

APPENDIX

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**APPENDIX A — ORDER OF THE UNITED
STATES COURT OF APPEALS FOR THE
FEDERAL CIRCUIT, FILED DECEMBER 27, 2018**

UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

2018-2426, -2427, -2428, -2429, -2430

ARRIS INTERNATIONAL PLC,

Appellant,

v.

CHANBOND, LLC,

Appellee.

ANDREI IANCU, UNDER SECRETARY OF
COMMERCE FOR INTELLECTUAL PROPERTY
AND DIRECTOR OF THE UNITED STATES
PATENT AND TRADEMARK OFFICE,

Intervenor.

Appeals from the United States Patent and Trademark
Office, Patent Trial and Appeal Board in Nos. IPR2018-
00570, IPR2018-00572, IPR2018-00573, IPR2018-00574,
and IPR2018-00575.

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ON MOTION

Before PROST, *Chief Judge*, O'MALLEY and STOLL, *Circuit Judges*.

O'MALLEY, *Circuit Judge*.

ORDER

ChanBond, LLC moves to dismiss these appeals for lack of jurisdiction. ARRIS International PLC opposes the motion. ChanBond replies. The Director of the United States Patent and Trademark Office moves out of time to intervene in support of dismissal.

ChanBond is the owner of U.S. Patent Nos. 7,941,822; 8,341,679; and 8,984,565. In September 2015, ChanBond sued various telecommunications companies in the United States District Court for the District of Delaware for infringing those patents. In February 2018, ARRIS filed five petitions requesting *inter partes* review (IPR) of various claims of those patents. In its preliminary responses, ChanBond argued that the petitions were time-barred under 35 U.S.C. § 315(b) because ARRIS was in privity with the defendants in the Delaware action and ARRIS filed its petitions more than a year after the filing of that complaint. The Board agreed and denied institution of all five petitions. ARRIS then filed these appeals from the denial of institution decisions.

ChanBond argues that ARRIS's appeals are foreclosed under *St. Jude Medical, Cardiology Division*,

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Inc. v. Volcano Corp., 749 F.3d 1373 (Fed. Cir. 2014). We agree. As is the case here, the petitioner in *St. Jude* appealed from the Board’s decision to deny institution of IPR based on the Board’s determination that the petition was time-barred under § 315(b). We explained the statutory contrast between a “determination . . . whether to institute” a proceeding, which is “final and nonappealable,” 35 U.S.C. § 314(d), and the “final written decision” determining patentability, 35 U.S.C. § 318(a), and we held that our review authority under 28 U.S.C. § 1295(a)(4)(A) does not extend to appeals from decisions not to institute. *St. Jude*, 749 F.3d at 1375–76.

Nothing in *Wi-Fi One, LLC v. Broadcom Corp.*, 878 F.3d 1364 (Fed. Cir. 2018) (*en banc*), undermines that holding. *Wi-Fi One* concerned review of the Board’s § 315(b) determination in a final written decision, not a decision denying institution. *See id.* at 1371. As both *Wi-Fi One* and subsequent precedent have reiterated, “[i]f the Director decides not to institute, for whatever reason, there is no review.” *Saint Regis Mohawk Tribe v. Mylan Pharm. Inc.*, 896 F.3d 1322, 1327 (Fed. Cir. 2018); *see also Wi-Fi One*, 878 F.3d at 1372 (noting that “the agency’s decision to deny a petition is a matter committed to the Patent Office’s discretion” (quoting *Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2140 (2016))).

ARRIS’s reliance on *Arthrex, Inc. v. Smith & Nephew, Inc.*, 880 F.3d 1345 (Fed. Cir. 2018), in support of jurisdiction over these appeals is also misplaced. Far from review over a non-institution decision, *Arthrex* concerned the issue of whether a party could appeal from a final

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adverse judgment entered under 37 C.F.R. § 42.73(b). *Arthrex* distinguished *St. Jude*, stating that “*St. Jude* did not involve a similar situation, and the availability of appeal of final adverse judgment decisions was not directly addressed in that case.” *Id.* at 1349.

In view of the foregoing, we conclude that we lack jurisdiction to hear ARRIS’s appeals.

Accordingly,

IT IS ORDERED THAT:

(1) The stay of the briefing schedule is lifted.

(2) The Director’s motion to intervene is granted. The revised official caption is reflected above.

(3) ChanBond’s motion to dismiss is granted. The appeals are dismissed.

(4) Each side shall bear its own costs.

FOR THE COURT

Dec. 27, 2018
Date

/s/ Peter R. Marksteiner
Peter R. Marksteiner
Clerk of Court

ISSUED AS A MANDATE: December 27, 2018

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**APPENDIX B — REDACTED DECISION OF THE
UNITED STATES PATENT AND TRADEMARK
OFFICE, CASE IPR2018-00570, DATED
JULY 20, 2018**

UNITED STATES PATENT
AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL
AND APPEAL BOARD

ARRIS INTERNATIONAL PLC,

Petitioner,

v.

CHANBOND, LLC,

Patent Owner.

Case IPR2018-00570
Patent 7,941,822 B2

Before JONI Y. CHANG, JENNIFER S. BISK, and
JACQUELINE T. HARLOW, *Administrative Patent
Judges.*

CHANG, *Administrative Patent Judge.*

DECISION

Denying Institution of *Inter Partes* Review
35 U.S.C. § 314

*Appendix B***I. INTRODUCTION**

ARRIS International PLC (“Petitioner”) filed a Petition requesting an *inter partes* review of claims 1 and 11 (“the challenged claims”) of U.S. Patent No. 7,941,822 B2 (Ex. 1001, “the ’822 patent”). Paper 1 (“Pet.”). ChanBond, LLC (“Patent Owner”) filed unredacted and redacted versions¹ of a Preliminary Response (Papers 16 and 17, “Prelim. Resp.”), along with a Motion to Seal (Paper 15). Patent Owner also filed a Motion to Seal (Paper 8), seeking to seal Exhibits 2008–23, and the Stipulated Default Protective Order (attached to the Motion to Seal), which is a copy of the default Protective Order set forth in Appendix B of the Office Patent Trial Practice Guide (“Trial Practice Guide”), 77 Fed. Reg. 48,756, 48,756–66 (Aug. 14, 2012). Pursuant to our authorization, Patent Owner filed a Motion for Additional Discovery (Papers 10 and 11, “Disc. Mot.”); Petitioner filed an Opposition (Papers 13 and 14, “Disc. Opp.”) to the Motion for Additional Discovery; and Patent Owner filed a Reply (Papers 19 and 20, “Disc. Reply”) to Petitioner’s Opposition.²

For the reasons stated below, we determine that a privity of Petitioner was served with a complaint alleging infringement of the ’822 patent more than one year before

1. Citations hereinafter correspond to the unredacted version (Paper 16).

2. Both parties filed unredacted and redacted versions of their papers, along with corresponding Motions to Seal (Papers 9, 12, and 18). Our citations correspond to the unredacted version of each paper.

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the Petition was filed. Consequently, we deny the Petition as it is time-barred under 35 U.S.C. § 315(b), and dismiss Patent Owner's Motion for Additional Discovery as moot. We also grant each of the parties' Motions to Seal (Papers 8, 9, 12, 15, and 18).

Related Matters

The parties indicate that the '822 patent and two other related patents, U.S. Patent Nos. 8,341,679 B2 ("679 patent") and 8,984,565 B2 ("565 patent"), are involved in the following proceedings in the United States District Court for the District of Delaware (the "Delaware actions"): *ChanBond, LLC v. Atlantic Broadband Group, LLC*, 1:15-cv-00842-RGA (D. Del.); *ChanBond, LLC v. Bright House Networks, LLC*, 1:15-cv-00843-RGA (D. Del.); *ChanBond, LLC v. Cable One Inc., LLC*, 1:15-cv-00844-RGA (D. Del.); *ChanBond, LLC v. Cablevision Systems Corp.*, 1:15-cv-00845-RGA (D. Del.); *ChanBond, LLC v. Cequel Communications, LLC*, 1:15-cv-00846-RGA (D. Del.); *ChanBond, LLC v. Charter Communications, LLC*, 1:15-cv-00847-RGA (D. Del.); *ChanBond, LLC v. Comcast Corp.*, 1:15-cv-00848-RGA (D. Del.); *ChanBond, LLC v. Cox Communications, Inc.*, 1:15-cv-00849-RGA (D. Del.); *ChanBond, LLC v. Mediacom Communications Corp.*, 1:15-cv-00850-RGA (D. Del.); *ChanBond, LLC v. RCN Telecom Services, LLC*, 1:15-cv-00851-RGA (D. Del.); *ChanBond, LLC v. Time Warner Cable Inc.*, 1:15-cv-00852-RGA (D. Del.); *ChanBond, LLC v. WaveDivision Holdings, LLC*, 1:15-cv-00853-RGA (D. Del.); and *ChanBond, LLC v. WideOpen*

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West Finance, LLC, 1:15-cv-00854-RGA (D. Del.),³ Pet. 4–5; Paper 4, 1–2.

Petitioner also filed five additional petitions: IPR2018-00572 and IPR2018-00573 involving the '679 patent; and IPR2018-00574 and IPR2018-000575 involving the '822 patent. Pet. 5.

II. DISCUSSION

The instant Petition was filed on February 2, 2018. Paper 5, 1. Patent Owner served the defendants in the Delaware actions with a complaint, alleging infringement of the '822 patent on October 1, 2015, more than one year prior to the filing of the instant Petition. Ex. 2006. Petitioner was not a named party in the Delaware actions. *Id.* Nonetheless, Patent Owner asserts that the instant Petition is time-barred under 35 U.S.C. § 315(b) because Petitioner is in privity with the Delaware defendants. Prelim. Resp. 12–34. Accordingly, the main issue here is whether at least one of the Delaware defendants is a privy of Petitioner.

A. Principles of Law

Section 315(b) of Title 35 of the United States Code provides:

3. In this Decision, we refer the defendants of these Delaware actions as “the Delaware defendants.”

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(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. The time limitation set forth in the preceding sentence shall not apply to a request for joinder under subsection (c).

The legislative history indicates that § 315(b) was intended to set a “deadline for allowing an accused infringer to seek *inter partes* review after he has been sued for infringement.” 157 CONG. REC. S5429 (daily ed. Sept. 8, 2011) (statement of Sen. Kyl). The deadline helps to ensure that *inter partes* review is not used as a tool for harassment by “repeated litigation and administrative attacks.” H.R. REP. NO. 112-98 at 48 (2011), *as reprinted in* 2011 U.S.C.C.A.N. 67, 78. Hence, “the rationale behind § 315(b)’s preclusion provision is to prevent successive challenges to a patent by those who previously have had the opportunity to make such challenges in prior litigation.” *WesternGeco LLC v. ION Geophysical Corp.*, 889 F.3d 1308, 1319 (Fed. Cir. 2018).

The term “privity” is not defined in the statute, but it “is a well-established common-law term.” *Id.* at 1317. “[W]hen Congress uses language with a settled meaning at common law, Congress presumably knows and adopts the cluster of ideas that were attached to each borrowed word in the body of learning from which it was taken.”

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Beck v. Prupis, 529 U.S. 494, 500–01 (2000); *see also* 154 CONG. REC. S9987 (daily ed. Sept. 27, 2008) (statement of Sen. Kyl) (“The concept of privity, of course, is borrowed from the common law of judgments.”).

The concept of “privity” is more expansive and encompasses parties that do not necessarily need to be identified in the Petition as real parties-in-interest. Trial Practice Guide, 77 Fed. Reg. at 48,759. The term “privity” is used “more broadly, as a way to express the conclusion that nonparty preclusion is appropriate on any ground.” *Taylor v. Sturgell*, 553 U.S. 880, 894 n.8 (2008) (citing 18A Charles Alan Wright, Arthur R. Miller & Edward H. Cooper, *Federal Practice and Procedure* § 4449, pp. 351–53, n.33 (2d ed. 2002) (hereinafter “Wright & Miller”)); *WesternGeco*, 889 F.3d at 1318–19. The legislative history endorsed the expression of “privity” as follows:

The word “privity” has acquired an expanded meaning. The courts, in the interest of justice and to prevent expensive litigation, are striving to give effect to judgments by extending “privies” beyond the classical description. *The emphasis is not on the concept of identity of parties, but on the practical situation. Privity is essentially a shorthand statement that collateral estoppel is to be applied in a given case; there is no universally applicable definition of privity. The concept refers to a relationship between the party to be estopped and the unsuccessful party in the prior*

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litigation which is sufficiently close so as to justify application of the doctrine of collateral estoppel.

154 CONG. REC. S9987 (daily ed. Sept. 27, 2008) (statement of Sen. Kyl) (emphasis added) (citing *Cal. Physicians' Serv. v. Aoki Diabetes Research Inst.*, 163 Cal.App.4th 1506 (Cal. App. 2008)); 157 CONG. REC. S1376 (daily ed. Mar. 8, 2011) (incorporating prior 2008 statement).

The determination of whether a petitioner is in privity with a time-barred district court party is a “highly fact-dependent question.” Trial Practice Guide, 77 Fed. Reg. at 48,759. More importantly, “the standards for the privity inquiry must be grounded in due process.” *WesternGeco*, 889 F.3d. at 1319. “[T]he privity inquiry in this context naturally focuses on *the relationship* between the named IPR petitioner and the party *in the prior lawsuit*. For example, it is important to determine whether the petitioner and the prior litigant’s relationship—as it relates to the lawsuit—is sufficiently close that it can be fairly said that the petitioner had a full and fair opportunity to litigate the validity of the patent in that lawsuit.” *Id.* (emphases added).

In *Taylor*, the United States Supreme Court identified a non-exhaustive list of six categories under which nonparty preclusion based on a privity relationship may be found: (1) an agreement between the parties to be bound; (2) pre-existing substantive legal relationships between the parties; (3) adequate representation by the named party; (4) the nonparty’s control of the prior litigation;

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(5) where the nonparty acts as a proxy for the named party to re-litigate the same issues; and (6) where special statutory schemes foreclose successive litigation by the nonparty (e.g., bankruptcy or probate). *Taylor*, 553 U.S. at 893–95, 893 n.6. The Supreme Court noted that this list of the six “established grounds for nonparty preclusion” is “meant only to provide a framework . . . , not to establish a definitive taxonomy.” *Id.* at 893 n.6. Each ground alone is sufficient to establish privity between a nonparty and a named party in the prior litigation. *WesternGeco*, 889 F.3d at 1319–20.

Here, in our analysis, we mainly address the fourth *Taylor* category of nonparty preclusion. For the reasons stated below, the evidence of record establishes sufficiently that Petitioner is in privity with a time-barred district court party because Petitioner had substantial control over the Delaware actions. As such, it is not necessary for us to determine whether privity exists based on other grounds.

Under the fourth *Taylor* category of nonparty preclusion, a nonparty to a prior action is bound by a judgment if that party “‘assume[d] control’ over the litigation in which that judgment was rendered.” *Taylor*, 553 U.S. at 895 (citing *Montana v. United States*, 440 U.S. 147, 154 (1979)). “Courts and commentators agree, however, that there is no ‘bright-line test’ for determining the necessary quantity or degree of participation to qualify as . . . ‘privity’ based on the control concept.” Trial Practice Guide, 77 Fed. Reg. at 48,759 (citing *Gonzalez v. Banco Cent. Corp.*, 27 F.3d 751, 759 (1st Cir. 1994)).

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Neither absolute control, nor actual control, is a requirement for finding of privity. Rather, “it should be enough that the nonparty has the actual measure of control or opportunity to control that might reasonably be expected between two formal coparties.” Trial Practice Guide, 77 Fed. Reg. at 48,759 (quoting Wright & Miller § 4451); *see also WesternGeco*, 889 F.3d at 1320. “Such relationships between a party and a nonparty are most often found when . . . an indemnitor participates in defending an action brought against its indemnitee.” Wright & Miller § 4451; *Benson & Ford, Inc. v. Wanda Petroleum Co.*, 833 F.2d 1172, 1174 (5th Cir. 1987); *cf. Intel Corp. v. U.S. Int’l Trade Comm’n*, 946 F.2d 821, 839 (Fed. Cir. 1991) (finding that “an indemnification agreement, in other cases, has alone been enough to find privity”) (citing *Urbain v. Knapp Bros. Mfg. Co.*, 217 F.2d 810 (6th Cir. 1954); *Weyerhaeuser Timber Co. v. Bostitch, Inc.*, 178 F. Supp. 757, 760–61 (D.R.I. 1959)); *SpeedTrack, Inc. v. Office Depot, Inc.*, 2014 WL 1813292, at *6–7 (N.D. Cal. May 6, 2014) (ruling that in view of the indemnification obligations the manufacturer owed to its customer, the manufacturer was in privity with the customer such that claim preclusion could apply), *aff’d*, 791 F.3d 1317, 1324–29 (Fed. Cir. 2015).

“Preclusion is fair so long as the relationship between the nonparty and a party was such that the nonparty had the same practical opportunity to control the course of the proceedings that would be available to a party.” Wright & Miller § 4451. “The appropriate measure of control does not require that the named party or parties totally abandon control to the nonparty.” *Id.* “A common consideration is whether the non-party exercised or could

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have exercised control over a party's participation in a proceeding." Trial Practice Guide, 77 Fed. Reg. at 48,759 (citing *Taylor*, 553 U.S. at 895; Wright & Miller § 4451).

With these principles in mind and for the reasons stated below, we find that Petitioner is in privity with at least one of the Delaware defendants as the evidence of record shows that Petitioner had substantial control over the Delaware actions.

B. Analysis on Privity

As an initial matter, the Board has considered, in certain cases, the relationship between those alleged to be in privity *at the time of service of the complaint* with regard to the time bar under § 315(b). See, e.g., *Nestle USA, Inc. v. Steuben Foods, Inc.*, Case IPR2015-00195, slip op. at 9–10 (Paper 51) (PTAB June 29, 2015). As noted above, the term “privity” is not defined in the statute, but it “is a well-established common-law term.” *WesternGeco*, 889 F.3d at 1317. Our reviewing court has explained that “the privity inquiry in this context naturally focuses on *the relationship* between the named IPR petitioner and the party *in the prior lawsuit.*” *Id.* at 1319 (emphases added). This approach of focusing the privity inquiry on the relationship *during the prior lawsuit*, rather than *at the time of service of the complaint* (i.e., at the start of the lawsuit) is consistent with *Taylor. Aruze Gaming Macau, LTD. v. MGT Gaming Inc.*, Case IPR2014-01288, slip op. 12–14 (Paper 13) (PTAB Feb. 20, 2015). As the Supreme Court explained in *Taylor*, regarding the fourth category of nonparty preclusion, “a nonparty is bound by

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a judgement if she *assumed control over the litigation* in which that judgment was rendered.” *Taylor*, 553 U.S. at 895 (internal quotation marks and citation omitted) (emphasis added).

As such, our privity inquiry in the instant processing focuses on the relationship between Petitioner and the Delaware defendants *during the prior lawsuit*. More specifically, we focus on whether the relationship, as it relates to the Delaware actions, “is sufficiently close that it can be fairly said that the petitioner had a full and fair opportunity to litigate the validity of the patent in that lawsuit.” *WesternGeco*, 889 F.3d at 1319; *Aruze Gaming*, Case IPR2014-01288, slip op. at 15.

