

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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ERICSSON INC. and TELEFONAKTIEBOLAGET LM ERICSSON,  
Petitioner,

v.

REGENTS OF THE UNIVERSITY OF MINNESOTA,  
Patent Owner.

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IPR2017-01214  
Patent RE45,230 E

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Before JENNIFER S. BISK, ROBERT J. WEINSCHENK and  
CHARLES J. BOUDREAU, *Administrative Patent Judges*.

BOUDREAU, *Administrative Patent Judge*.

DECISION

Denying Petitioner's Request on Rehearing of  
Decision Denying Institution of *Inter Partes* Review  
*37 C.F.R. § 42.71(d)*

## I. INTRODUCTION

Ericsson Inc. and Telefonaktiebolaget LM Ericsson (“Petitioner”) filed a Request for Rehearing (Paper 57, “Req. Reh’g”) of the Decision Denying Institution of *Inter Partes* Review (Paper 52, “Decision” or “Dec.”) of claims 16–18, 36, 39–41, 43–46, 64–66, 68, 70, and 72 (“the challenged claims”) of U.S. Reissued Patent No. RE45,230 E (Ex. 1001, “the ’230 patent”).<sup>1</sup> For the reasons set forth below, the Request for Rehearing is *denied*.

## II. ANALYSIS

When considering a request for rehearing of a decision whether to institute an *inter partes* review, the Board reviews its decision for an abuse of discretion. 37 C.F.R. § 42.71(c). The party requesting rehearing bears the burden of showing that the decision should be modified, and “[t]he request must specifically identify all matters the party believes the Board misapprehended or overlooked.” 37 C.F.R. § 42.71(d).

In the Decision, we explained that 35 U.S.C. § 315(b) provides that 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.” Dec. 4. We also explained that in determining whether a petitioner is in privity with another party, we consider the Supreme Court’s decision in *Taylor v. Sturgell*, 553 U.S. 880 (2008). Dec. 4–5. *Taylor* provides six categories of exceptions to the rule against nonparty preclusion, namely 1) when “[a] person . . . agrees to be bound by

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<sup>1</sup> We cite to a non-public version of the Decision, but a public version is available. See Paper 56.

the determination of issues in an action between others”; 2) “based on a variety of pre-existing ‘substantive legal relationship[s]’ between the person to be bound and a party to the judgment”; 3) when “a nonparty . . . was ‘adequately represented by someone with the same interests who [wa]s a party’”; 4) when “a nonparty . . . ‘assume[d] control’ over the litigation in which [the] judgment was rendered”; 5) when a nonparty acts as “a proxy” to relitigate for a party; and 6) when “a special statutory scheme may ‘expressly foreclos[e] successive litigation by nonlitigants.’” *Id.*

In the Decision, we explained that the ’230 patent is involved in several district court cases (collectively, the “District Court Litigation”) and is asserted against several defendants (collectively, the “District Court Defendants”). *Id.* at 3. We determined that the evidence of record indicates 1) that Petitioner has a preexisting substantive legal relationship with the District Court Defendants regarding the base stations at issue in the District Court Litigation; and 2) that Petitioner had the opportunity to control the defense of the District Court Defendants with respect to the base stations. *Id.* at 14. As a result, based on our consideration of the second and fourth *Taylor* categories, we determined that Petitioner is in privity with the District Court Defendants for the purpose of applying § 315(b). *Id.* We concluded that the Petition is barred under § 315(b), because Petitioner filed the Petition more than one year after the date on which the District Court Defendants were served with a complaint alleging infringement of the ’230 patent. *Id.* at 14–15.

Petitioner argues in its Request for Rehearing that we misapprehended the second and fourth *Taylor* categories. Req. Reh’g 1–2. In particular, Petitioner contends that we “overextended the legal precedent for these

factors, disregarded critical underlying facts, and conducted an inflexible privity analysis, contrary to *Wi-Fi One*.” *Id.* at 2. For the reasons discussed below, Petitioner does not demonstrate that we misapprehended or overlooked any matters.

1. *Second Taylor Category*

Petitioner argues that “[w]ith respect to the Second *Taylor* Factor, the Decision suggests a bright-line rule that the existence of an indemnity provision creates privity in every instance.” *Id.* at 2. According to Petitioner, “[n]o legal authority supports such a bright-line rule,” and “[i]n fact, the Federal Circuit rejects this proposition.” *Id.* at 3–7. Petitioner’s argument is not persuasive.

First, we did not determine that the existence of an indemnity provision creates privity in every instance.<sup>2</sup> *See* Dec. 7–14. Rather, we determined that Petitioner is in privity with the District Court Defendants based on our consideration of the second and fourth *Taylor* categories, which includes evidence that Petitioner has a preexisting indemnity relationship with the District Court Defendants *and* had the opportunity to control the defense of the District Court Defendants with respect to the base stations. *Id.* at 14. We expressly declined to decide whether Petitioner’s

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<sup>2</sup> Petitioner argues that our citations to *Intel Corp. v. U.S. International Trade Commission*, 946 F.2d 821, 839 (Fed. Cir. 1991), and 18A Charles Alan Wright, Arthur R. Miller & Edward H. Cooper, *Federal Practice and Procedure* § 4451 (3d ed. 2020) (“Wright & Miller”), do not indicate that an indemnity relationship creates privity in every instance. Req. Reh’g 3–6. Petitioner misinterprets our Decision. We relied on *Intel* and Wright & Miller to show that “an indemnity relationship is the *type* of relationship that *can* establish privity,” not that it does so in every instance. Dec. 8 (emphasis added).

preexisting indemnity relationship with the District Court Defendants by itself would have been sufficient to find privity. *Id.* at 14 n.6.

Second, our analysis of the second *Taylor* category is consistent with the Board’s precedential decision in *Ventex Co. v. Columbia Sportswear North America, Inc.*, IPR2017-00651, Paper 148 (PTAB Jan. 24, 2019) (precedential). Specifically, *Ventex* states the following:

Here, at least factors 2 and 5 support our conclusion that Seirus and Ventex are privies. As discussed above, the parties had a preexisting substantive legal relationship in the form of two contracts, a Supplier Agreement with an obligation to indemnify and defend, and an Exclusive Manufacturing Agreement. Further, these agreements directly related to the product accused of infringing the patent at issue in this proceeding because they governed the contracts between the parties that resulted in Ventex’s sale of fabric to Seirus. Finding Seirus and Ventex in privity with one another comports with the goal of “tak[ing] into account the ‘practical situation’, and [extending privity] to parties, to transactions, and other activities relating to the property in question.”

*Id.* at 12–13 (internal citations and original emphasis omitted). In other words, as we explained in the Decision, *Ventex* determines that agreements with “an obligation to indemnify and defend” that “directly relate[] to the product accused of infringing the patent at issue” constitute a preexisting substantive legal relationship under the second *Taylor* category. *Id.*; Dec. 10. In this case, we similarly determined that Petitioner’s supply agreements with the District Court Defendants include indemnity obligations that directly relate to the base stations at issue in the District Court

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