

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

AXON EP, INC. and SCREEN LOGIX, LLC,
Petitioner,

v.

DERRICK CORPORATION,
Patent Owner.

Case IPR2016-00642
Patent 7,228,971 B2

Before BARRY L. GROSSMAN, CARL M. DEFRANCO, and
JAMES J. MAYBERRY, *Administrative Patent Judges*.

MAYBERRY, *Administrative Patent Judge*.

ORDER
Conduct of the Proceeding
37 C.F.R. § 42.5

On November 17, 2016, a call was conducted with counsel for Petitioners, Axon EP, Inc. and Screen Logix, LLC, counsel for Patent Owner, Derrick Corp., and Judges Grossman, DeFranco, and Mayberry. As background, on February 19, 2016, Petitioners filed a petition (the “Petition”) requesting *inter partes* review of claim 6 of U.S. Patent No. 7,228,971 B2 (Ex. 1001, “the ’971 patent”). The Petition names Axon EP, Inc., Screen Logix, LLC, HitecVision V, L.P., Axon Energy Products AS, Axon Pressure Products, Inc., and Drilling Controls, Inc. as real parties-in-interest. We instituted trial on August 29, 2016. Patent Owner’s Response is due on November 22, 2016.

Patent Owner requested the call seeking authorization to file a Motion to Terminate this proceeding because Petitioners failed to name all real parties-in-interest in the Petition. During the call and separate from this issue, Patent Owner requested authorization to file videotaped deposition testimony as an exhibit in this proceeding.

The Motion to Terminate

Patent Owner sought authorization to file a Motion to Terminate this proceeding because the Petition failed to name Mr. Jeffrey Walker as a real party-in-interest. The parties indicated that Mr. Walker is the President of Screen Logix, LLC, a named real party-in-interest.

Patent Owner proffered that it learned that Mr. Walker exercises considerable control over this proceeding during a deposition in a parallel litigation. Patent Owner argued that, because Mr. Walker is not named a real party-in-interest in this proceeding, he will be free to challenge the ’971 patent again in a new *inter partes* proceeding or in future litigation.

Petitioners responded that Mr. Walker's involvement reflects his position as President of a named real party-in-interest and Petitioners dispute that Mr. Walker, in his individual capacity, is a real party in-interest. During the call, Petitioners' counsel cited previous Board decisions finding that a sole owner of a petitioner or executives and board members of a petitioner were not real parties-in-interest. *See 1964 Ears, LLC v. Jerry Harvey Audio Holding, LLC*, Case IPR2016-00494 (PTAB July 20, 2016) (Paper 21); *Zero Gravity Inside, Inc. v. Footbalance Sys. OY*, Case IPR2015-01769 (PTAB Feb. 12, 2016) (Paper 17). During the call, Petitioner volunteered to update its Mandatory Notices to add Mr. Walker as a real party-in-interest provided such an addition would not change the Petition's filing date.

As we stated in the call, we do not authorize Patent Owner's Motion to Terminate as we determine, at this time, that Patent Owner's contentions do not warrant a Motion to Terminate. 35 U.S.C. § 312(a) states, in relevant part, "[a] petition [for *inter partes* review] may be considered only if . . . (2) the petition identifies all real parties in interest." In our precedential decision in *Lumentum Holdings, Inc. v. Capella Photonics, Inc.*, the Board determined that 35 U.S.C. § 312(a) is not jurisdictional and a petition may be corrected, including adding a real party-in-interest, without assigning a new filing date. *See* Case IPR2015-00739 at 6 (PTAB March 4, 2016) (Paper 38) (precedential). We determine that, at this stage of the proceeding and in light of Patent Owner's proffered facts, Petitioners may update their Mandatory Notices without a change in the filing date of the Petition.

Patent Owner is free to pursue this issue in its Patent Owner Response. We permitted Petitioners to update their Mandatory Notices to include Mr. Walker as a real party-in-interest without changing the filing

date of the Petition, provided that such an update was done by November 17, 2016, to allow Patent Owner time to consider the issue before the due date of its Patent Owner Response. Petitioners' counsel indicated in the call that such an action would be taken.¹

Videotaped Deposition Testimony

Patent Owner also sought our permission to file, as an exhibit in this proceeding, videotaped deposition testimony from a deposition taken as part of this proceeding and, potentially, from depositions taken outside this proceeding. Petitioner consented to the videotaped deposition taken in this proceeding. We hereby authorize Patent Owner to file as an exhibit the videotaped deposition for any deposition taken in this *inter partes* review proceeding.² 37 C.F.R. § 42.53(a) (“Parties may agree to video-recorded testimony, but may not submit such testimony without prior authorization of the Board. In addition, the Board may authorize or require live or video-recorded testimony.”). In addition to any exhibits of videotaped testimony, the Patent Owner must file as an exhibit a written transcript of the entire deposition.

¹ Petitioners filed their Second Updated Mandatory Notices under 37 C.F.R. § 42.8(a) on November 17, 2016 as Paper 16. The update states that “Petitioners [] identify Mr. Walker as a real party-in-interest in order to make it known that any estoppel effect as a result of this proceeding applies to Mr. Walker and to put to rest any dispute from Patent Owner that Mr. Walker is a real party-in-interest.” Paper 16, 1–2.

² Patent Owner is reminded that exhibits filed using PTAB End to End (PTAB E2E) must be one of the following file types: pdf, mpeg, mpg, mp1, mp2, mp3, m1a, m2a, m1v, mpa, mpv. The file size must be less than 25 Mbytes.

IPR2016-00642
Patent 7,228,971 B2

As for depositions taken outside this *inter partes* review proceeding, we authorize the Patent Owner to file videotaped testimony as an exhibit provided Patent Owner 1) secures prior approval from Petitioners; and 2) files as an exhibit a written transcript of the entire deposition.

In consideration of the foregoing, it is hereby

ORDERED that Patent Owner's request for authorization to file a Motion to Terminate is denied;

further ORDERED that Petitioners may update their Mandatory Notices to include Mr. Walker without a change in the filing date of the Petition;

further ORDERED that we authorize Patent Owner to file videotaped deposition testimony taken during this proceeding as an exhibit in accordance with the requirements outlined above; and

further ORDERED that we authorize Patent Owner to file videotaped deposition testimony not taken during this proceeding as an exhibit in accordance with the requirements outlined above, provided Patent Owner receives Petitioner's prior approval.

Explore Litigation Insights

Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

Real-Time Litigation Alerts



Keep your litigation team up-to-date with **real-time alerts** and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

Advanced Docket Research



With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

Analytics At Your Fingertips



Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

LAW FIRMS

Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

FINANCIAL INSTITUTIONS

Litigation and bankruptcy checks for companies and debtors.

E-DISCOVERY AND LEGAL VENDORS

Sync your system to PACER to automate legal marketing.