We now turn to Parties’ contentions and supporting evidence. In its Preliminary Response, Patent Owner argues that Petitioner “had a right to substantially control the Delaware litigation for years prior to the filing of the present petition.” Prelim. Resp. 17. As support, Patent Owner notes that Petitioner’s own public filings with the Securities and Exchange Commission (“SEC”) establish the existence of indemnification agreements with several Delaware defendants. *Id.* According to Patent Owner, [REDACTED] Petitioner had a legal right to control the litigation, [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED] Upon consideration of the evidence before us, we agree with Patent Owner that Petitioner had substantial control over the Delaware actions.

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Petitioner counters that it is not a privy of the Delaware defendants. Dis. Opp. 4–6.⁴ In support of its contention, Petitioner argues that it “is not controlling the Delaware litigation,” and it “has no legal right to do so” because the complaints and infringement contentions in the Delaware actions “identify multiple accused products that are supplied to each of the Defendants by many different suppliers, of which ARRIS is only one.” *Id.* Petitioner also argues that Patent Owner “points to no indemnification provision and provides no argument that could support a conclusion that ARRIS has a legal right to control a lawsuit that involves other suppliers’ products.” *Id.* Petitioner avers that “ARRIS could not take responsibility for the other products accused of infringement, and it could not have assumed (and did not assume) control over litigation strategy or settlement.” *Id.* Petitioner further argues that “ARRIS’s [REDACTED] plainly shows that ARRIS does not control the litigation.” *Id.* at 5–6. In Petitioner’s view, “ARRIS’s agreement to [REDACTED] thus merely establishes a typical customer-supplier relationship that controlling authority has held insufficient to establish privity.” *Id.* (citing *Wi-Fi One v. Broadcom Corp.*, 887 F.3d 1329 (Fed. Cir. 2018); *Nestle*, Case IPR2015-00195, slip op. at 6–17).

4. Petitioner did not present any privity argument in its Petition. Pet. 6–8. Nor did Petitioner seek leave to file a reply to Patent Owner’s Preliminary Response. Rather, Petitioner presents its privity arguments in the Opposition to Patent Owner’s Motion for Additional Discovery. Although improperly presented, we nevertheless exercise our discretion to consider Petitioner’s arguments, and address each of Petitioner’s privity arguments in turn. *See* 37 C.F.R. § 42.5.

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We are not persuaded by Petitioner's arguments because they rest on an erroneous privity standard, requiring *actual and complete* control of the *entire* litigation. As discussed above, neither absolute control, nor actual control, is required for finding of privity. Rather, "it should be enough that the nonparty has the actual measure of control or opportunity to control that might reasonably be expected between two formal coparties." Trial Practice Guide, 77 Fed. Reg. at 48,759 (citing Wright & Miller § 4451).

The Board as well as the courts "have found privity where an entity's control over the litigation was substantial, even though not complete." *General Electric Co. v. TransData, Inc.*, Case IPR2014-01380 (Paper 34, 9) (PTAB Apr. 15, 2015) (citing *Jefferson Sch. of Soc. Sci. v. Subversive Activities Control Bd.*, 331 F.2d 76, 83 (D.C. Cir. 1963)). "If a nonparty either participated vicariously in the original litigation by exercising control over a named party or had the opportunity to exert such control, then the nonparty effectively enjoyed his day in court, and it is appropriate to impute to him the legal attributes of party status for purposes of claim preclusion." *Gonzalez*, 27 F.3d at 758. "[P]reclusion is fair so long as the relationship between the nonparty and a party was such that the nonparty had the same practical opportunity to control the course of the proceedings that would be available to a party." *Id.* (citing Wright & Miller § 4451).

Here, it is undisputed that Patent Owner served the Delaware defendants with a complaint, more than one year prior to the filing of the instant Petition, alleging

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infringement of the '822 patent. Ex. 2006. Petitioner confirms that it is the supplier for at least one of the allegedly infringing products and has a "customer-supplier relationship" with one or more of the Delaware defendants. Dis. Opp. 5. Petitioner's SEC Form 10-K dated February 29, 2016, indicates the following:

On September 21, 2015, [Patent Owner] ChanBond filed suit against several MSOs [Multiple Systems Operators] alleging infringement of three US Patents. Certain of our customers have requested that we provide indemnification In the event of an unfavorable outcome, ARRIS may be required to indemnify the MSOs and/or pay damages for utilizing certain technology.

Ex. 2002, 5, 31.

Further, it is undisputed that Petitioner has indemnification agreements with one or more of the Delaware defendants. *See generally* Dis. Opp.; Ex. 2002, 31; Exs. 2007–09. Notably, Petitioner's Corporate Terms and Conditions of Sale include the following:

22. INDEMNIFICATION. *ARRIS will defend and hold Customer . . . harmless against damages finally awarded . . . and will, at ARRIS' expense, defend any third party claim, suit, or proceeding ("Claim") brought against Customer insofar as such Claim is based on an allegation that a Product as provided to*

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Customer directly infringes a valid patent or copyright. *ARRIS will pay Damages as the result of the Claim provided that (i) Customer promptly notifies ARRIS of the Claim, (ii) Customer gives ARRIS all applicable evidence in Customer's possession, custody or control, and (iii) Customer gives ARRIS reasonable assistance in and sole control of the defense and all negotiations for its settlement or compromise.*

Ex. 2007, 2 (emphases added). Significantly, under the indemnification agreement, Petitioner had an obligation to defend a patent infringement claim brought against the customer as to Petitioner's product. *Id.* Petitioner also was obligated to indemnify the customer any damages as the result of the infringement claim. *Id.* Moreover, the agreement required the customer to give Petitioner "sole control of the defense" in order to receive any indemnity payment.

[REDACTED]

[REDACTED]

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[REDACTED]

In short, Petitioner had the opportunity to exercise “sole control” of those Delaware defendants’ defense. The evidence in the instant proceeding establishes that Petitioner had substantial control over the Delaware actions. *Gonzalez*, 27 F.3d at 758 (“Substantial control . . . connotes the availability of the significant degree of effective control in the . . . defense of the case—what one might term, in the vernacular, the power—whether exercised or not—to call the shots.”).

We also are not persuaded by Petitioner’s arguments that it does not have a right to control the Delaware actions that involve other suppliers’ products, and that Petitioner’s “[REDACTED] plainly shows that ARRIS does not control the litigation.” Disc. Opp. 5–7. [REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

In essence, Petitioner “has already had his day in court” as it had the opportunity to present proofs and arguments with respect to its own accused product in the Delaware actions. *See Taylor*, 553 U.S. at 895 (“Because such a person has had the opportunity to present proofs and argument, he has already had his day in court even though he was not a formal party to the litigation.”) (internal quotation marks and citations omitted). Petitioner had the same practical opportunity to control the course of the proceedings that would be available to the named party. As such, Petitioner had the actual measure of control or opportunity to control that might reasonably be expected between formal coparties.

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Furthermore, Petitioner's reliance on *Wi-Fi One* and *Nestle* is misplaced. Disc. Opp. 5–6 (citing *Wi-Fi One*, 887 F.3d 1329; *Nestle*, Case IPR2015-00195, slip op. at 6–17). The determination of whether a petitioner is in privity with a time-barred district court party is a “highly fact-dependent question.” Trial Practice Guide, 77 Fed. Reg. at 48,759. The particular facts in those cases are distinguishable from the instant proceeding.

In *Wi-Fi One*, the court found that “the evidence did not show that Broadcom had the right to control that litigation or otherwise participated in that litigation to the extent that it should be bound by the results.” *Wi-Fi One*, 887 F.3d at 1341. In *Nestle*, the Board explicitly found that there is no evidence to suggest that the IPR petitioner financed the district court litigation or prior *inter partes* reviews. *Nestle*, Case IPR2015-00195, slip op. at 12. In fact, the Board noted that the “Agreement expressly states that [e]ach party will bear their own legal costs . . . in handling the [Patent Owner] Claim (e.g., defending, filing counterclaims or cross claims . . . , etc.)” *Id.*

Here, in contrast, Petitioner has a right to substantially control the Delaware actions. Under the indemnification agreement, Petitioner had the obligations to defend the patent infringement claim brought against its customer as to its accused product. Ex. 2007. [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] Therefore,

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unlike *Wi-Fi One* and *Nestle*, the evidence in the instant proceeding establishes that Petitioner had substantial control over the Delaware actions. Petitioner's involvement was not merely indemnity payments and minor participation. Rather, Petitioner had the same practical opportunity to control the course of the proceedings that would be available to a named party.

In addition, we agree with Patent Owner that cases where the Board rejected a privity argument based on indemnification are distinguishable because in those cases, unlike here, the Board found no sufficient evidence to show that the petitioner exercised or could have exercised control over a named party's participation in the prior litigation. Prelim. Resp. 32–33; *see, e.g., Apple Inc. v. Achatos Reference Publ'g, Inc.*, Case IPR2013-00080, slip op. at 12 (PTAB June 2, 2014) (Paper 90) (noting that the agreement “does not give the [indemnitor] the right to intervene or control [the indemnitee's] defense to any charge of patent infringement”).

We also are mindful that, in a prior proceeding involving the same petitioner,⁵ the Board rejected patent owner's privity argument because, ██████████ the Board found that “Patent Owner does not provide evidence sufficient to demonstrate that [the named party] provided prompt notification to Petitioner, and that Petitioner exercised sole control or full authority according to the

5. The petitioner (ARRIS Group, Inc.) in Case IPR2014-00746 was the predecessor in interest of Petitioner here (ARRIS International plc). Ex. 2002, 2 (ARRIS Form 10-K dated February 29, 2016).

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Agreements.” *ARRIS Group, Inc. v. C-Cation Techs.*, Case IPR2014-00746, slip op. at 8–10 (Paper 22) (PTAB Nov. 24, 2014). The Board, in the prior proceeding, also noted that “absent is evidence of Petitioner’s conduct in the 2011 district court proceeding from which we could infer that Petitioner exercised control or could have exercised control as provided for in the Agreements.” *Id.*

Here, to the contrary, the evidence in the instant proceeding shows that Petitioner had substantial control over the Delaware actions. Exs. 2007–23. As discussed above, Petitioner had the obligation to defend the patent infringement claim brought against its customer with respect to its accused product. *Id.* [REDACTED]

[REDACTED] Petitioner had the same practical opportunity to control the course of the proceedings that would be available to a named party. Therefore, the facts in the prior proceeding are distinguishable from the instant proceeding.

In sum, based on the evidence in the entirety of this record, we find that Petitioner had substantial control over the Delaware actions. One or more of the defendants of the Delaware actions was in privity with Petitioner, and those defendants were served with a complaint, alleging infringement of the ’822 patent more than one year prior to the filing of the instant Petition. Therefore, we determine that the instant Petition is time-barred under § 315(b).

*Appendix B**C. Motion for Additional Discovery*

In its Motion for Additional Discovery, Patent Owner indicates that the parties had conferred and agreed to additional discovery between themselves. Disc. Mot. 1; 37 C.F.R. § 42.51(b)(2)(i) (“The parties may agree to additional discovery between themselves.”). In particular, Petitioner agreed to produce “relevant indemnification provisions from agreements with the Delaware defendants, any indemnification claims made by the defendants, and ARRIS’s responses to those claims.” Ex. 2035; Ex. 2030, 3–4. Petitioner produced the following documents: several indemnification agreements; letters from several of the Delaware defendants to Petitioner, requesting indemnification [REDACTED] and several response letters from Petitioner to one or more of the Delaware defendants. Exs. 2009–23.

In its Motion for Additional Discovery, Patent Owner alleges that Petitioner did not produce the indemnification agreement and the response letter for each of the [REDACTED] customers that sent indemnification notices to Petitioner. Disc. Mot. 1–2. Patent Owner requests discovery of missing documents and interrogatories concerning Petitioner’s involvement in the Delaware litigation. *Id.*; Ex. 2033. Patent Owner avers that the requested additional discovery is necessary in the interests of justice, arguing that it is beyond speculation that Petitioner was in privity with the Delaware defendants. Disc. Mot. 2–3.

Under the circumstances of this case, we need not assess the merits of Patent Owner’s Motion for Additional

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Discovery. As discussed above, even without the additional requested documents and information, the evidence in the current record establishes sufficiently that Petitioner was in privity with one or more of the Delaware defendants, and we determine that the instant Petition is time-barred under § 315(b).

Accordingly, Patent Owner's Motion for Additional Discovery is *dismissed* as moot.

D. Motions to Seal

Patent Owner filed its First Motion to Seal (Paper 8), along with a Stipulated Default Protective Order agreed to by the parties, which is a copy of the Board's Default Protective Order and attached to Patent Owner's First Motion to Seal. Trial Practice Guide, 77 Fed. Reg. 48,760 (Aug. 14, 2012), App'x B. Patent Owner requests the Board to enter the Stipulated Default Protective Order. Because the parties agree to the terms of the Board's Default Protective Order, we hereby enter the Stipulated Default Protective Order, which governs the treatment and filing of confidential information in the instant proceeding.

In its First Motion to Seal, Patent Owner seeks to seal Exhibits 2008–23, which were produced by Petitioner pursuant to the Stipulated Default Protective Order, and designated "CONFIDENTIAL-PROTECTIVE ORDER MATERIAL" by Petitioner. Exhibits 2008–23 relate to indemnification agreements between Petitioner and its customers.

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Patent Owner filed its Second Motion to Seal (Paper 9) along with unredacted and redacted versions of its Motion for Additional Discovery (Papers 10 and 11). Patent Owner seeks to seal Exhibits 2033 and 2038–42, as well as portions of its Motion for Additional Discovery, which discuss the substance of Exhibits 2008–23. Petitioner filed a Motion to Seal (Paper 12) along with unredacted and redacted versions of its Opposition (Papers 13 and 14) to the Motion for Additional Discovery. Petitioner seeks to seal portions of its Opposition that discuss the substance of Exhibits 2008–23.

Patent Owner filed its Third Motion to Seal (Paper 15) along with unredacted and redacted versions of its Preliminary Response (Papers 16 and 17) to Petitioner's Opposition to the Motion for Additional Discovery. Patent Owner seeks to seal portions of its Preliminary Response that discuss the substance of Exhibits 2008–23, 2033, and 2038–42.

Patent Owner filed its Fourth Motion to Seal (Paper 18) along with unredacted and redacted versions of its Reply (Papers 19 and 20) to Petitioner's Opposition to the Motion for Additional Discovery. Patent Owner seeks to seal portions of its Reply that discuss the substance of Exhibits 2008–23.

Neither party files an opposition to any of the Motions to Seal filed in this proceeding.

The record for an *inter partes* review shall be made available to the public, except as otherwise ordered,

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and a document filed with a motion to seal shall be treated as sealed until the motion is decided. 35 U.S.C. § 316(a)(1); 37 C.F.R. § 42.14. There is a strong public policy that favors making information filed in *inter partes* review proceedings open to the public. *Garmin Int'l v. Cuozzo Speed Techs., LLC*, Case IPR2012-00001, slip op. at 1–2 (PTAB Mar. 14, 2013) (Paper 34). The moving party bears the burden of showing that the relief requested should be granted. 37 C.F.R. § 42.20(c). That includes showing that the information is truly confidential, and that such confidentiality outweighs the strong public interest in having an open record. *See Garmin*, Case IPR2012-00001, slip op. at 3. The standard for granting a motion to seal is good cause. 37 C.F.R. § 42.54.

Having considered the documents at issue, we are persuaded that good cause exists to keep the documents under seal as they related to confidential business information of Petitioner. In particular, Exhibits 2008–23, and all other documents that discuss the substance of these exhibits, relate to indemnification agreements between Petitioner and its customers. The details of these agreements are unimportant to the patentability of the challenged claims. The public's interest in having access to the details of these agreements is minimal. Hence, we agree with the parties that the documents should be kept under seal.

We hereby grant the Motions to Seal with respect to the following documents: Exhibits 2008–23, 2033, and 2038–42; and unredacted versions of Patent Owner's Preliminary Response (Paper 16), Patent Owner's

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Motion for Additional Discovery (Paper 10), Petitioner's Opposition (Paper 13), and Patent Owner's Reply (Paper 19).

In addition, this Decision is filed under seal, designated as "For Board and Parties Only" as it discusses and cites to the documents under seal. The parties are ordered to file jointly a proposed redacted version of this Decision within 5 business days from the entry of this Decision.

III. CONCLUSION

For the foregoing reasons, the Petition is time-barred under § 315(b).

IV. ORDER

In consideration of the foregoing, it is

ORDERED that the Petition is *denied*, and no trial is instituted

FURTHER ORDERED that Patent Owner's Motion for Additional Discovery is *dismissed* as moot.

FURTHER ORDERED that Patent Owner's Motions to Seal and Petitioner's Motion to Seal are *granted*; the following papers shall be seal as "Board and Parties Only": Exhibits 2008-23, 2033, and 2038-42; and unredacted versions of Patent Owner's Preliminary Response (Paper 16), Patent Owner's Motion for Additional Discovery (Paper 10), Petitioner's Opposition (Paper 13), and Patent Owner's Reply (Paper 19);

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FURTHER ORDERED that the Stipulated Default Protective Order attached to Patent Owner's First Motion to Seal (Paper 8) be entered; and

FURTHER ORDERED that, within 5 business days from the entry of this Decision, Patent Owner and Petitioner jointly file a proposed redacted version of this Decision.

**APPENDIX C — REDACTED DECISION OF THE
UNITED STATES PATENT AND TRADEMARK
OFFICE, CASE IPR2018-00572, DATED
JULY 20, 2018**

UNITED STATES PATENT
AND TRADEMARK OFFICE
BEFORE THE PATENT TRIAL
AND APPEAL BOARD
ARRIS INTERNATIONAL PLC,

Petitioner,

v.

CHANBOND, LLC,

Patent Owner.

Case IPR2018-00572
Patent 8,341,679 B2

Before JONI Y. CHANG, JEFFREY S. SMITH, and
DAVID C. McKONE, *Administrative Patent Judges.*

SMITH, *Administrative Patent Judge.*

DECISION
Denying Institution of *Inter Partes* Review
35 U.S.C. § 314

I. INTRODUCTION

ARRIS International PLC (“Petitioner”) filed a
Petition requesting an *inter partes* review of claims 1 and
9 (“the challenged claims”) of U.S. Patent No. 8,341,679 B2

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(Ex. 1001, “the ’679 patent”). Paper 1 (“Pet.”). ChanBond, LLC (“Patent Owner”) filed unredacted and redacted versions¹ of a Preliminary Response (Papers 13 and 14, “Prelim. Resp.”), a Motion to Seal the Preliminary Response (Paper 12), a Motion to Seal (Paper 8) and the Stipulated Default Protective Order (attached to the Motion to Seal), which is a copy of the default Protective Order set forth in Appendix B of the Office Patent Trial Practice Guide (“Trial Practice Guide”), 77 Fed. Reg. 48,756, 48,756–66 (Aug. 14, 2012). Pursuant to our authorization, Patent Owner filed a Motion for Additional Discovery (Papers 10 and 11, “Disc. Mot.”); Petitioner filed an Opposition (Papers 16 and 17, “Disc. Opp.”) to the Motion for Additional Discovery; and Patent Owner filed a Reply (Papers 19 and 20, “Disc. Reply”) to Petitioner’s Opposition.²

For the reasons stated below, we determine that a privy of Petitioner was served with a complaint alleging infringement of the ’679 patent more than one year before the Petition was filed. Consequently, we deny the Petition as it is time-barred under 35 U.S.C. § 315(b), and dismiss Patent Owner’s Motion for Additional Discovery as moot. We also grant the parties’ Motions to Seal (Papers 8, 9, 12, 15, and 18).

