determining whether a party is a real party in interest. Considerations may include whether a non-party exercises control over a petitioner's participation in a proceeding. 77 Fed. Reg. 48,756, 48,759 (Aug. 14, 2012). Other factors may include whether a non-party is funding the proceeding or directing the proceeding. *Id.* at 48,759-60.

Based on the record before us, Patent Owner does not provide a sufficient factual basis for us to conclude that the two other TRW entities should have been identified as real parties in interest. Moreover, Petitioner's identification of these two entities as "related to Petitioner" does not, in and of itself, contradict Petitioner's certification as to the real party in interest. Accordingly, Patent Owner fails to demonstrate sufficiently that Petitioner has not named all real parties in interest for the instant proceedings, and we do not deny the Petitions for failure to identify all real parties in interest under 35 U.S.C. § 312(a)(2).

### III. CONCLUSION

For the foregoing reasons, we determine that 35 U.S.C. § 315(b) does not bar institution of the Petitions identified herein, and we do not deny any of the instant Petitions for failure to identify all real parties in interest under 35 U.S.C. § 312(a)(2).

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