1. Citations hereinafter correspond to the unredacted version (Paper 13).

2. Both parties filed unredacted and redacted versions of their papers, along with corresponding Motions to Seal (Papers 9, 15, and 18). Our citations correspond to the unredacted version of each paper.

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Related Matters

The parties indicate that the '679 patent and two other related patents, U.S. Patent Nos. 8,948,565 B2 ("565 patent") and 7,941,822 B2 ("822 patent"), are involved in the following proceedings in the United States District Court for the District of Delaware (the "Delaware actions"): *ChanBond, LLC v. Atlantic Broadband Group, LLC*, 1:15-cv-00842-RGA (D. Del.); *ChanBond, LLC v. Bright House Networks, LLC*, 1:15-cv-00843-RGA (D. Del.); *ChanBond, LLC v. Cable One Inc., LLC*, 1:15-cv-00844-RGA (D. Del.); *ChanBond, LLC v. Cablevision Systems Corp.*, 1:15-cv-00845-RGA (D. Del.); *ChanBond, LLC v. Cequel Communications, LLC*, 1:15-cv-00846-RGA (D. Del.); *ChanBond, LLC v. Charter Communications, LLC*, 1:15-cv-00847-RGA (D. Del.); *ChanBond, LLC v. Comcast Corp.*, 1:15-cv-00848-RGA (D. Del.); *ChanBond, LLC v. Cox Communications, Inc.*, 1:15-cv-00849-RGA (D. Del.); *ChanBond, LLC v. Mediacom Communications Corp.*, 1:15-cv-00850-RGA (D. Del.); *ChanBond, LLC v. RCN Telecom Services, LLC*, 1:15-cv-00851-RGA (D. Del.); *ChanBond, LLC v. Time Warner Cable Inc.*, 1:15-cv-00852-RGA (D. Del.); *ChanBond, LLC v. WaveDivision Holdings, LLC*, 1:15-cv-00853-RGA (D. Del.); and *ChanBond, LLC v. WideOpen West Finance, LLC*, 1:15-cv-00854-RGA (D. Del.).³ Pet. 3-4; Paper 7, 1-2.

Petitioner also filed four additional petitions: IPR2018-00574 and IPR2018-00575 involving the '565

3. In this Decision, we refer the defendants of these Delaware actions as "the Delaware defendants."

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patent; IPR2018-00573 involving the '679 patent; and IPR2018-00570 involving the '822 patent. Pet. 5.

II. DISCUSSION

The instant Petition was filed on February 2, 2018. Paper 5, 1. Patent Owner served the defendants in the Delaware actions with a complaint, alleging infringement of the '679 patent on October 1, 2015, more than one year prior to the filing of the instant Petition. Ex. 2006. Petitioner was not a named party in the Delaware actions. *Id.* Nonetheless, Patent Owner asserts that the instant Petition is time-barred under 35 U.S.C. § 315(b) because Petitioner is in privity with the Delaware defendants. Prelim. Resp. 12–33. Accordingly, the main issue here is whether at least one of the Delaware defendants is a privy of Petitioner.

A. Principles of Law

Section 315(b) of Title 35 of the United States Code 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. The time limitation set forth in the preceding sentence shall not apply to a request for joinder under subsection (c).

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The legislative history indicates that § 315(b) was intended to set a “deadline for allowing an accused infringer to seek *inter partes* review after he has been sued for infringement.” 157 CONG. REC. S5429 (daily ed. Sept. 8, 2011) (statement of Sen. Kyl). The deadline helps to ensure that *inter partes* review is not used as a tool for harassment by “repeated litigation and administrative attacks.” H.R. REP. NO. 112-98 at 48 (2011), *as reprinted in* 2011 U.S.C.C.A.N. 67, 78. Hence, “the rationale behind § 315(b)’s preclusion provision is to prevent successive challenges to a patent by those who previously have had the opportunity to make such challenges in prior litigation.” *WesternGeco LLC v. ION Geophysical Corp.*, 889 F.3d 1308, 1319 (Fed. Cir. 2018).

The term “privity” is not defined in the statute, but it “is a well-established common-law term.” *Id.* at 1317. “[W]hen Congress uses language with a settled meaning at common law, Congress presumably knows and adopts the cluster of ideas that were attached to each borrowed word in the body of learning from which it was taken.” *Beck v. Prupis*, 529 U.S. 494, 500–01 (2000); *see also* 154 CONG. REC. S9987 (daily ed. Sept. 27, 2008) (statement of Sen. Kyl) (“The concept of privity, of course, is borrowed from the common law of judgments.”).

The concept of “privity” is more expansive and encompasses parties that do not necessarily need to be identified in the Petition as real parties-in-interest. Trial Practice Guide, 77 Fed. Reg. at 48,759. The term “privity” is used “more broadly, as a way to express the conclusion that nonparty preclusion is appropriate on

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any ground.” *Taylor v. Sturgell*, 553 U.S. 880, 894 n.8 (2008) (citing 18A Charles Alan Wright, Arthur R. Miller & Edward H. Cooper, *Federal Practice and Procedure* § 4449, pp. 351–53, n.33 (2d ed. 2002) (hereinafter “Wright & Miller”)); *WesternGeco*, 889 F.3d at 1318–19. The legislative history endorsed the expression of “privy” as follows:

The word “privy” has acquired an expanded meaning. The courts, in the interest of justice and to prevent expensive litigation, are striving to give effect to judgments by extending “privies” beyond the classical description. *The emphasis is not on the concept of identity of parties, but on the practical situation. Privy is essentially a shorthand statement that collateral estoppel is to be applied in a given case; there is no universally applicable definition of privy. The concept refers to a relationship between the party to be estopped and the unsuccessful party in the prior litigation which is sufficiently close so as to justify application of the doctrine of collateral estoppel.*

154 CONG. REC. S9987 (daily ed. Sept. 27, 2008) (statement of Sen. Kyl) (emphases added) (citing *Cal. Physicians’ Serv. v. Aoki Diabetes Research Inst.*, 163 Cal. App. 4th 1506 (Cal. App. 2008)); 157 CONG. REC. S1376 (daily ed. Mar. 8, 2011) (incorporating prior 2008 statement).

The determination of whether a petitioner is in privy with a time-barred district court party is a “highly fact-

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dependent question.” Trial Practice Guide, 77 Fed. Reg. at 48,759. More importantly, “the standards for the privity inquiry must be grounded in due process.” *WesternGeco*, 889 F.3d. at 1319. “[T]he privity inquiry in this context naturally focuses on *the relationship* between the named IPR petitioner and the party *in the prior lawsuit*. For example, it is important to determine whether the petitioner and the prior litigant’s relationship—as it relates to the lawsuit—is sufficiently close that it can be fairly said that the petitioner had a full and fair opportunity to litigate the validity of the patent in that lawsuit.” *Id.* (emphases added).

In *Taylor*, the United States Supreme Court identified a non-exhaustive list of six categories under which nonparty preclusion based on a privity relationship may be found: (1) an agreement between the parties to be bound; (2) pre-existing substantive legal relationships between the parties; (3) adequate representation by the named party; (4) the nonparty’s control of the prior litigation; (5) where the nonparty acts as a proxy for the named party to re-litigate the same issues; and (6) where special statutory schemes foreclose successive litigation by the nonparty (e.g., bankruptcy or probate). *Taylor*, 553 U.S. at 893–95, 893 n.6. The Supreme Court noted that this list of the six “established grounds for nonparty preclusion” is “meant only to provide a framework . . . , not to establish a definitive taxonomy.” *Id.* at 893 n.6. Each ground alone is sufficient to establish privity between a nonparty and a named party in the prior litigation. *WesternGeco*, 889 F.3d at 1319–20.

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Here, in our analysis, we mainly address the fourth *Taylor* category of nonparty preclusion. For the reasons stated below, the evidence of record establishes sufficiently that Petitioner is in privity with a time-barred district court party because Petitioner had substantial control over the Delaware actions. As such, it is not necessary for us to determine whether privity exists based on other grounds.

Under the fourth *Taylor* category of nonparty preclusion, a nonparty to a prior action is bound by a judgment if that party “‘assume[d] control’ over the litigation in which that judgment was rendered.” *Taylor*, 553 U.S. at 895 (citing *Montana v. United States*, 440 U.S. 147, 154 (1979)). “Courts and commentators agree, however, that there is no ‘bright-line test’ for determining the necessary quantity or degree of participation to qualify as . . . ‘privy’ based on the control concept.” Trial Practice Guide, 77 Fed. Reg. at 48,759 (citing *Gonzalez v. Banco Cent. Corp.*, 27 F.3d 751, 759 (1st Cir. 1994)).

Neither absolute control, nor actual control, is a requirement for finding of privity. Rather, “it should be enough that the nonparty has the actual measure of control or opportunity to control that might reasonably be expected between two formal coparties.” Trial Practice Guide, 77 Fed. Reg. at 48,759 (quoting Wright & Miller § 4451); see also *WesternGeco*, 889 F.3d at 1320. “Such relationships between a party and a nonparty are most often found when . . . an indemnitor participates in defending an action brought against its indemnitee.” Wright & Miller § 4451; *Benson & Ford, Inc. v. Wanda*

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Petroleum Co., 833 F.2d 1172, 1174 (5th Cir. 1987); *cf. Intel Corp. v. U.S. Int'l Trade Comm'n*, 946 F.2d 821, 839 (Fed. Cir. 1991) (finding that “an indemnification agreement, in other cases, has alone been enough to find privity”) (citing *Urbain v. Knapp Bros. Mfg. Co.*, 217 F.2d 810 (6th Cir. 1954); *Weyerhaeuser Timber Co. v. Bostitch, Inc.*, 178 F. Supp. 757, 760–61 (D.R.I. 1959)); *SpeedTrack, Inc. v. Office Depot, Inc.*, 2014 WL 1813292, at *6–7 (N.D. Cal. May 6, 2014) (ruling that in view of the indemnification obligations the manufacturer owed to its customer, the manufacturer was in privity with the customer such that claim preclusion could apply), *aff'd*, 791 F.3d 1317, 1324–29 (Fed. Cir. 2015).

“Preclusion is fair so long as the relationship between the nonparty and a party was such that the nonparty had the same practical opportunity to control the course of the proceedings that would be available to a party.” Wright & Miller § 4451. “The appropriate measure of control does not require that the named party or parties totally abandon control to the nonparty.” *Id.* “A common consideration is whether the non-party exercised or could have exercised control over a party’s participation in a proceeding.” Trial Practice Guide, 77 Fed. Reg. at 48,759 (citing *Taylor*, 553 U.S. at 895; Wright & Miller § 4451).

With these principles in mind and for the reasons stated below, we find that Petitioner is in privity with at least one of the Delaware defendants as the evidence of record shows that Petitioner had substantial control over the Delaware actions.

*Appendix C**B. Analysis on Privity*

As an initial matter, the Board has considered, in certain cases, the relationship between those alleged to be in privity *at the time of service of the complaint* with regard to the time bar under § 315(b). *See, e.g., Nestle USA, Inc. v. Steuben Foods, Inc.*, Case IPR2015-00195, slip op. at 9–10 (Paper 51) (PTAB June 29, 2015). As noted above, the term “privity” is not defined in the statute, but it “is a well-established common-law term.” *WesternGeco*, 889 F.3d at 1317. Our reviewing court has explained that “the privity inquiry in this context naturally focuses on *the relationship between the named IPR petitioner and the party in the prior lawsuit.*” *Id.* at 1319 (emphases added). This approach of focusing the privity inquiry on the relationship *during the prior lawsuit*, rather than *at the time of service of the complaint* (i.e., at the start of the lawsuit) is consistent with *Taylor. Aruze Gaming Macau, LTD. v. MGT Gaming Inc.*, Case IPR2014-01288, slip op. 12–14 (Paper 13) (PTAB Feb. 20, 2015). As the Supreme Court explained in *Taylor*, regarding the fourth category of nonparty preclusion, “a nonparty is bound by a judgement if she *assumed control over the litigation* in which that judgment was rendered.” *Taylor*, 553 U.S. at 895 (internal quotation marks and citation omitted) (emphasis added).

As such, our privity inquiry in the instant processing focuses on the relationship between Petitioner and the Delaware defendants *during the prior lawsuit*. More specifically, we focus on whether the relationship, as it relates to the Delaware actions, “is sufficiently close that

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it can be fairly said that the petitioner had a full and fair opportunity to litigate the validity of the patent in that lawsuit.” *WesternGeco*, 889 F.3d at 1319; *Aruze Gaming*, Case IPR2014-01288, slip op. at 15.

We now turn to Parties’ contentions and supporting evidence. In its Preliminary Response, Patent Owner argues that Petitioner “had a right to substantially control the Delaware litigation for years prior to the filing of the present petition.” Prelim. Resp. 17. As support, Patent Owner notes that Petitioner’s own public filings with the Securities and Exchange Commission (“SEC”) establish the existence of indemnification agreements with several Delaware defendants. *Id.* According to Patent Owner, [REDACTED] Petitioner had a legal right to control the litigation, [REDACTED]

[REDACTED] Upon consideration of the evidence before us, we agree with Patent Owner that Petitioner had substantial control over the Delaware actions.

Petitioner counters that it is not a privy of the Delaware defendants. Dis. Opp. 4–6.⁴ In support of its contention,

4. Petitioner did not present any privity argument in its Petition. Pet. 6–8. Nor did Petitioner seek leave to file a reply to Patent Owner’s Preliminary Response. Rather, Petitioner presents its privity arguments in the Opposition to Patent Owner’s Motion for Additional Discovery. Although improperly presented,

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Petitioner argues that it “is *not* controlling the Delaware litigation,” and it “has no legal right to do so” because the complaints and infringement contentions in the Delaware actions “identify multiple accused products that are supplied to each of the Defendants by many different suppliers, of which ARRIS is only one.” *Id.* Petitioner also argues that Patent Owner “points to no indemnification provision and provides no argument that could support a conclusion that ARRIS has a legal right to control a lawsuit that involves other suppliers’ products.” *Id.* Petitioner avers that “ARRIS could not take responsibility for the other products accused of infringement, and it could not have assumed (and did not assume) control over litigation strategy or settlement.” *Id.* Petitioner further argues that “ARRIS’s [REDACTED] plainly shows that ARRIS does not control the litigation.” *Id.* at 5–7. In Petitioner’s view, “ARRIS’s agreement to [REDACTED] thus merely establishes a typical customer-supplier relationship that controlling authority has held insufficient to establish privity.” *Id.* (citing *Wi-Fi One LLC v. Broadcom Corp.*, 887 F.3d 1329 (Fed. Cir. 2018); *Nestle*, Case IPR2015-00195, slip op. at 6–17).

We are not persuaded by Petitioner’s arguments because they rest on an erroneous privity standard, requiring *actual and complete* control of the *entire* litigation. As discussed above, neither absolute control, nor actual control, is required for finding of privity. Rather, “it should be enough that the nonparty has the actual

we nevertheless exercise our discretion to consider Petitioner’s arguments, and address each of Petitioner’s privity arguments in turn. *See* 37 C.F.R. § 42.5.

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measure of control or opportunity to control that might reasonably be expected between two formal coparties.” Trial Practice Guide, 77 Fed. Reg. at 48,759 (citing Wright & Miller § 4451).

The Board as well as the courts “have found privity where an entity’s control over the litigation was substantial, even though not complete.” *General Electric Co. v. TransData, Inc.*, Case IPR2014-01380 (Paper 34, 9) (PTAB Apr. 15, 2015) (citing *Jefferson Sch. of Soc. Sci. v. Subversive Activities Control Bd.*, 331 F.2d 76, 83 (D.C. Cir. 1963)). “If a nonparty either participated vicariously in the original litigation by exercising control over a named party or had the opportunity to exert such control, then the nonparty effectively enjoyed his day in court, and it is appropriate to impute to him the legal attributes of party status for purposes of claim preclusion.” *Gonzalez*, 27 F.3d at 758. “[P]reclusion is fair so long as the relationship between the nonparty and a party was such that the nonparty had the same practical opportunity to control the course of the proceedings that would be available to a party.” *Id.* (citing Wright & Miller § 4451).

Here, it is undisputed that Patent Owner served the Delaware defendants with a complaint, more than one year prior to the filing of the instant Petition, alleging infringement of the ’679 patent. Ex. 2006. Petitioner confirms that it is the supplier for at least one of the allegedly infringing products and has a “customer-supplier relationship” with one or more of the Delaware defendants. Dis. Opp. 5. Petitioner’s SEC Form 10-K dated February 29, 2016, indicates the following:

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On September 21, 2015, [Patent Owner] ChanBond filed suit against several MSOs [Multiple Systems Operators] alleging infringement of three US Patents. Certain of our customers have requested that we provide indemnification In the event of an unfavorable outcome, ARRIS may be required to indemnify the MSOs and/or pay damages for utilizing certain technology.

Ex. 2002, 5, 31.

Further, it is undisputed that Petitioner has indemnification agreements with one or more of the Delaware defendants. *See generally* Dis. Opp.; Ex. 2002, 31; Exs. 2007–09. Notably, Petitioner’s Corporate Terms and Conditions of Sale include the following:

22. INDEMNIFICATION. *ARRIS will defend and hold Customer . . . harmless against damages finally awarded . . . and will, at ARRIS’ expense, defend any third party claim, suit, or proceeding (“Claim”) brought against Customer insofar as such Claim is based on an allegation that a Product as provided to Customer directly infringes a valid patent or copyright. ARRIS will pay Damages as the result of the Claim provided that (i) Customer promptly notifies ARRIS of the Claim, (ii) Customer gives ARRIS all applicable evidence in Customer’s possession, custody or control, and (iii) Customer gives ARRIS reasonable*

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assistance in and sole control of the defense
and all negotiations for its settlement or
compromise.

Ex. 2007, 2 (emphases added). Significantly, under the indemnification agreement, Petitioner had an obligation to defend a patent infringement claim brought against the customer as to Petitioner's product. *Id.* Petitioner also was obligated to indemnify the customer any damages as the result of the infringement claim. *Id.* Moreover, the agreement required the customer to give Petitioner "sole control of the defense" in order to receive any indemnity payment.

[REDACTED]

[REDACTED]

[REDACTED]

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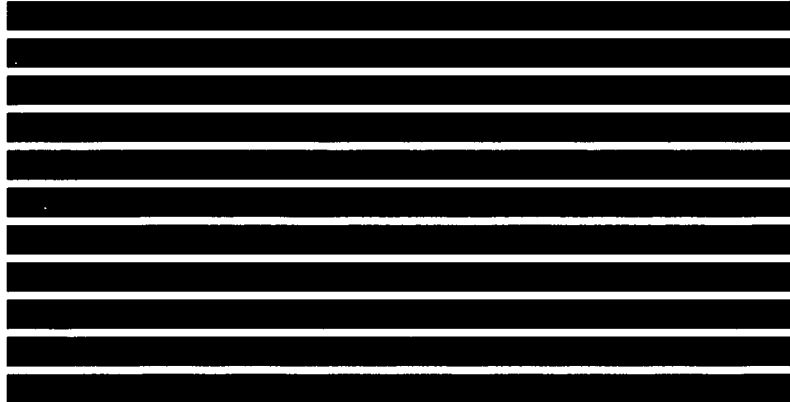
[REDACTED]

In short, Petitioner had the opportunity to exercise “sole control” of those Delaware defendants’ defense. The evidence in the instant proceeding establishes that Petitioner had substantial control over the Delaware actions. *Gonzalez*, 27 F.3d at 758 (“Substantial control . . . connotes the availability of the significant degree of effective control in the . . . defense of the case—what one might term, in the vernacular, the power—whether exercised or not—to call the shots.”).

We also are not persuaded by Petitioner’s arguments that it does not have a right to control the Delaware actions that involve other suppliers’ products, and that Petitioner’s “[REDACTED] plainly shows that ARRIS does not control the litigation.” Disc. Opp. 5–7. [REDACTED]

[REDACTED]

[REDACTED]

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In essence, Petitioner “has already had his day in court” as it had the opportunity to present proofs and arguments with respect to its own accused product in the Delaware actions. *See Taylor*, 553 U.S. at 895 (“Because such a person has had the opportunity to present proofs and argument, he has already had his day in court even though he was not a formal party to the litigation.”) (internal quotation marks and citations omitted). Petitioner had the same practical opportunity to control the course of the proceedings that would be available to the named party. As such, Petitioner had the actual measure of control or opportunity to control that might reasonably be expected between formal coparties.

Furthermore, Petitioner’s reliance on *Wi-Fi One* and *Nestle* is misplaced. Disc. Opp. 5–7 (citing *Wi-Fi One*, 887 F.3d 1329; *Nestle*, Case IPR2015-00195, slip op. at 6–17). The determination of whether a petitioner is in privity with a time-barred district court party is a “highly fact-dependent question.” Trial Practice Guide, 77 Fed.

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Reg. at 48,759. The particular facts in those cases are distinguishable from the instant proceeding.

In *Wi-Fi One*, the court found that “the evidence did not show that Broadcom had the right to control that litigation or otherwise participated in that litigation to the extent that it should be bound by the results.” *Wi-Fi One*, 887 F.3d at 1341. In *Nestle*, the Board explicitly found that there is no evidence to suggest that the IPR petitioner financed the district court litigation or prior *inter partes* reviews. *Nestle*, Case IPR2015-00195, slip op. at 12. In fact, the Board noted that the “Agreement expressly states that [e]ach party will bear their own legal costs . . . in handling the [Patent Owner] Claim (e.g., defending, filing counterclaims or cross claims . . . , etc.)” *Id.*

Here, in contrast, Petitioner has a right to substantially control the Delaware actions. Under the indemnification agreement, Petitioner had the obligations to defend the patent infringement claim brought against its customer as to its accused product. Ex. 2007. [REDACTED]

[REDACTED] Therefore, unlike *Wi-Fi One* and *Nestle*, the evidence in the instant proceeding establishes that Petitioner had substantial control over the Delaware actions. Petitioner’s involvement was not merely indemnity payments and minor participation. Rather, Petitioner had the same practical opportunity to control the course of the proceedings that would be available to a named party.

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In addition, we agree with Patent Owner that cases where the Board rejected a privity argument based on indemnification are distinguishable because in those cases, unlike here, the Board found no sufficient evidence to show that the petitioner exercised or could have exercised control over a named party's participation in the prior litigation. Prelim. Resp. 32–33; *see, e.g., Apple Inc. v. Achatos Reference Publ'g, Inc.*, Case IPR2013-00080, slip op. at 12 (PTAB June 2, 2014) (Paper 90) (noting that the agreement “does not give the [indemnitor] the right to intervene or control [the indemnitee's] defense to any charge of patent infringement”).

We also are mindful that, in a prior proceeding involving the same petitioner,⁵ the Board rejected patent owner's privity argument because, ██████████ the Board found that “Patent Owner does not provide evidence sufficient to demonstrate that [the named party] provided prompt notification to Petitioner, and that Petitioner exercised sole control or full authority according to the Agreements.” *ARRIS Group, Inc. v. C-Cation Techs.*, Case IPR2014-00746, slip op. at 8–10 (Paper 22) (PTAB Nov. 24, 2014). The Board, in the prior proceeding, also noted that “absent is evidence of Petitioner's conduct in the 2011 district court proceeding from which we could infer that Petitioner exercised control or could have exercised control as provided for in the Agreements.” *Id.*

Here, to the contrary, the evidence in the instant

5. The petitioner (ARRIS Group, Inc.) in Case IPR2014-00746 was the predecessor in interest of Petitioner here (ARRIS International plc). Ex. 2002, 2 (ARRIS Form 10-K dated February 29, 2016).

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proceeding shows that Petitioner had substantial control over the Delaware actions. Exs. 2007–23. As discussed above, Petitioner had the obligation to defend the patent infringement claim brought against its customer with respect to its accused product. *Id.* [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED] had the same practical opportunity to control the course of the proceedings that would be available to a named party. Therefore, the facts in the prior proceeding are distinguishable from the instant proceeding.

In sum, based on the evidence in the entirety of this record, we find that Petitioner had substantial control over the Delaware actions. One or more of the defendants of the Delaware actions was in privity with Petitioner, and those defendants were served with a complaint, alleging infringement of the '679 patent more than one year prior to the filing of the instant Petition. Therefore, we determine that the instant Petition is time-barred under § 315(b).

C. Motion for Additional Discovery

In its Motion for Additional Discovery, Patent Owner indicates that the parties had conferred and agreed to additional discovery between themselves. Disc. Mot. 1; 37 C.F.R. § 42.51(b)(2)(i) (“The parties may agree to additional discovery between themselves.”). In particular, Petitioner agreed to produce “relevant indemnification provisions from agreements with the

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Delaware defendants, any indemnification claims made by the defendants, and ARRIS's responses to those claims." Ex. 2035; Ex. 2030, 3–4. Petitioner produced the following documents: several indemnification agreements; letters from several of the Delaware defendants to Petitioner, requesting indemnification [REDACTED] and several response letters from Petitioner to one or more of the Delaware defendants. Exs. 2009–23.

In its Motion for Additional Discovery, Patent Owner alleges that Petitioner did not produce the indemnification agreement and the response letter for each of the [REDACTED] customers that sent indemnification notices to Petitioner. Disc. Mot. 1–2. Patent Owner requests discovery of missing documents and interrogatories concerning Petitioner's involvement in the Delaware litigation. *Id.*; Ex. 2033. Patent Owner avers that the requested additional discovery is necessary in the interests of justice, arguing that it is beyond speculation that Petitioner was in privity with the Delaware defendants. Disc. Mot. 2–3.

Under the circumstances of this case, we need not assess the merits of Patent Owner's Motion for Additional Discovery. As discussed above, even without the additional requested documents and information, the evidence in the current record establishes sufficiently that Petitioner was in privity with one or more of the Delaware defendants, and we determine that the instant Petition is time-barred under § 315(b).

Accordingly, Patent Owner's Motion for Additional Discovery is *dismissed* as moot.

*Appendix C**D. Motions to Seal*

Patent Owner filed unredacted and redacted versions of its Preliminary Response (Papers 13 and 14), and a Motion to Seal the Preliminary Response (Paper 12). Patent Owner also filed a First Motion to Seal (Paper 8) and a Stipulated Default Protective Order agreed to by the parties, which is a copy of the Board's Default Protective Order and attached to Patent Owner's First Motion to Seal. Trial Practice Guide, 77 Fed. Reg. 48,760 (Aug. 14, 2012), App'x B. Patent Owner requests the Board to enter the Stipulated Default Protective Order. Because the parties agree to the terms of the Board's Default Protective Order, we hereby enter the Stipulated Default Protective Order, which governs the treatment and filing of confidential information in the instant proceeding.

In its First Motion to Seal, Patent Owner seeks to seal Exhibits 2008–23 and portions of its Preliminary Response that discuss the substance of these exhibits. Exhibits 2008–23 were produced by Petitioner pursuant to the Stipulated Default Protective Order, and designated “CONFIDENTIAL-PROTECTIVE ORDER MATERIAL” by Petitioner. Exhibits 2008–23 relate to indemnification agreements between Petitioner and its customers.

Patent Owner filed its Second Motion to Seal (Paper 9) along with unredacted and redacted versions of its Motion for Additional Discovery (Papers 10 and 11). Patent Owner seeks to seal Exhibits 2033 and 2038–42, as well as portions of its Motion for Additional Discovery, which

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discuss the substance of Exhibits 2008–23. Petitioner filed a Motion to Seal (Paper 15) along with unredacted and redacted versions of its Opposition (Papers 16 and 17) to the Motion for Additional Discovery. Petitioner seeks to seal portions of its Opposition that discuss the substance of Exhibits 2008–23. Patent Owner filed its Third Motion to Seal (Paper 18) along with unredacted and redacted versions of its Reply (Papers 19 and 20) to Petitioner’s Opposition to the Motion for Additional Discovery. Patent Owner seeks to seal portions of its Reply that discuss the substance of Exhibits 2008–23.

Neither party files an opposition to any of the Motions to Seal filed in this proceeding.

The record for an *inter partes* review shall be made available to the public, except as otherwise ordered, and a document filed with a motion to seal shall be treated as sealed until the motion is decided. 35 U.S.C. § 316(a)(1); 37 C.F.R. § 42.14. There is a strong public policy that favors making information filed in *inter partes* review proceedings open to the public. *Garmin Int’l v. Cuozzo Speed Techns., LLC*, Case IPR2012-00001, slip op. at 1–2 (PTAB Mar. 14, 2013) (Paper 34). The moving party bears the burden of showing that the relief requested should be granted. 37 C.F.R. § 42.20(c). That includes showing that the information is truly confidential, and that such confidentiality outweighs the strong public interest in having an open record. *See Garmin*, Case IPR2012-00001, slip op. at 3. The standard for granting a motion to seal is good cause. 37 C.F.R. § 42.54.

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Having considered the documents at issue, we are persuaded that good cause exists to keep the documents under seal as they related to confidential business information of Petitioner. In particular, Exhibits 2008–23, and all other documents that discuss the substance of these exhibits, relate to indemnification agreements between Petitioner and its customers. The details of these agreements are unimportant to the patentability of the challenged claims. The public’s interest in having access to the details of these agreements is minimal. Hence, we agree with the parties that the documents should be kept under seal.

We hereby grant the Motions to Seal with respect to the following documents: Exhibits 2008–23, 2033, and 2038–42; and unredacted versions of Patent Owner’s Preliminary Response (Paper 13), Patent Owner’s Motion for Additional Discovery (Paper 10), Petitioner’s Opposition (Paper 16), and Patent Owner’s Reply (Paper 19).

In addition, this Decision is filed under seal, designated as “For Board and Parties Only” as it discusses and cites to the documents under seal. The parties are ordered to file jointly a proposed redacted version of this Decision within 5 business days from the entry of this Decision.

III. CONCLUSION

For the foregoing reasons, the Petition is time-barred under § 315(b).

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IV. ORDER

In consideration of the foregoing, it is

ORDERED that the Petition is *denied*, and no trial is instituted

FURTHER ORDERED that Patent Owner's Motion for Additional Discovery is *dismissed* as moot.

FURTHER ORDERED that Patent Owner's Motions to Seal and Petitioner's Motion to Seal are *granted*; the following papers shall be seal as "Board and Parties Only": Exhibits 2008-23, 2033, and 2038-42; and unredacted versions of Patent Owner's Preliminary Response (Paper 13), Patent Owner's Motion for Additional Discovery (Paper 10), Petitioner's Opposition (Paper 16), and Patent Owner's Reply (Paper 19);

FURTHER ORDERED that the Stipulated Default Protective Order attached to Patent Owner's First Motion to Seal (Paper 8) be entered; and

FURTHER ORDERED that, within 5 business days from the entry of this Decision, Patent Owner and Petitioner jointly file a proposed redacted version of this Decision.

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**APPENDIX D — REDACTED DECISION OF THE
UNITED STATES PATENT AND TRADEMARK
OFFICE, CASE IPR2018-00573, DATED
JULY 20, 2018**

UNITED STATES PATENT
AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL
AND APPEAL BOARD

ARRIS INTERNATIONAL PLC,

Petitioner,

v.

CHANBOND, LLC,

Patent Owner.

Case IPR2018-00573
Patent 8,341,679 B2

Before JONI Y. CHANG, JEFFREY S. SMITH, and
DAVID C. McKONE, *Administrative Patent Judges.*

SMITH, *Administrative Patent Judge.*

DECISION

Denying Institution of *Inter Partes* Review
35 U.S.C. § 314

*Appendix D***I. INTRODUCTION**

ARRIS International PLC (“Petitioner”) filed a Petition requesting an *inter partes* review of claims 12–14, 26, 27, and 36–40 (“the challenged claims”) of U.S. Patent No. 8,341,679 B2 (Ex. 1001, “the ’679 patent”). Paper 1 (“Pet.”). ChanBond, LLC (“Patent Owner”) filed unredacted and redacted versions¹ of a Preliminary Response (Papers 14 and 15, “Prelim. Resp.”), a Motion to Seal the Preliminary Response (Paper 13), and a Motion to Seal (Paper 9) and the Stipulated Default Protective Order (attached to the Motion to Seal), which is a copy of the default Protective Order set forth in Appendix B of the Office Patent Trial Practice Guide (“Trial Practice Guide”), 77 Fed. Reg. 48,756, 48,756–66 (Aug. 14, 2012). Pursuant to our authorization, Patent Owner filed a Motion for Additional Discovery (Papers 10 and 11, “Disc. Mot.”); Petitioner filed an Opposition (Papers 16 and 17, “Disc. Opp.”) to the Motion for Additional Discovery; and Patent Owner filed a Reply (Papers 19 and 20, “Disc. Reply”) to Petitioner’s Opposition.²

For the reasons stated below, we determine that a privity of Petitioner was served with a complaint alleging infringement of the ’679 patent more than one year before

1. Citations hereinafter correspond to the unredacted version (Paper 14).

2. Both parties filed unredacted and redacted versions of their papers, along with corresponding Motions to Seal (Papers 10, 13, 16, and 19). Our citations correspond to the unredacted version of each paper.

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the Petition was filed. Consequently, we deny the Petition as it is time-barred under 35 U.S.C. § 315(b), and dismiss Patent Owner's Motion for Additional Discovery as moot. We also grant the parties' Motions to Seal (Papers 9, 10, 13, 16, and 19).

Related Matters

The parties indicate that the '679 patent and two other related patents, U.S. Patent Nos. 8,948,565 B2 ("565 patent") and 7,941,822 B2 ("822 patent"), are involved in the following proceedings in the United States District Court for the District of Delaware (the "Delaware actions"): *ChanBond, LLC v. Atlantic Broadband Group, LLC*, 1:15-cv-00842-RGA (D. Del.); *ChanBond, LLC v. Bright House Networks, LLC*, 1:15-cv-00843-RGA (D. Del.); *ChanBond, LLC v. Cable One Inc., LLC*, 1:15-cv-00844-RGA (D. Del.); *ChanBond, LLC v. Cablevision Systems Corp.*, 1:15-cv-00845-RGA (D. Del.); *ChanBond, LLC v. Cequel Communications, LLC*, 1:15-cv-00846-RGA (D. Del.); *ChanBond, LLC v. Charter Communications, LLC*, 1:15-cv-00847-RGA (D. Del.); *ChanBond, LLC v. Comcast Corp.*, 1:15-cv-00848-RGA (D. Del.); *ChanBond, LLC v. Cox Communications, Inc.*, 1:15-cv-00849-RGA (D. Del.); *ChanBond, LLC v. Mediacom Communications Corp.*, 1:15-cv-00850-RGA (D. Del.); *ChanBond, LLC v. RCN Telecom Services, LLC*, 1:15-cv-00851-RGA (D. Del.); *ChanBond, LLC v. Time Warner Cable Inc.*, 1:15-cv-00852-RGA (D. Del.); *ChanBond, LLC v. WaveDivision Holdings, LLC*, 1:15-cv-00853-RGA (D. Del.); and *ChanBond, LLC v. WideOpen*

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West Finance, LLC, 1:15-cv-00854-RGA (D. Del.).³ Pet. 4–5; Paper 8, 1–2.

Petitioner also filed four additional petitions: IPR2018-00574 and IPR2018-00575 involving the '565 patent; IPR2018-00573 involving the '679 patent; and IPR2018-00570 involving the '822 patent. Pet. 5.

II. DISCUSSION

The instant Petition was filed on February 2, 2018. Paper 6, 1. Patent Owner served the defendants in the Delaware actions with a complaint, alleging infringement of the '679 patent on October 1, 2015, more than one year prior to the filing of the instant Petition. Ex. 2006. Petitioner was not a named party in the Delaware actions. *Id.* Nonetheless, Patent Owner asserts that the instant Petition is time-barred under 35 U.S.C. § 315(b) because Petitioner is in privity with the Delaware defendants. Prelim. Resp. 12–33. Accordingly, the main issue here is whether at least one of the Delaware defendants is a privity of Petitioner.

A. Principles of Law

Section 315(b) of Title 35 of the United States Code provides:

(b) PATENT OWNER'S ACTION.—An *inter partes* review may not be instituted if the

3. In this Decision, we refer the defendants of these Delaware actions as “the Delaware defendants.”

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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. The time limitation set forth in the preceding sentence shall not apply to a request for joinder under subsection (c).

The legislative history indicates that § 315(b) was intended to set a “deadline for allowing an accused infringer to seek *inter partes* review after he has been sued for infringement.” 157 CONG. REC. S5429 (daily ed. Sept. 8, 2011) (statement of Sen. Kyl). The deadline helps to ensure that *inter partes* review is not used as a tool for harassment by “repeated litigation and administrative attacks.” H.R. REP. NO. 112-98 at 48 (2011), *as reprinted in* 2011 U.S.C.C.A.N. 67, 78. Hence, “the rationale behind § 315(b)’s preclusion provision is to prevent successive challenges to a patent by those who previously have had the opportunity to make such challenges in prior litigation.” *WesternGeco LLC v. ION Geophysical Corp.*, 889 F.3d 1308, 1319 (Fed. Cir. 2018).

The term “privity” is not defined in the statute, but it “is a well-established common-law term.” *Id.* at 1317. “[W]hen Congress uses language with a settled meaning at common law, Congress presumably knows and adopts the cluster of ideas that were attached to each borrowed word in the body of learning from which it was taken.” *Beck v. Prupis*, 529 U.S. 494, 500–01 (2000); *see also* 154 CONG. REC. S9987 (daily ed. Sept. 27, 2008) (statement of Sen. Kyl) (“The concept of privity, of course, is borrowed from the common law of judgments.”).

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The concept of “privity” is more expansive and encompasses parties that do not necessarily need to be identified in the Petition as real parties-in-interest. Trial Practice Guide, 77 Fed. Reg. at 48,759. The term “privity” is used “more broadly, as a way to express the conclusion that nonparty preclusion is appropriate on any ground.” *Taylor v. Sturgell*, 553 U.S. 880, 894 n.8 (2008) (citing 18A Charles Alan Wright, Arthur R. Miller & Edward H. Cooper, *Federal Practice and Procedure* § 4449, pp. 351–53, n.33 (2d ed. 2002) (hereinafter “Wright & Miller”)); *WesternGeco*, 889 F.3d at 1318–19. The legislative history endorsed the expression of “privity” as follows:

The word “privity” has acquired an expanded meaning. The courts, in the interest of justice and to prevent expensive litigation, are striving to give effect to judgments by extending “privies” beyond the classical description. *The emphasis is not on the concept of identity of parties, but on the practical situation. Privity is essentially a shorthand statement that collateral estoppel is to be applied in a given case; there is no universally applicable definition of privity. The concept refers to a relationship between the party to be estopped and the unsuccessful party in the prior litigation which is sufficiently close so as to justify application of the doctrine of collateral estoppel.*

154 CONG. REC. S9987 (daily ed. Sept. 27, 2008) (statement of Sen. Kyl) (emphases added) (citing *Cal. Physicians’*

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Serv. v. Aoki Diabetes Research Inst., 163 Cal. App. 4th 1506 (Cal. App. 2008)); 157 CONG. REC. S1376 (daily ed. Mar. 8, 2011) (incorporating prior 2008 statement).

The determination of whether a petitioner is in privity with a time-barred district court party is a “highly fact-dependent question.” Trial Practice Guide, 77 Fed. Reg. at 48,759. More importantly, “the standards for the privity inquiry must be grounded in due process.” *WesternGeco*, 889 F.3d. at 1319. “[T]he privity inquiry in this context naturally focuses on *the relationship* between the named IPR petitioner and the party *in the prior lawsuit*. For example, it is important to determine whether the petitioner and the prior litigant’s relationship—as it relates to the lawsuit—is sufficiently close that it can be fairly said that the petitioner had a full and fair opportunity to litigate the validity of the patent in that lawsuit.” *Id.* (emphases added).

In *Taylor*, the United States Supreme Court identified a non-exhaustive list of six categories under which nonparty preclusion based on a privity relationship may be found: (1) an agreement between the parties to be bound; (2) pre-existing substantive legal relationships between the parties; (3) adequate representation by the named party; (4) the nonparty’s control of the prior litigation; (5) where the nonparty acts as a proxy for the named party to re-litigate the same issues; and (6) where special statutory schemes foreclose successive litigation by the nonparty (e.g., bankruptcy or probate). *Taylor*, 553 U.S. at 893–95, 893 n.6. The Supreme Court noted that this list of the six “established grounds for nonparty preclusion” is “meant only to provide a framework . . . , not to establish

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a definitive taxonomy.” *Id.* at 893 n.6. Each ground alone is sufficient to establish privity between a nonparty and a named party in the prior litigation. *WesternGeco*, 889 F.3d at 1319–20.

Here, in our analysis, we mainly address the fourth *Taylor* category of nonparty preclusion. For the reasons stated below, the evidence of record establishes sufficiently that Petitioner is in privity with a time-barred district court party because Petitioner had substantial control over the Delaware actions. As such, it is not necessary for us to determine whether privity exists based on other grounds.

Under the fourth *Taylor* category of nonparty preclusion, a nonparty to a prior action is bound by a judgment if that party “assume[d] control’ over the litigation in which that judgment was rendered.” *Taylor*, 553 U.S. at 895 (citing *Montana v. United States*, 440 U.S. 147, 154 (1979)). “Courts and commentators agree, however, that there is no ‘bright-line test’ for determining the necessary quantity or degree of participation to qualify as . . . ‘privity’ based on the control concept.” Trial Practice Guide, 77 Fed. Reg. at 48,759 (citing *Gonzalez v. Banco Cent. Corp.*, 27 F.3d 751, 759 (1st Cir. 1994)).

Neither absolute control, nor actual control, is a requirement for finding of privity. Rather, “it should be enough that the nonparty has the actual measure of control or opportunity to control that might reasonably be expected between two formal coparties.” Trial Practice Guide, 77 Fed. Reg. at 48,759 (quoting Wright

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& Miller § 4451); *see also WesternGeco*, 889 F.3d at 1320. “Such relationships between a party and a nonparty are most often found when . . . an indemnitor participates in defending an action brought against its indemnitee.” Wright & Miller § 4451; *Benson & Ford, Inc. v. Wanda Petroleum Co.*, 833 F.2d 1172, 1174 (5th Cir. 1987); *cf. Intel Corp. v. U.S. Int’l Trade Comm’n*, 946 F.2d 821, 839 (Fed. Cir. 1991) (finding that “an indemnification agreement, in other cases, has alone been enough to find privity”) (citing *Urbain v. Knapp Bros. Mfg. Co.*, 217 F.2d 810 (6th Cir. 1954); *Weyerhaeuser Timber Co. v. Bostitch, Inc.*, 178 F. Supp. 757, 760–61 (D.R.I. 1959)); *SpeedTrack, Inc. v. Office Depot, Inc.*, 2014 WL 1813292, at *6–7 (N.D. Cal. May 6, 2014) (ruling that in view of the indemnification obligations the manufacturer owed to its customer, the manufacturer was in privity with the customer such that claim preclusion could apply), *aff’d*, 791 F.3d 1317, 1324–29 (Fed. Cir. 2015).

“Preclusion is fair so long as the relationship between the nonparty and a party was such that the nonparty had the same practical opportunity to control the course of the proceedings that would be available to a party.” Wright & Miller § 4451. “The appropriate measure of control does not require that the named party or parties totally abandon control to the nonparty.” *Id.* “A common consideration is whether the non-party exercised or could have exercised control over a party’s participation in a proceeding.” Trial Practice Guide, 77 Fed. Reg. at 48,759 (citing *Taylor*, 553 U.S. at 895; Wright & Miller § 4451).

With these principles in mind and for the reasons

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stated below, we find that Petitioner is in privity with at least one of the Delaware defendants as the evidence of record shows that Petitioner had substantial control over the Delaware actions.

B. Analysis on Privity

As an initial matter, the Board has considered, in certain cases, the relationship between those alleged to be in privity *at the time of service of the complaint* with regard to the time bar under § 315(b). *See, e.g., Nestle USA, Inc. v. Steuben Foods, Inc.*, Case IPR2015-00195, slip op. at 9–10 (Paper 51) (PTAB June 29, 2015). As noted above, the term “privity” is not defined in the statute, but it “is a well-established common-law term.” *WesternGeco*, 889 F.3d at 1317. Our reviewing court has explained that “the privity inquiry in this context naturally focuses on *the relationship between the named IPR petitioner and the party in the prior lawsuit.*” *Id.* at 1319 (emphases added). This approach of focusing the privity inquiry on the relationship *during the prior lawsuit*, rather than *at the time of service of the complaint* (i.e., at the start of the lawsuit) is consistent with *Taylor. Aruze Gaming Macau, LTD. v. MGT Gaming Inc.*, Case IPR2014-01288, slip op. 12–14 (Paper 13) (PTAB Feb. 20, 2015). As the Supreme Court explained in *Taylor*, regarding the fourth category of nonparty preclusion, “a nonparty is bound by a judgement if she *assumed control over the litigation* in which that judgment was rendered.” *Taylor*, 553 U.S. at 895 (internal quotation marks and citation omitted) (emphasis added).

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As such, our privity inquiry in the instant processing focuses on the relationship between Petitioner and the Delaware defendants *during the prior lawsuit*. More specifically, we focus on whether the relationship, as it relates to the Delaware actions, “is sufficiently close that it can be fairly said that the petitioner had a full and fair opportunity to litigate the validity of the patent in that lawsuit.” *WesternGeco*, 889 F.3d at 1319; *Aruze Gaming*, Case IPR2014-01288, slip op. at 15.

We now turn to Parties’ contentions and supporting evidence. In its Preliminary Response, Patent Owner argues that Petitioner “had a right to substantially control the Delaware litigation for years prior to the filing of the present petition.” Prelim. Resp. 17. As support, Patent Owner notes that Petitioner’s own public filings with the Securities and Exchange Commission (“SEC”) establish the existence of indemnification agreements with several Delaware defendants. *Id.* According to Patent Owner, [REDACTED] Petitioner had a legal right to control the litigation, [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Upon consideration of the evidence before us, we agree with Patent Owner that Petitioner had substantial control over the Delaware actions.

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Petitioner counters that it is not a privy of the Delaware defendants. Dis. Opp. 4–6.⁴ In support of its contention, Petitioner argues that it “is *not* controlling the Delaware litigation,” and it “has no legal right to do so” because the complaints and infringement contentions in the Delaware actions “identify multiple accused products that are supplied to each of the Defendants by many different suppliers, of which ARRIS is only one.” *Id.* Petitioner also argues that Patent Owner “points to no indemnification provision and provides no argument that could support a conclusion that ARRIS has a legal right to control a lawsuit that involves other suppliers’ products.” *Id.* Petitioner avers that “ARRIS could not take responsibility for the other products accused of infringement, and it could not have assumed (and did not assume) control over litigation strategy or settlement.” *Id.* Petitioner further argues that “ARRIS’s [REDACTED] plainly shows that ARRIS does not control the litigation.” *Id.* at 5–7. In Petitioner’s view, “ARRIS’s agreement to [REDACTED] thus merely establishes a typical customer-supplier relationship that controlling authority has held insufficient to establish privity.” *Id.* (citing *Wi-Fi One v. Broadcom Corp.*, 887 F.3d 1329 (Fed. Cir. 2018); *Nestle*, Case IPR2015-00195, slip op. at 6–17).

4. Petitioner did not present any privity argument in its Petition. Pet. 6–8. Nor did Petitioner seek leave to file a reply to Patent Owner’s Preliminary Response. Rather, Petitioner presents its privity arguments in the Opposition to Patent Owner’s Motion for Additional Discovery. Although improperly presented, we nevertheless exercise our discretion to consider Petitioner’s arguments, and address each of Petitioner’s privity arguments in turn. *See* 37 C.F.R. § 42.5.

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We are not persuaded by Petitioner's arguments because they rest on an erroneous privity standard, requiring *actual and complete* control of the *entire* litigation. As discussed above, neither absolute control, nor actual control, is required for finding of privity. Rather, "it should be enough that the nonparty has the actual measure of control or opportunity to control that might reasonably be expected between two formal coparties." Trial Practice Guide, 77 Fed. Reg. at 48,759 (citing Wright & Miller § 4451).

The Board as well as the courts "have found privity where an entity's control over the litigation was substantial, even though not complete." *General Electric Co. v. TransData, Inc.*, Case IPR2014-01380 (Paper 34, 9) (PTAB Apr. 15, 2015) (citing *Jefferson Sch. of Soc. Sci. v. Subversive Activities Control Bd.*, 331 F.2d 76, 83 (D.C. Cir. 1963)). "If a nonparty either participated vicariously in the original litigation by exercising control over a named party or had the opportunity to exert such control, then the nonparty effectively enjoyed his day in court, and it is appropriate to impute to him the legal attributes of party status for purposes of claim preclusion." *Gonzalez*, 27 F.3d at 758. "[P]reclusion is fair so long as the relationship between the nonparty and a party was such that the nonparty had the same practical opportunity to control the course of the proceedings that would be available to a party." *Id.* (citing Wright & Miller § 4451).

Here, it is undisputed that Patent Owner served the Delaware defendants with a complaint, more than one year prior to the filing of the instant Petition, alleging infringement of the '679 patent. Ex. 2006. Petitioner

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confirms that it is the supplier for at least one of the allegedly infringing products and has a “customer-supplier relationship” with one or more of the Delaware defendants. Dis. Opp. 5. Petitioner’s SEC Form 10-K dated February 29, 2016, indicates the following:

On September 21, 2015, [Patent Owner] ChanBond filed suit against several MSOs [Multiple Systems Operators] alleging infringement of three US Patents. Certain of our customers have requested that we provide indemnification In the event of an unfavorable outcome, ARRIS may be required to indemnify the MSOs and/or pay damages for utilizing certain technology.

Ex. 2002, 5, 31.

Further, it is undisputed that Petitioner has indemnification agreements with one or more of the Delaware defendants. *See generally* Dis. Opp.; Ex. 2002, 31; Exs. 2007–09. Notably, Petitioner’s Corporate Terms and Conditions of Sale include the following:

22. INDEMNIFICATION. *ARRIS will defend and hold Customer . . . harmless against damages finally awarded . . . and will, at ARRIS’ expense, defend any third party claim, suit, or proceeding (“Claim”) brought against Customer insofar as such Claim is based on an allegation that a Product as provided to Customer directly infringes a valid patent or*

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copyright. *ARRIS will pay Damages as the result of the Claim provided that (i) Customer promptly notifies ARRIS of the Claim, (ii) Customer gives ARRIS all applicable evidence in Customer's possession, custody or control, and (iii) Customer gives ARRIS reasonable assistance in and sole control of the defense and all negotiations for its settlement or compromise.*

Ex. 2007, 2 (emphases added). Significantly, under the indemnification agreement, Petitioner had an obligation to defend a patent infringement claim brought against the customer as to Petitioner's product. *Id.* Petitioner also was obligated to indemnify the customer any damages as the result of the infringement claim. *Id.* Moreover, the agreement required the customer to give Petitioner "sole control of the defense" in order to receive any indemnity payment.

[REDACTED]

[REDACTED]

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[REDACTED]

In short, Petitioner had the opportunity to exercise “sole control” of those Delaware defendants’ defense. The evidence in the instant proceeding establishes that Petitioner had substantial control over the Delaware actions. *Gonzalez*, 27 F.3d at 758 (“Substantial control . . . connotes the availability of the significant degree of effective control in the . . . defense of the case—what one might term, in the vernacular, the power—whether exercised or not—to call the shots.”).

We also are not persuaded by Petitioner’s arguments that it does not have a right to control the Delaware actions that involve other suppliers’ products, and that Petitioner’s “[REDACTED] plainly shows that ARRIS does not control the litigation.” Disc. Opp. 5–7. [REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

In essence, Petitioner “has already had his day in court” as it had the opportunity to present proofs and arguments with respect to its own accused product in the Delaware actions. *See Taylor*, 553 U.S. at 895 (“Because such a person has had the opportunity to present proofs and argument, he has already had his day in court even though he was not a formal party to the litigation.”) (internal quotation marks and citations omitted). Petitioner had the same practical opportunity to control the course of the proceedings that would be available to the named party. As such, Petitioner had the actual measure of control or opportunity to control that might reasonably be expected between formal coparties.

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Furthermore, Petitioner's reliance on *Wi-Fi One* and *Nestle* is misplaced. Disc. Opp. 5–7 (citing *Wi-Fi One*, 887 F.3d 1329; *Nestle*, Case IPR2015-00195, slip op. at 6–17). The determination of whether a petitioner is in privity with a time-barred district court party is a “highly fact-dependent question.” Trial Practice Guide, 77 Fed. Reg. at 48,759. The particular facts in those cases are distinguishable from the instant proceeding.

In *Wi-Fi One*, the court found that “the evidence did not show that Broadcom had the right to control that litigation or otherwise participated in that litigation to the extent that it should be bound by the results.” *Wi-Fi One*, 887 F.3d at 1341. In *Nestle*, the Board explicitly found that there is no evidence to suggest that the IPR petitioner financed the district court litigation or prior *inter partes* reviews. *Nestle*, Case IPR2015-00195, slip op. at 12. In fact, the Board noted that the “Agreement expressly states that [e]ach party will bear their own legal costs . . . in handling the [Patent Owner] Claim (e.g., defending, filing counterclaims or cross claims . . . , etc.)” *Id.*

Here, in contrast, Petitioner has a right to substantially control the Delaware actions. Under the indemnification agreement, Petitioner had the obligations to defend the patent infringement claim brought against its customer as to its accused product. Ex. 2007. [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] Therefore, unlike *Wi-*

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Fi One and *Nestle*, the evidence in the instant proceeding establishes that Petitioner had substantial control over the Delaware actions. Petitioner's involvement was not merely indemnity payments and minor participation. Rather, Petitioner had the same practical opportunity to control the course of the proceedings that would be available to a named party.

In addition, we agree with Patent Owner that cases where the Board rejected a privity argument based on indemnification are distinguishable because in those cases, unlike here, the Board found no sufficient evidence to show that the petitioner exercised or could have exercised control over a named party's participation in the prior litigation. Prelim. Resp. 32–33; *see, e.g., Apple Inc. v. Achatos Reference Publ'g, Inc.*, Case IPR2013-00080, slip op. at 12 (PTAB June 2, 2014) (Paper 90) (noting that the agreement “does not give the [indemnitor] the right to intervene or control [the indemnitee's] defense to any charge of patent infringement”).

We also are mindful that, in a prior proceeding involving the same petitioner,⁵ the Board rejected patent owner's privity argument because, ██████████ the Board found that “Patent Owner does not provide evidence sufficient to demonstrate that [the named party] provided prompt notification to Petitioner, and that Petitioner exercised sole control or full authority according to the

5. The petitioner (ARRIS Group, Inc.) in Case IPR2014-00746 was the predecessor in interest of Petitioner here (ARRIS International plc). Ex. 2002, 2 (ARRIS Form 10-K dated February 29, 2016).

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Agreements.” *ARRIS Group, Inc. v. C-Cation Techs.*, Case IPR2014-00746, slip op. at 8–10 (Paper 22) (PTAB Nov. 24, 2014). The Board, in the prior proceeding, also noted that “absent is evidence of Petitioner’s conduct in the 2011 district court proceeding from which we could infer that Petitioner exercised control or could have exercised control as provided for in the Agreements.” *Id.*

Here, to the contrary, the evidence in the instant proceeding shows that Petitioner had substantial control over the Delaware actions. Exs. 2007–23. As discussed above, Petitioner had the obligation to defend the patent infringement claim brought against its customer with respect to its accused product. *Id.* [REDACTED]

[REDACTED] Petitioner had the same practical opportunity to control the course of the proceedings that would be available to a named party. Therefore, the facts in the prior proceeding are distinguishable from the instant proceeding.

In sum, based on the evidence in the entirety of this record, we find that Petitioner had substantial control over the Delaware actions. One or more of the defendants of the Delaware actions was in privity with Petitioner, and those defendants were served with a complaint, alleging infringement of the ’679 patent more than one year prior to the filing of the instant Petition. Therefore, we determine that the instant Petition is time-barred under § 315(b).

*Appendix D**C. Motion for Additional Discovery*

In its Motion for Additional Discovery, Patent Owner indicates that the parties had conferred and agreed to additional discovery between themselves. Disc. Mot. 1; 37 C.F.R. § 42.51(b)(2)(i) (“The parties may agree to additional discovery between themselves.”). In particular, Petitioner agreed to produce “relevant indemnification provisions from agreements with the Delaware defendants, any indemnification claims made by the defendants, and ARRIS’s responses to those claims.” Ex. 2035; Ex. 2030, 3–4. Petitioner produced the following documents: several indemnification agreements; letters from several of the Delaware defendants to Petitioner, requesting indemnification [REDACTED]; and several response letters from Petitioner to one or more of the Delaware defendants. Exs. 2009–23.

In its Motion for Additional Discovery, Patent Owner alleges that Petitioner did not produce the indemnification agreement and the response letter for each of the [REDACTED] customers that sent indemnification notices to Petitioner. Disc. Mot. 1–2. Patent Owner requests discovery of missing documents and interrogatories concerning Petitioner’s involvement in the Delaware litigation. *Id.*; Ex. 2033. Patent Owner avers that the requested additional discovery is necessary in the interests of justice, arguing that it is beyond speculation that Petitioner was in privity with the Delaware defendants. Disc. Mot. 2–3.

Under the circumstances of this case, we need not assess the merits of Patent Owner’s Motion for Additional Discovery. As discussed above, even without the additional

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requested documents and information, the evidence in the current record establishes sufficiently that Petitioner was in privity with one or more of the Delaware defendants, and we determine that the instant Petition is time-barred under § 315(b).

Accordingly, Patent Owner's Motion for Additional Discovery is *dismissed* as moot.

D. Motions to Seal

Patent Owner filed unredacted and redacted versions of its Preliminary Response (Papers 14 and 15), and a Motion to Seal the Preliminary Response (Paper 13). Patent Owner also filed a First Motion to Seal (Paper 9) and a Stipulated Default Protective Order agreed to by the parties, which is a copy of the Board's Default Protective Order and attached to Patent Owner's First Motion to Seal. Trial Practice Guide, 77 Fed. Reg. 48,760 (Aug. 14, 2012), App'x B. Patent Owner requests the Board to enter the Stipulated Default Protective Order. Because the parties agree to the terms of the Board's Default Protective Order, we hereby enter the Stipulated Default Protective Order, which governs the treatment and filing of confidential information in the instant proceeding.

In its First Motion to Seal, Patent Owner seeks to seal Exhibits 2008–23 and portions of its Preliminary Response that discuss the substance of these exhibits. Exhibits 2008–23 were produced by Petitioner pursuant to the Stipulated Default Protective Order, and designated “CONFIDENTIAL-PROTECTIVE ORDER MATERIAL” by Petitioner. Exhibits 2008–23 relate to

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indemnification agreements between Petitioner and its customers.

Patent Owner filed its Second Motion to Seal (Paper 10) along with unredacted and redacted versions of its Motion for Additional Discovery (Papers 11 and 12). Patent Owner seeks to seal Exhibits 2033 and 2038–42, as well as portions of its Motion for Additional Discovery, which discuss the substance of Exhibits 2008–23. Petitioner filed a Motion to Seal (Paper 16) along with unredacted and redacted versions of its Opposition (Papers 17 and 18) to the Motion for Additional Discovery. Petitioner seeks to seal portions of its Opposition that discuss the substance of Exhibits 2008–23. Patent Owner filed its Third Motion to Seal (Paper 19) along with unredacted and redacted versions of its Reply (Papers 20 and 21) to Petitioner's Opposition to the Motion for Additional Discovery. Patent Owner seeks to seal portions of its Reply that discuss the substance of Exhibits 2008–23.

Neither party files an opposition to any of the Motions to Seal filed in this proceeding.

The record for an *inter partes* review shall be made available to the public, except as otherwise ordered, and a document filed with a motion to seal shall be treated as sealed until the motion is decided. 35 U.S.C. § 316(a)(1); 37 C.F.R. § 42.14. There is a strong public policy that favors making information filed in *inter partes* review proceedings open to the public. *Garmin Int'l v. Cuozzo Speed Techns., LLC*, Case IPR2012-00001, slip op. at 1–2 (PTAB Mar. 14, 2013) (Paper 34). The moving party bears the burden of showing that the relief requested should

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be granted. 37 C.F.R. § 42.20(c). That includes showing that the information is truly confidential, and that such confidentiality outweighs the strong public interest in having an open record. *See Garmin*, Case IPR2012-00001, slip op. at 3. The standard for granting a motion to seal is good cause. 37 C.F.R. § 42.54.

Having considered the documents at issue, we are persuaded that good cause exists to keep the documents under seal as they related to confidential business information of Petitioner. In particular, Exhibits 2008–23, and all other documents that discuss the substance of these exhibits, relate to indemnification agreements between Petitioner and its customers. The details of these agreements are unimportant to the patentability of the challenged claims. The public’s interest in having access to the details of these agreements is minimal. Hence, we agree with the parties that the documents should be kept under seal.

We hereby grant the Motions to Seal with respect to the following documents: Exhibits 2008–23, 2033, and 2038–42; and unredacted versions of Patent Owner’s Preliminary Response (Paper 14), Patent Owner’s Motion for Additional Discovery (Paper 11), Petitioner’s Opposition (Paper 17), and Patent Owner’s Reply (Paper 20).

In addition, this Decision is filed under seal, designated as “For Board and Parties Only” as it discusses and cites to the documents under seal. The parties are ordered to file jointly a proposed redacted version of this Decision within 5 business days from the entry of this Decision.

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III. CONCLUSION

For the foregoing reasons, the Petition is time-barred under § 315(b).

IV. ORDER

In consideration of the foregoing, it is

ORDERED that the Petition is *denied*, and no trial is instituted

FURTHER ORDERED that Patent Owner's Motion for Additional Discovery is *dismissed* as moot.

FURTHER ORDERED that Patent Owner's Motions to Seal and Petitioner's Motion to Seal are *granted*; the following papers shall be seal as "Board and Parties Only": Exhibits 2008-23, 2033, and 2038-42; and unredacted versions of Patent Owner's Preliminary Response (Paper 14), Patent Owner's Motion for Additional Discovery (Paper 11), Petitioner's Opposition (Paper 17), and Patent Owner's Reply (Paper 20);

FURTHER ORDERED that the Stipulated Default Protective Order attached to Patent Owner's First Motion to Seal (Paper 9) be entered; and

FURTHER ORDERED that, within 5 business days from the entry of this Decision, Patent Owner and Petitioner jointly file a proposed redacted version of this Decision.

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**APPENDIX E — REDACTED DECISION OF THE
UNITED STATES PATENT AND TRADEMARK
OFFICE, CASE IPR2018-00574, DATED
JULY 20, 2018**

UNITED STATES PATENT
AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL
AND APPEAL BOARD

ARRIS INTERNATIONAL PLC,

Petitioner,

v.

CHANBOND, LLC,

Patent Owner.

Case IPR2018-00574
Patent 8,984,565 B2

Before JONI Y. CHANG, JEFFREY S. SMITH, and
DAVID C. McKONE, *Administrative Patent Judges.*

CHANG, *Administrative Patent Judge.*

DECISION

Denying Institution of *Inter Partes* Review
35 U.S.C. § 314

*Appendix E***I. INTRODUCTION**

ARRIS International PLC (“Petitioner”) filed a Petition requesting an *inter partes* review of claims 1 and 11 (“the challenged claims”) of U.S. Patent No. 8,984,565 B2 (Ex. 1001, “the ’565 patent”). Paper 1 (“Pet.”). ChanBond, LLC (“Patent Owner”) filed unredacted and redacted versions¹ of a Preliminary Response (Papers 9 and 10, “Prelim. Resp.”), along with a Motion to Seal (Paper 8) and the Stipulated Default Protective Order (attached to the Motion to Seal), which is a copy of the default Protective Order set forth in Appendix B of the Office Patent Trial Practice Guide (“Trial Practice Guide”), 77 Fed. Reg. 48,756, 48,756–66 (Aug. 14, 2012). Pursuant to our authorization, Patent Owner filed a Motion for Additional Discovery (Papers 12 and 13, “Disc. Mot.”); Petitioner filed an Opposition (Papers 15 and 16, “Disc. Opp.”) to the Motion for Additional Discovery; and Patent Owner filed a Reply (Papers 18 and 19, “Disc. Reply”) to Petitioner’s Opposition.²

For the reasons stated below, we determine that a privity of Petitioner was served with a complaint alleging infringement of the ’565 patent more than one year before the Petition was filed. Consequently, we deny the Petition

1. Citations hereinafter correspond to the unredacted version (Paper 9).

2. Both parties filed unredacted and redacted versions of their papers, along with corresponding Motions to Seal (Papers, 11, 14, and 17). Our citations correspond to the unredacted version of each paper.

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as it is time-barred under 35 U.S.C. § 315(b), and dismiss Patent Owner's Motion for Additional Discovery as moot. We also grant the parties' Motions to Seal (Papers 8, 11, 14, 17).

Related Matters

The parties indicate that the '565 patent and two other related patents, U.S. Patent Nos. 8,341,679 B2 ("679 patent") and 7,941,822 B2 ("822 patent"), are involved in the following proceedings in the United States District Court for the District of Delaware (the "Delaware actions"): *ChanBond, LLC v. Atlantic Broadband Group, LLC*, 1:15-cv-00842-RGA (D. Del.); *ChanBond, LLC v. Bright House Networks, LLC*, 1:15-cv-00843-RGA (D. Del.); *ChanBond, LLC v. Cable One Inc., LLC*, 1:15-cv-00844-RGA (D. Del.); *ChanBond, LLC v. Cablevision Systems Corp.*, 1:15-cv-00845-RGA (D. Del.); *ChanBond, LLC v. Cequel Communications, LLC*, 1:15-cv-00846-RGA (D. Del.); *ChanBond, LLC v. Charter Communications, LLC*, 1:15-cv-00847-RGA (D. Del.); *ChanBond, LLC v. Comcast Corp.*, 1:15-cv-00848-RGA (D. Del.); *ChanBond, LLC v. Cox Communications, Inc.*, 1:15-cv-00849-RGA (D. Del.); *ChanBond, LLC v. Mediacom Communications Corp.*, 1:15-cv-00850-RGA (D. Del.); *ChanBond, LLC v. RCN Telecom Services, LLC*, 1:15-cv-00851-RGA (D. Del.); *ChanBond, LLC v. Time Warner Cable Inc.*, 1:15-cv-00852-RGA (D. Del.); *ChanBond, LLC v. WaveDivision Holdings, LLC*, 1:15-cv-00853-RGA (D. Del.); and *ChanBond, LLC v. WideOpen*

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West Finance, LLC, 1:15-cv-00854-RGA (D. Del.)³ Pet. 3–5; Paper 5, 1–2.

Petitioner also filed five additional petitions: IPR2018-00575 involving the '565 patent; IPR2018-00572 and IPR2018-00573 involving the '679 patent; and IPR2018-00570 involving the '822 patent. Pet. 5.

II. DISCUSSION

The instant Petition was filed on February 2, 2018. Paper 3, 1. Patent Owner served the defendants in the Delaware actions with a complaint, alleging infringement of the '565 patent on October 1, 2015, more than one year prior to the filing of the instant Petition. Ex. 2006. Petitioner was not a named party in the Delaware actions. *Id.* Nonetheless, Patent Owner asserts that the instant Petition is time-barred under 35 U.S.C. § 315(b) because Petitioner is in privity with the Delaware defendants. Prelim. Resp. 12–33. Accordingly, the main issue here is whether at least one of the Delaware defendants is a privy of Petitioner.

A. Principles of Law

Section 315(b) of Title 35 of the United States Code provides:

(b) PATENT OWNER'S ACTION.—An inter partes review may not be instituted if the

3. In this Decision, we refer the defendants of these Delaware actions as “the Delaware defendants.”

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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. The time limitation set forth in the preceding sentence shall not apply to a request for joinder under subsection (c).

The legislative history indicates that § 315(b) was intended to set a “deadline for allowing an accused infringer to seek *inter partes* review after he has been sued for infringement.” 157 CONG. REC. S5429 (daily ed. Sept. 8, 2011) (statement of Sen. Kyl). The deadline helps to ensure that *inter partes* review is not used as a tool for harassment by “repeated litigation and administrative attacks.” H.R. REP. NO. 112-98 at 48 (2011), *as reprinted in* 2011 U.S.C.C.A.N. 67, 78. Hence, “the rationale behind § 315(b)’s preclusion provision is to prevent successive challenges to a patent by those who previously have had the opportunity to make such challenges in prior litigation.” *WesternGeco LLC v. ION Geophysical Corp.*, 889 F.3d 1308, 1319 (Fed. Cir. 2018).

The term “privity” is not defined in the statute, but it “is a well-established common-law term.” *Id.* at 1317. “[W]hen Congress uses language with a settled meaning at common law, Congress presumably knows and adopts the cluster of ideas that were attached to each borrowed word in the body of learning from which it was taken.” *Beck v. Prupis*, 529 U.S. 494, 500–01 (2000); *see also* 154 CONG. REC. S9987 (daily ed. Sept. 27, 2008) (statement of Sen. Kyl) (“The concept of privity, of course, is borrowed from the common law of judgments.”).

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The concept of “privity” is more expansive and encompasses parties that do not necessarily need to be identified in the Petition as real parties-in-interest. Trial Practice Guide, 77 Fed. Reg. at 48,759. The term “privity” is used “more broadly, as a way to express the conclusion that nonparty preclusion is appropriate on any ground.” *Taylor v. Sturgell*, 553 U.S. 880, 894 n.8 (2008) (citing 18A Charles Alan Wright, Arthur R. Miller & Edward H. Cooper, *Federal Practice and Procedure* § 4449, pp. 351–53, n.33 (2d ed. 2002) (hereinafter “Wright & Miller”)); *WesternGeco*, 889 F.3d at 1318–19. The legislative history endorsed the expression of “privity” as follows:

The word “privity” has acquired an expanded meaning. The courts, in the interest of justice and to prevent expensive litigation, are striving to give effect to judgments by extending “privies” beyond the classical description. *The emphasis is not on the concept of identity of parties, but on the practical situation. Privity is essentially a shorthand statement that collateral estoppel is to be applied in a given case; there is no universally applicable definition of privity. The concept refers to a relationship between the party to be estopped and the unsuccessful party in the prior litigation which is sufficiently close so as to justify application of the doctrine of collateral estoppel.*

154 CONG. REC. S9987 (daily ed. Sept. 27, 2008)
(statement of Sen. Kyl) (emphases added) (citing *Cal.*

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Physicians' Serv. v. Aoki Diabetes Research Inst., 163 Cal. App. 4th 1506 (Cal. App. 2008); 157 CONG. REC. S1376 (daily ed. Mar. 8, 2011) (incorporating prior 2008 statement).

The determination of whether a petitioner is in privity with a time-barred district court party is a “highly fact-dependent question.” Trial Practice Guide, 77 Fed. Reg. at 48,759. More importantly, “the standards for the privity inquiry must be grounded in due process.” *WesternGeco*, 889 F.3d. at 1319. “[T]he privity inquiry in this context naturally focuses on *the relationship* between the named IPR petitioner and the party *in the prior lawsuit*. For example, it is important to determine whether the petitioner and the prior litigant’s relationship—as it relates to the lawsuit—is sufficiently close that it can be fairly said that the petitioner had a full and fair opportunity to litigate the validity of the patent in that lawsuit.” *Id.* (emphases added).

In *Taylor*, the United States Supreme Court identified a non-exhaustive list of six categories under which nonparty preclusion based on a privity relationship may be found: (1) an agreement between the parties to be bound; (2) pre-existing substantive legal relationships between the parties; (3) adequate representation by the named party; (4) the nonparty’s control of the prior litigation; (5) where the nonparty acts as a proxy for the named party to re-litigate the same issues; and (6) where special statutory schemes foreclose successive litigation by the nonparty (e.g., bankruptcy or probate). *Taylor*, 553 U.S. at 893–95, 893 n.6. The Supreme Court noted that this list of the six “established grounds for nonparty preclusion” is

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“meant only to provide a framework . . . , not to establish a definitive taxonomy.” *Id.* at 893 n.6. Each ground alone is sufficient to establish privity between a nonparty and a named party in the prior litigation. *WesternGeco*, 889 F.3d at 1319–20.

Here, in our analysis, we mainly address the fourth *Taylor* category of nonparty preclusion. For the reasons stated below, the evidence of record establishes sufficiently that Petitioner is in privity with a time-barred district court party because Petitioner had substantial control over the Delaware actions. As such, it is not necessary for us to determine whether privity exists based on other grounds.

Under the fourth *Taylor* category of nonparty preclusion, a nonparty to a prior action is bound by a judgment if that party “‘assume[d] control’ over the litigation in which that judgment was rendered.” *Taylor*, 553 U.S. at 895 (citing *Montana v. United States*, 440 U.S. 147, 154 (1979)). “Courts and commentators agree, however, that there is no ‘bright-line test’ for determining the necessary quantity or degree of participation to qualify as . . . ‘privity’ based on the control concept.” Trial Practice Guide, 77 Fed. Reg. at 48,759 (citing *Gonzalez v. Banco Cent. Corp.*, 27 F.3d 751, 759 (1st Cir. 1994)).

Neither absolute control, nor actual control, is a requirement for finding of privity. Rather, “it should be enough that the nonparty has the actual measure of control or opportunity to control that might reasonably be expected between two formal coparties.” Trial

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Practice Guide, 77 Fed. Reg. at 48,759 (quoting Wright & Miller § 4451); *see also WesternGeco*, 889 F.3d at 1320. “Such relationships between a party and a nonparty are most often found when . . . an indemnitor participates in defending an action brought against its indemnitee.” Wright & Miller § 4451; *Benson & Ford, Inc. v. Wanda Petroleum Co.*, 833 F.2d 1172, 1174 (5th Cir. 1987); *cf. Intel Corp. v. U.S. Int’l Trade Comm’n*, 946 F.2d 821, 839 (Fed. Cir. 1991) (finding that “an indemnification agreement, in other cases, has alone been enough to find privity”) (citing *Urbain v. Knapp Bros. Mfg. Co.*, 217 F.2d 810 (6th Cir. 1954); *Weyerhaeuser Timber Co. v. Bostitch, Inc.*, 178 F. Supp. 757, 760–61 (D.R.I. 1959)); *SpeedTrack, Inc. v. Office Depot, Inc.*, 2014 WL 1813292, at *6–7 (N.D. Cal. May 6, 2014) (ruling that in view of the indemnification obligations the manufacturer owed to its customer, the manufacturer was in privity with the customer such that claim preclusion could apply), *aff’d*, 791 F.3d 1317, 1324–29 (Fed. Cir. 2015).

“Preclusion is fair so long as the relationship between the nonparty and a party was such that the nonparty had the same practical opportunity to control the course of the proceedings that would be available to a party.” Wright & Miller § 4451. “The appropriate measure of control does not require that the named party or parties totally abandon control to the nonparty.” *Id.* “A common consideration is whether the non-party exercised or could have exercised control over a party’s participation in a proceeding.” Trial Practice Guide, 77 Fed. Reg. at 48,759 (citing *Taylor*, 553 U.S. at 895; Wright & Miller § 4451).

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With these principles in mind and for the reasons stated below, we find that Petitioner is in privity with at least one of the Delaware defendants as the evidence of record shows that Petitioner had substantial control over the Delaware actions.

B. Analysis on Privity

As an initial matter, the Board has considered, in certain cases, the relationship between those alleged to be in privity *at the time of service of the complaint* with regard to the time bar under § 315(b). *See, e.g., Nestle USA, Inc. v. Steuben Foods, Inc.*, Case IPR2015-00195, slip op. at 9–10 (Paper 51) (PTAB June 29, 2015). As noted above, the term “privity” is not defined in the statute, but it “is a well-established common-law term.” *WesternGeco*, 889 F.3d at 1317. Our reviewing court has explained that “the privity inquiry in this context naturally focuses on *the relationship between the named IPR petitioner and the party in the prior lawsuit.*” *Id.* at 1319 (emphases added). This approach of focusing the privity inquiry on the relationship *during the prior lawsuit*, rather than *at the time of service of the complaint* (i.e., at the start of the lawsuit) is consistent with *Taylor. Aruze Gaming Macau, LTD. v. MGT Gaming Inc.*, Case IPR2014-01288, slip op. 12–14 (Paper 13) (PTAB Feb. 20, 2015). As the Supreme Court explained in *Taylor*, regarding the fourth category of nonparty preclusion, “a nonparty is bound by a judgement if she *assumed control over the litigation* in which that judgment was rendered.” *Taylor*, 553 U.S. at 895 (internal quotation marks and citation omitted) (emphasis added).

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As such, our privity inquiry in the instant processing focuses on the relationship between Petitioner and the Delaware defendants *during the prior lawsuit*. More specifically, we focus on whether the relationship, as it relates to the Delaware actions, “is sufficiently close that it can be fairly said that the petitioner had a full and fair opportunity to litigate the validity of the patent in that lawsuit.” *WesternGeco*, 889 F.3d at 1319; *Aruze Gaming*, Case IPR2014-01288, slip op. at 15.

We now turn to Parties’ contentions and supporting evidence. In its Preliminary Response, Patent Owner argues that Petitioner “had a right to substantially control the Delaware litigation for years prior to the filing of the present petition.” Prelim. Resp. 17. As support, Patent Owner notes that Petitioner’s own public filings with the Securities and Exchange Commission (“SEC”) establish the existence of indemnification agreements with several Delaware defendants. *Id.* According to Patent Owner, [REDACTED] Petitioner had a legal right to control the litigation, [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Upon consideration of the evidence before us, we agree with Patent Owner that Petitioner had substantial control over the Delaware actions.

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Petitioner counters that it is not a privy of the Delaware defendants. Dis. Opp. 4–6.⁴ In support of its contention, Petitioner argues that it “is not controlling the Delaware litigation,” and it “has no legal right to do so” because the complaints and infringement contentions in the Delaware actions “identify multiple accused products that are supplied to each of the Defendants by many different suppliers, of which ARRIS is only one.” *Id.* Petitioner also argues that Patent Owner “points to no indemnification provision and provides no argument that could support a conclusion that ARRIS has a legal right to control a lawsuit that involves other suppliers’ products.” *Id.* Petitioner avers that “ARRIS could not take responsibility for the other products accused of infringement, and it could not have assumed (and did not assume) control over litigation strategy or settlement.” *Id.* Petitioner further argues that “ARRIS’s [REDACTED] plainly shows that ARRIS does not control the litigation.” *Id.* at 5–7. In Petitioner’s view, “ARRIS’s agreement to [REDACTED] thus merely establishes a typical customer-supplier relationship that controlling authority has held insufficient to establish privity.” *Id.* (citing *Wi-Fi One v. Broadcom Corp.*, 887 F.3d 1329 (Fed. Cir. 2018); *Nestle*, Case IPR2015-00195, slip op. at 6–17).

4. Petitioner did not present any privity argument in its Petition. Pet. 6–8. Nor did Petitioner seek leave to file a reply to Patent Owner’s Preliminary Response. Rather, Petitioner presents its privity arguments in the Opposition to Patent Owner’s Motion for Additional Discovery. Although improperly presented, we nevertheless exercise our discretion to consider Petitioner’s arguments, and address each of Petitioner’s privity arguments in turn. *See* 37 C.F.R. § 42.5.

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We are not persuaded by Petitioner's arguments because they rest on an erroneous privity standard, requiring *actual and complete* control of the *entire* litigation. As discussed above, neither absolute control, nor actual control, is required for finding of privity. Rather, "it should be enough that the nonparty has the actual measure of control or opportunity to control that might reasonably be expected between two formal coparties." Trial Practice Guide, 77 Fed. Reg. at 48,759 (citing Wright & Miller § 4451).

The Board as well as the courts "have found privity where an entity's control over the litigation was substantial, even though not complete." *General Electric Co. v. TransData, Inc.*, Case IPR2014-01380 (Paper 34, 9) (PTAB Apr. 15, 2015) (citing *Jefferson Sch. of Soc. Sci. v. Subversive Activities Control Bd.*, 331 F.2d 76, 83 (D.C. Cir. 1963)). "If a nonparty either participated vicariously in the original litigation by exercising control over a named party or had the opportunity to exert such control, then the nonparty effectively enjoyed his day in court, and it is appropriate to impute to him the legal attributes of party status for purposes of claim preclusion." *Gonzalez*, 27 F.3d at 758. "[P]reclusion is fair so long as the relationship between the nonparty and a party was such that the nonparty had the same practical opportunity to control the course of the proceedings that would be available to a party." *Id.* (citing Wright & Miller § 4451).

Here, it is undisputed that Patent Owner served the Delaware defendants with a complaint, more than one year prior to the filing of the instant Petition, alleging

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infringement of the '565 patent. Ex. 2006. Petitioner confirms that it is the supplier for at least one of the allegedly infringing products and has a “customer-supplier relationship” with one or more of the Delaware defendants. Dis. Opp. 5. Petitioner’s SEC Form 10-K dated February 29, 2016, indicates the following:

On September 21, 2015, [Patent Owner] ChanBond filed suit against several MSOs [Multiple Systems Operators] alleging infringement of three US Patents. Certain of our customers have requested that we provide indemnification In the event of an unfavorable outcome, ARRIS may be required to indemnify the MSOs and/or pay damages for utilizing certain technology.

Ex. 2002, 5, 31.

Further, it is undisputed that Petitioner has indemnification agreements with one or more of the Delaware defendants. *See generally* Dis. Opp.; Ex. 2002, 31; Exs. 2007–09. Notably, Petitioner’s Corporate Terms and Conditions of Sale include the following:

22. INDEMNIFICATION. *ARRIS will defend and hold Customer . . . harmless against damages finally awarded . . . and will, at ARRIS’ expense, defend any third party claim, suit, or proceeding (“Claim”) brought against Customer insofar as such Claim is based on an allegation that a Product as provided to*

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Customer directly infringes a valid patent or copyright. *ARRIS will pay Damages as the result of the Claim provided that (i) Customer promptly notifies ARRIS of the Claim, (ii) Customer gives ARRIS all applicable evidence in Customer's possession, custody or control, and (iii) Customer gives ARRIS reasonable assistance in and sole control of the defense and all negotiations for its settlement or compromise.*

Ex. 2007, 2 (emphases added). Significantly, under the indemnification agreement, Petitioner had an obligation to defend a patent infringement claim brought against the customer as to Petitioner's product. *Id.* Petitioner also was obligated to indemnify the customer any damages as the result of the infringement claim. *Id.* Moreover, the agreement required the customer to give Petitioner "sole control of the defense" in order to receive any indemnity payment.

[REDACTED]

[REDACTED]

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[REDACTED]

In short, Petitioner had the opportunity to exercise “sole control” of those Delaware defendants’ defense. The evidence in the instant proceeding establishes that Petitioner had substantial control over the Delaware actions. *Gonzalez*, 27 F.3d at 758 (“Substantial control . . . connotes the availability of the significant degree of effective control in the . . . defense of the case—what one might term, in the vernacular, the power—whether exercised or not—to call the shots.”).

We also are not persuaded by Petitioner’s arguments that it does not have a right to control the Delaware actions that involve other suppliers’ products, and that Petitioner’s “[REDACTED] plainly shows that ARRIS does not control the litigation.” Disc. Opp. 5–7. [REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

In essence, Petitioner “has already had his day in court” as it had the opportunity to present proofs and arguments with respect to its own accused product in the Delaware actions. *See Taylor*, 553 U.S. at 895 (“Because such a person has had the opportunity to present proofs and argument, he has already had his day in court even though he was not a formal party to the litigation.”) (internal quotation marks and citations omitted). Petitioner had the same practical opportunity to control the course of the proceedings that would be available to the named party. As such, Petitioner had the actual measure of control or opportunity to control that might reasonably be expected between formal coparties.

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Furthermore, Petitioner's reliance on *Wi-Fi One* and *Nestle* is misplaced. Disc. Opp. 5–7 (citing *Wi-Fi One*, 887 F.3d 1329; *Nestle*, Case IPR2015-00195, slip op. at 6–17). The determination of whether a petitioner is in privity with a time-barred district court party is a “highly fact-dependent question.” Trial Practice Guide, 77 Fed. Reg. at 48,759. The particular facts in those cases are distinguishable from the instant proceeding.

In *Wi-Fi One*, the court found that “the evidence did not show that Broadcom had the right to control that litigation or otherwise participated in that litigation to the extent that it should be bound by the results.” *Wi-Fi One*, 887 F.3d at 1341. In *Nestle*, the Board explicitly found that there is no evidence to suggest that the IPR petitioner financed the district court litigation or prior *inter partes* reviews. *Nestle*, Case IPR2015-00195, slip op. at 12. In fact, the Board noted that the “Agreement expressly states that [e]ach party will bear their own legal costs . . . in handling the [Patent Owner] Claim (e.g., defending, filing counterclaims or cross claims . . . , etc.)” *Id.*

Here, in contrast, Petitioner has a right to substantially control the Delaware actions. Under the indemnification agreement, Petitioner had the obligations to defend the patent infringement claim brought against its customer as to its accused product. Ex. 2007. [REDACTED]

[REDACTED] Therefore, unlike

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Wi-Fi One and *Nestle*, the evidence in the instant proceeding establishes that Petitioner had substantial control over the Delaware actions. Petitioner's involvement was not merely indemnity payments and minor participation. Rather, Petitioner had the same practical opportunity to control the course of the proceedings that would be available to a named party.

In addition, we agree with Patent Owner that cases where the Board rejected a privity argument based on indemnification are distinguishable because in those cases, unlike here, the Board found no sufficient evidence to show that the petitioner exercised or could have exercised control over a named party's participation in the prior litigation. Prelim. Resp. 32–33; *see, e.g., Apple Inc. v. Achatz Reference Publ'g, Inc.*, Case IPR2013-00080, slip op. at 12 (PTAB June 2, 2014) (Paper 90) (noting that the agreement “does not give the [indemnitor] the right to intervene or control [the indemnitee's] defense to any charge of patent infringement”).

We also are mindful that, in a prior proceeding involving the same petitioner,⁵ the Board rejected patent owner's privity argument because, [REDACTED] the Board found that “Patent Owner does not provide evidence sufficient to demonstrate that [the named party] provided prompt notification to Petitioner, and that Petitioner exercised sole control or full authority according to the

5. The petitioner (ARRIS Group, Inc.) in Case IPR2014-00746 was the predecessor in interest of Petitioner here (ARRIS International plc). Ex. 2002, 2 (ARRIS Form 10-K dated February 29, 2016).

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Agreements.” *ARRIS Group, Inc. v. C-Cation Techs.*, Case IPR2014-00746, slip op. at 8–10 (Paper 22) (PTAB Nov. 24, 2014). The Board, in the prior proceeding, also noted that “absent is evidence of Petitioner’s conduct in the 2011 district court proceeding from which we could infer that Petitioner exercised control or could have exercised control as provided for in the Agreements.” *Id.*

Here, to the contrary, the evidence in the instant proceeding shows that Petitioner had substantial control over the Delaware actions. Exs. 2007–23. As discussed above, Petitioner had the obligation to defend the patent infringement claim brought against its customer with respect to its accused product. *Id.* [REDACTED]

[REDACTED] Petitioner had the same practical opportunity to control the course of the proceedings that would be available to a named party. Therefore, the facts in the prior proceeding are distinguishable from the instant proceeding.

In sum, based on the evidence in the entirety of this record, we find that Petitioner had substantial control over the Delaware actions. One or more of the defendants of the Delaware actions was in privity with Petitioner, and those defendants were served with a complaint, alleging infringement of the ’565 patent more than one year prior to the filing of the instant Petition. Therefore, we determine that the instant Petition is time-barred under § 315(b).

*Appendix E**C. Motion for Additional Discovery*

In its Motion for Additional Discovery, Patent Owner indicates that the parties had conferred and agreed to additional discovery between themselves. Disc. Mot. 1; 37 C.F.R. § 42.51(b)(2)(i) (“The parties may agree to additional discovery between themselves.”). In particular, Petitioner agreed to produce “relevant indemnification provisions from agreements with the Delaware defendants, any indemnification claims made by the defendants, and ARRIS’s responses to those claims.” Ex. 2035; Ex. 2030, 3–4. Petitioner produced the following documents: several indemnification agreements; letters from several of the Delaware defendants to Petitioner, requesting indemnification [REDACTED]; and several response letters from Petitioner to one or more of the Delaware defendants. Exs. 2009–23.

In its Motion for Additional Discovery, Patent Owner alleges that Petitioner did not produce the indemnification agreement and the response letter for each of the [REDACTED] customers that sent indemnification notices to Petitioner. Disc. Mot. 1–2. Patent Owner requests discovery of missing documents and interrogatories concerning Petitioner’s involvement in the Delaware litigation. *Id.*; Ex. 2033. Patent Owner avers that the requested additional discovery is necessary in the interests of justice, arguing that it is beyond speculation that Petitioner was in privity with the Delaware defendants. Disc. Mot. 2–3.

Under the circumstances of this case, we need not assess the merits of Patent Owner’s Motion for Additional

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Discovery. As discussed above, even without the additional requested documents and information, the evidence in the current record establishes sufficiently that Petitioner was in privity with one or more of the Delaware defendants, and we determine that the instant Petition is time-barred under § 315(b).

Accordingly, Patent Owner's Motion for Additional Discovery is *dismissed* as moot.

D. Motions to Seal

Patent Owner filed unredacted and redacted versions of its Preliminary Response (Papers 9 and 10), along with its First Motion to Seal (Paper 8). Patent Owner also filed a Stipulated Default Protective Order agreed to by the parties, which is a copy of the Board's Default Protective Order and attached to Patent Owner's First Motion to Seal. Trial Practice Guide, 77 Fed. Reg. 48,760 (Aug. 14, 2012), App'x B. Patent Owner requests the Board to enter the Stipulated Default Protective Order. Because the parties agree to the terms of the Board's Default Protective Order, we hereby enter the Stipulated Default Protective Order, which governs the treatment and filing of confidential information in the instant proceeding.

In its First Motion to Seal, Patent Owner seeks to seal Exhibits 2008–23 and portions of its Preliminary Response that discuss the substance of these exhibits. Exhibits 2008–23 were produced by Petitioner pursuant to the Stipulated Default Protective Order, and designated “CONFIDENTIAL-PROTECTIVE ORDER MATERIAL” by Petitioner. Exhibits 2008–23 relate to

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indemnification agreements between Petitioner and its customers.

Patent Owner filed its Second Motion to Seal (Paper 11) along with unredacted and redacted versions of its Motion for Additional Discovery (Papers 12 and 13). Patent Owner seeks to seal Exhibits 2033 and 2038–42, as well as portions of its Motion for Additional Discovery, which discuss the substance of Exhibits 2008–23. Petitioner filed a Motion to Seal (Paper 14) along with unredacted and redacted versions of its Opposition (Papers 15 and 16) to the Motion for Additional Discovery. Petitioner seeks to seal portions of its Opposition that discuss the substance of Exhibits 2008–23. Patent Owner filed its Third Motion to Seal (Paper 17) along with unredacted and redacted versions of its Reply (Papers 18 and 19) to Petitioner's Opposition to the Motion for Additional Discovery. Patent Owner seeks to seal portions of its Reply that discuss the substance of Exhibits 2008–23.

Neither party files an opposition to any of the Motions to Seal filed in this proceeding.

The record for an *inter partes* review shall be made available to the public, except as otherwise ordered, and a document filed with a motion to seal shall be treated as sealed until the motion is decided. 35 U.S.C. § 316(a) (1); 37 C.F.R. § 42.14. There is a strong public policy that favors making information filed in *inter partes* review proceedings open to the public. *Garmin Int'l v. Cuozzo Speed Techns., LLC*, Case IPR2012-00001, slip op. at 1–2 (PTAB Mar. 14, 2013) (Paper 34). The moving party bears the burden of showing that the relief requested should

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be granted. 37 C.F.R. § 42.20(c). That includes showing that the information is truly confidential, and that such confidentiality outweighs the strong public interest in having an open record. *See Garmin*, Case IPR2012-00001, slip op. at 3. The standard for granting a motion to seal is good cause. 37 C.F.R. § 42.54.

Having considered the documents at issue, we are persuaded that good cause exists to keep the documents under seal as they related to confidential business information of Petitioner. In particular, Exhibits 2008–23, and all other documents that discuss the substance of these exhibits, relate to indemnification agreements between Petitioner and its customers. The details of these agreements are unimportant to the patentability of the challenged claims. The public's interest in having access to the details of these agreements is minimal. Hence, we agree with the parties that the documents should be kept under seal.

We hereby grant the Motions to Seal with respect to the following documents: Exhibits 2008–23, 2033, and 2038–42; and unredacted versions of Patent Owner's Preliminary Response (Paper 9), Patent Owner's Motion for Additional Discovery (Paper 12), Petitioner's Opposition (Paper 15), and Patent Owner's Reply (Paper 18).

In addition, this Decision is filed under seal, designated as "For Board and Parties Only" as it discusses and cites to the documents under seal. The parties are ordered to file jointly a proposed redacted version of this Decision within 5 business days from the entry of this Decision.

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III. CONCLUSION

For the foregoing reasons, the Petition is time-barred under § 315(b).

IV. ORDER

In consideration of the foregoing, it is

ORDERED that the Petition is *denied*, and no trial is instituted

FURTHER ORDERED that Patent Owner's Motion for Additional Discovery is *dismissed* as moot.

FURTHER ORDERED that Patent Owner's Motions to Seal and Petitioner's Motion to Seal are *granted*; the following papers shall be seal as "Board and Parties Only": Exhibits 2008-23, 2033, and 2038-42; and unredacted versions of Patent Owner's Preliminary Response (Paper 9), Patent Owner's Motion for Additional Discovery (Paper 12), Petitioner's Opposition (Paper 15), and Patent Owner's Reply (Paper 18);

FURTHER ORDERED that the Stipulated Default Protective Order attached to Patent Owner's First Motion to Seal (Paper 8) be entered; and

FURTHER ORDERED that, within 5 business days from the entry of this Decision, Patent Owner and Petitioner jointly file a proposed redacted version of this Decision.

**APPENDIX F — REDACTED DECISION OF THE
UNITED STATES PATENT AND TRADEMARK
OFFICE, CASE IPR2018-00575, DATED
JULY 20, 2018**

UNITED STATES PATENT
AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL
AND APPEAL BOARD

ARRIS INTERNATIONAL PLC,

Petitioner,

v.

CHANBOND, LLC,

Patent Owner.

Case IPR2018-00575

Patent 8,984,565 B2

Before JONI Y. CHANG, JEFFREY S. SMITH, and
DAVID C. McKONE, *Administrative Patent Judges.*

CHANG, *Administrative Patent Judge.*

DECISION

Denying Institution of *Inter Partes* Review
35 U.S.C. § 314

*Appendix F***I. INTRODUCTION**

ARRIS International PLC (“Petitioner”) filed a Petition requesting an *inter partes* review of claims 12, 18, 20, 23, 37, 38, 40, and 41 (“the challenged claims”) of U.S. Patent No. 8,984,565 B2 (Ex. 1001, “the ’565 patent”). Paper 1 (“Pet.”). ChanBond, LLC (“Patent Owner”) filed unredacted and redacted versions¹ of a Preliminary Response (Papers 9 and 10, “Prelim. Resp.”), along with a Motion to Seal (Paper 8) and the Stipulated Default Protective Order (attached to the Motion to Seal), which is a copy of the default Protective Order set forth in Appendix B of the Office Patent Trial Practice Guide (“Trial Practice Guide”), 77 Fed. Reg. 48,756, 48,756–66 (Aug. 14, 2012). Pursuant to our authorization, Patent Owner filed a Motion for Additional Discovery (Papers 12 and 13, “Disc. Mot.”); Petitioner filed an Opposition (Papers 14 and 15, “Disc. Opp.”) to the Motion for Additional Discovery; and Patent Owner filed a Reply (Papers 18 and 19, “Disc. Reply”) to Petitioner’s Opposition.²

For the reasons stated below, we determine that a privity of Petitioner was served with a complaint alleging infringement of the ’565 patent more than one year before the Petition was filed. Consequently, we deny the Petition as it is time-barred under 35 U.S.C. § 315(b), and dismiss

1. Citations hereinafter correspond to the unredacted version (Paper 9).

2. Both parties filed unredacted and redacted versions of their papers, along with corresponding Motions to Seal (Papers, 11, 16, and 17). Our citations correspond to the unredacted version of each paper.

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Patent Owner's Motion for Additional Discovery as moot. We also grant the parties' Motions to Seal (Papers 8, 11, 16, 17).

Related Matters

The parties indicate that the '565 patent and two other related patents, U.S. Patent Nos. 8,341,679 B2 ("679 patent") and 7,941,822 B2 ("822 patent"), are involved in the following proceedings in the United States District Court for the District of Delaware (the "Delaware actions"): *ChanBond, LLC v. Atlantic Broadband Group, LLC*, 1:15-cv-00842-RGA (D. Del.); *ChanBond, LLC v. Bright House Networks, LLC*, 1:15-cv-00843-RGA (D. Del.); *ChanBond, LLC v. Cable One Inc., LLC*, 1:15-cv-00844-RGA (D. Del.); *ChanBond, LLC v. Cablevision Systems Corp.*, 1:15-cv-00845-RGA (D. Del.); *ChanBond, LLC v. Cequel Communications, LLC*, 1:15-cv-00846-RGA (D. Del.); *ChanBond, LLC v. Charter Communications, LLC*, 1:15-cv-00847-RGA (D. Del.); *ChanBond, LLC v. Comcast Corp.*, 1:15-cv-00848-RGA (D. Del.); *ChanBond, LLC v. Cox Communications, Inc.*, 1:15-cv-00849-RGA (D. Del.); *ChanBond, LLC v. Mediacom Communications Corp.*, 1:15-cv-00850-RGA (D. Del.); *ChanBond, LLC v. RCN Telecom Services, LLC*, 1:15-cv-00851-RGA (D. Del.); *ChanBond, LLC v. Time Warner Cable Inc.*, 1:15-cv-00852-RGA (D. Del.); *ChanBond, LLC v. WaveDivision Holdings, LLC*, 1:15-cv-00853-RGA (D. Del.); and *ChanBond, LLC v. WideOpen West Finance, LLC*, 1:15-cv-00854-RGA (D. Del.).³ Pet. 4–5; Paper 5, 1–2.

3. In this Decision, we refer the defendants of these Delaware actions as "the Delaware defendants."

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Petitioner also filed five additional petitions: IPR2018-00574 involving the '565 patent; IPR2018-00572 and IPR2018-00573 involving the '679 patent; and IPR2018-00570 involving the '822 patent. Pet. 5.

II. DISCUSSION

The instant Petition was filed on February 2, 2018. Paper 3, 1. Patent Owner served the defendants in the Delaware actions with a complaint, alleging infringement of the '565 patent on October 1, 2015, more than one year prior to the filing of the instant Petition. Ex. 2006. Petitioner was not a named party in the Delaware actions. *Id.* Nonetheless, Patent Owner asserts that the instant Petition is time-barred under 35 U.S.C. § 315(b) because Petitioner is in privity with the Delaware defendants. Prelim. Resp. 12–33. Accordingly, the main issue here is whether at least one of the Delaware defendants is a privity of Petitioner.

A. Principles of Law

Section 315(b) of Title 35 of the United States Code 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 privity of the petitioner is served with a complaint alleging infringement of the patent. The time

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limitation set forth in the preceding sentence shall not apply to a request for joinder under subsection (c).

The legislative history indicates that § 315(b) was intended to set a “deadline for allowing an accused infringer to seek *inter partes* review after he has been sued for infringement.” 157 CONG. REC. S5429 (daily ed. Sept. 8, 2011) (statement of Sen. Kyl). The deadline helps to ensure that *inter partes* review is not used as a tool for harassment by “repeated litigation and administrative attacks.” H.R. REP. No. 112-98 at 48 (2011), *as reprinted in* 2011 U.S.C.C.A.N. 67, 78. Hence, “the rationale behind § 315(b)’s preclusion provision is to prevent successive challenges to a patent by those who previously have had the opportunity to make such challenges in prior litigation.” *WesternGeco LLC v. ION Geophysical Corp.*, 889 F.3d, 1308, 1319 (Fed. Cir. 2018).

The term “privity” is not defined in the statute, but it “is a well-established common-law term.” *Id.* at 1317. “[W]hen Congress uses language with a settled meaning at common law, Congress presumably knows and adopts the cluster of ideas that were attached to each borrowed word in the body of learning from which it was taken.” *Beck v. Prupis*, 529 U.S. 494, 500–01 (2000); *see also* 154 CONG. REC. S9987 (daily ed. Sept. 27, 2008) (statement of Sen. Kyl) (“The concept of privity, of course, is borrowed from the common law of judgments.”).

The concept of “privity” is more expansive and encompasses parties that do not necessarily need to be identified in the Petition as real parties-in-interest. Trial

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Practice Guide, 77 Fed. Reg. at 48,759. The term “privity” is used “more broadly, as a way to express the conclusion that nonparty preclusion is appropriate on any ground.” *Taylor v. Sturgell*, 553 U.S. 880, 894 n.8 (2008) (citing 18A Charles Alan Wright, Arthur R. Miller & Edward H. Cooper, *Federal Practice and Procedure* § 4449, pp. 351–53, n.33 (2d ed. 2002) (hereinafter “Wright & Miller”)); *WesternGeco*, 889 F.3d at 1318–19. The legislative history endorsed the expression of “privity” as follows:

The word “privity” has acquired an expanded meaning. The courts, in the interest of justice and to prevent expensive litigation, are striving to give effect to judgments by extending “privies” beyond the classical description. *The emphasis is not on the concept of identity of parties, but on the practical situation. Privity is essentially a shorthand statement that collateral estoppel is to be applied in a given case; there is no universally applicable definition of privity. The concept refers to a relationship between the party to be estopped and the unsuccessful party in the prior litigation which is sufficiently close so as to justify application of the doctrine of collateral estoppel.*

154 CONG. REC. S9987 (daily ed. Sept. 27, 2008) (statement of Sen. Kyl) (emphasis added) (citing *Cal. Physicians’ Serv. v. Aoki Diabetes Research Inst.*, 163 Cal.App.4th 1506 (Cal. App. 2008)); 157 CONG. REC. S1376 (daily ed. Mar. 8, 2011) (incorporating prior 2008 statement).

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The determination of whether a petitioner is in privity with a time-barred district court party is a “highly fact-dependent question.” Trial Practice Guide, 77 Fed. Reg. at 48,759. More importantly, “the standards for the privity inquiry must be grounded in due process.” *WesternGeco*, 889 F.3d. at 1319. “[T]he privity inquiry in this context naturally focuses on *the relationship* between the named IPR petitioner and the party *in the prior lawsuit*. For example, it is important to determine whether the petitioner and the prior litigant’s relationship—as it relates to the lawsuit—is sufficiently close that it can be fairly said that the petitioner had a full and fair opportunity to litigate the validity of the patent in that lawsuit.” *Id.* (emphases added).

In *Taylor*, the United States Supreme Court identified a non-exhaustive list of six categories under which nonparty preclusion based on a privity relationship may be found: (1) an agreement between the parties to be bound; (2) pre-existing substantive legal relationships between the parties; (3) adequate representation by the named party; (4) the nonparty’s control of the prior litigation; (5) where the nonparty acts as a proxy for the named party to re-litigate the same issues; and (6) where special statutory schemes foreclose successive litigation by the nonparty (e.g., bankruptcy or probate). *Taylor*, 553 U.S. at 893–95, 893 n.6. The Supreme Court noted that this list of the six “established grounds for nonparty preclusion” is “meant only to provide a framework”, not to establish a definitive taxonomy.” *Id.* at 893 n.6. Each ground alone is sufficient to establish privity between a nonparty and a named party in the prior litigation. *WesternGeco*, 889 F.3d at 1319–20.

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Here, in our analysis, we mainly address the fourth *Taylor* category of nonparty preclusion. For the reasons stated below, the evidence of record establishes sufficiently that Petitioner is in privity with a time-barred district court party because Petitioner had substantial control over the Delaware actions. As such, it is not necessary for us to determine whether privity exists based on other grounds.

Under the fourth *Taylor* category of nonparty preclusion, a nonparty to a prior action is bound by a judgment if that party “assume[d] control’ over the litigation in which that judgment was rendered.” *Taylor*, 553 U.S. at 895 (citing *Montana v. United States*, 440 U.S. 147, 154 (1979)). “Courts and commentators agree, however, that there is no ‘bright-line test’ for determining the necessary quantity or degree of participation to qualify as . . . ‘privity’ based on the control concept.” Trial Practice Guide, 77 Fed. Reg. at 48,759 (citing *Gonzalez v. Banco Cent. Corp.*, 27 F.3d 751, 759 (1st Cir. 1994)).

Neither absolute control, nor actual control, is a requirement for finding of privity. Rather, “it should be enough that the nonparty has the actual measure of control or opportunity to control that might reasonably be expected between two formal coparties.” Trial Practice Guide, 77 Fed. Reg. at 48,759 (quoting Wright & Miller § 4451); see also *WesternGeco*, 889 F.3d at 1320. “Such relationships between a party and a nonparty are most often found when . . . an indemnitor participates in defending an action brought against its indemnitee.” Wright & Miller § 4451; *Benson & Ford, Inc. v. Wanda Petroleum Co.*, 833 F.2d 1172, 1174 (5th Cir. 1987); cf. *Intel Corp. v. U.S. Int’l Trade*

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Comm'n, 946 F.2d 821, 839 (Fed. Cir. 1991) (finding that “an indemnification agreement, in other cases, has alone been enough to find privity”) (citing *Urbain v. Knapp Bros. Mfg. Co.*, 217 F.2d 810 (6th Cir. 1954); *Weyerhaeuser Timber Co. v. Bostitch, Inc.*, 178 F. Supp. 757, 760–61 (D.R.I. 1959)); *SpeedTrack, Inc. v. Office Depot, Inc.*, 2014 WL 1813292, at *6–7 (N.D. Cal. May 6, 2014) (ruling that in view of the indemnification obligations the manufacturer owed to its customer, the manufacturer was in privity with the customer such that claim preclusion could apply), *aff'd*, 791 F.3d 1317, 1324–29 (Fed. Cir. 2015).

“Preclusion is fair so long as the relationship between the nonparty and a party was such that the nonparty had the same practical opportunity to control the course of the proceedings that would be available to a party.” Wright & Miller § 4451. “The appropriate measure of control does not require that the named party or parties totally abandon control to the nonparty.” *Id.* “A common consideration is whether the non-party exercised or could have exercised control over a party’s participation in a proceeding.” Trial Practice Guide, 77 Fed. Reg. at 48,759 (citing *Taylor*, 553 U.S. at 895; Wright & Miller § 4451).

With these principles in mind and for the reasons stated below, we find that Petitioner is in privity with at least one of the Delaware defendants as the evidence of record shows that Petitioner had substantial control over the Delaware actions.

*Appendix F**B. Analysis on Privity*

As an initial matter, the Board has considered, in certain cases, the relationship between those alleged to be in privity *at the time of service of the complaint* with regard to the time bar under § 315(b). *See, e.g., Nestle USA, Inc. v. Steuben Foods, Inc.*, Case IPR2015-00195, slip op. at 9–10 (Paper 51) (PTAB June 29, 2015). As noted above, the term “privity” is not defined in the statute, but it “is a well-established common-law term.” *WesternGeco*, 889 F.3d at 1317. Our reviewing court has explained that “the privity inquiry in this context naturally focuses on *the relationship* between the named IPR petitioner and the party *in the prior lawsuit*.” *Id.* at 1319(emphases added). This approach of focusing the privity inquiry on the relationship *during the prior lawsuit*, rather than *at the time of service of the complaint* (i.e., at the start of the lawsuit) is consistent with *Taylor. Aruze Gaming Macau, LTD. v. MGT Gaming Inc.*, Case IPR2014-01288, slip op. 12–14 (Paper 13) (PTAB Feb. 20, 2015). As the Supreme Court explained in *Taylor*, regarding the fourth category of nonparty preclusion, “a nonparty is bound by a judgement if she *assumed control over the litigation* in which that judgment was rendered.” *Taylor*, 553 U.S. at 895 (internal quotation marks and citation omitted) (emphasis added).

As such, our privity inquiry in the instant processing focuses on the relationship between Petitioner and the Delaware defendants *during the prior lawsuit*. More specifically, we focus on whether the relationship, as it relates to the Delaware actions, “is sufficiently close that it can be fairly said that the petitioner had a full and fair

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opportunity to litigate the validity of the patent in that lawsuit.” *WesternGeco*, 889 F.3d at 1319; *Aruze Gaming*, Case IPR2014-01288, slip op. at 15.

We now turn to Parties’ contentions and supporting evidence. In its Preliminary Response, Patent Owner argues that Petitioner “had a right to substantially control the Delaware litigation for years prior to the filing of the present petition.” Prelim. Resp. 17. As support, Patent Owner notes that Petitioner’s own public filings with the Securities and Exchange Commission (“SEC”) establish the existence of indemnification agreements with several Delaware defendants. *Id.* According to Patent Owner, [REDACTED] Petitioner had a legal right to control the litigation, [REDACTED]

[REDACTED] Upon consideration of the evidence before us, we agree with Patent Owner that Petitioner had substantial control over the Delaware actions.

Petitioner counters that it is not a privy of the Delaware defendants. Dis. Opp. 4–6.⁴ In support of its contention,

4. Petitioner did not present any privy argument in its Petition. Pet. 6–8. Nor did Petitioner seek leave to file a reply to Patent Owner’s Preliminary Response. Rather, Petitioner presents its privy arguments in the Opposition to Patent Owner’s

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Petitioner argues that it “is *not* controlling the Delaware litigation,” and it “has no legal right to do so” because the complaints and infringement contentions in the Delaware actions “identify multiple accused products that are supplied to each of the Defendants by many different suppliers, of which ARRIS is only one.” *Id.* Petitioner also argues that Patent Owner “points to no indemnification provision and provides no argument that could support a conclusion that ARRIS has a legal right to control a lawsuit that involves other suppliers’ products.” *Id.* Petitioner avers that “ARRIS could not take responsibility for the other products accused of infringement, and it could not have assumed (and did not assume) control over litigation strategy or settlement.” *Id.* Petitioner further argues that “ARRIS’s [REDACTED] plainly shows that ARRIS does not control the litigation.” *Id.* at 5–7. In Petitioner’s view, “ARRIS’s agreement to [REDACTED] thus merely establishes a typical customer-supplier relationship that controlling authority has held insufficient to establish privity.” *Id.* (citing *Wi-Fi One v. Broadcom Corp.*, 887 F.3d 1329 (Fed. Cir. 2018); *Nestle*, Case IPR2015-00195, slip op. at 6–17).

We are not persuaded by Petitioner’s arguments because they rest on an erroneous privity standard, requiring *actual and complete* control of the *entire* litigation. As discussed above, neither absolute control, nor actual control, is required for finding of privity. Rather,

Motion for Additional Discovery. Although improperly presented, we nevertheless exercise our discretion to consider Petitioner’s arguments, and address each of Petitioner’s privity arguments in turn. *See* 37 C.F.R. § 42.5.

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“it should be enough that the nonparty has the actual measure of control or opportunity to control that might reasonably be expected between two formal coparties.” Trial Practice Guide, 77 Fed. Reg. at 48,759 (citing Wright & Miller § 4451).

The Board as well as the courts “have found privity where an entity’s control over the litigation was substantial, even though not complete.” *General Electric Co. v. TransData, Inc.*, Case IPR2014-01380 (Paper 34, 9) (PTAB Apr. 15, 2015) (citing *Jefferson Sch. of Soc. Sci. v. Subversive Activities Control Bd.*, 331 F.2d 76, 83 (D.C. Cir. 1963)). “If a nonparty either participated vicariously in the original litigation by exercising control over a named party or had the opportunity to exert such control, then the nonparty effectively enjoyed his day in court, and it is appropriate to impute to him the legal attributes of party status for purposes of claim preclusion.” *Gonzalez*, 27 F.3d at 758. “[P]reclusion is fair so long as the relationship between the nonparty and a party was such that the nonparty had the same practical opportunity to control the course of the proceedings that would be available to a party.” *Id.* (citing Wright & Miller § 4451).

Here, it is undisputed that Patent Owner served the Delaware defendants with a complaint, more than one year prior to the filing of the instant Petition, alleging infringement of the ’565 patent. Ex. 2006. Petitioner confirms that it is the supplier for at least one of the allegedly infringing products and has a “customer-supplier relationship” with one or more of the Delaware defendants. Dis. Opp. 5. Petitioner’s SEC Form 10-K dated February 29, 2016, indicates the following:

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On September 21, 2015, [Patent Owner] ChanBond filed suit against several MSOs [Multiple Systems Operators] alleging infringement of three US Patents. Certain of our customers have requested that we provide indemnification In the event of an unfavorable outcome, ARRIS may be required to indemnify the MSOs and/or pay damages for utilizing certain technology.

Ex. 2002, 5, 31.

Further, it is undisputed that Petitioner has indemnification agreements with one or more of the Delaware defendants. *See generally* Dis. Opp.; Ex. 2002, 31; Exs. 2007–09. Notably, Petitioner’s Corporate Terms and Conditions of Sale include the following:

22. INDEMNIFICATION. *ARRIS will defend and hold Customer . . . harmless against damages finally awarded . . . and will, at ARRIS’ expense, defend any third party claim, suit, or proceeding (“Claim”) brought against Customer insofar as such Claim is based on an allegation that a Product as provided to Customer directly infringes a valid patent or copyright. ARRIS will pay Damages as the result of the Claim provided that (i) Customer promptly notifies ARRIS of the Claim, (ii) Customer gives ARRIS all applicable evidence in Customer’s possession, custody or control, and (iii) Customer gives ARRIS reasonable assistance in and sole*

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control of the defense and all negotiations for its settlement or compromise.

Ex. 2007, 2 (emphases added). Significantly, under the indemnification agreement, Petitioner had an obligation to defend a patent infringement claim brought against the customer as to Petitioner's product. *Id.* Petitioner also was obligated to indemnify the customer any damages as the result of the infringement claim. *Id.* Moreover, the agreement required the customer to give Petitioner "sole control of the defense" in order to receive any indemnity payment.

[REDACTED]

[REDACTED]

[REDACTED]

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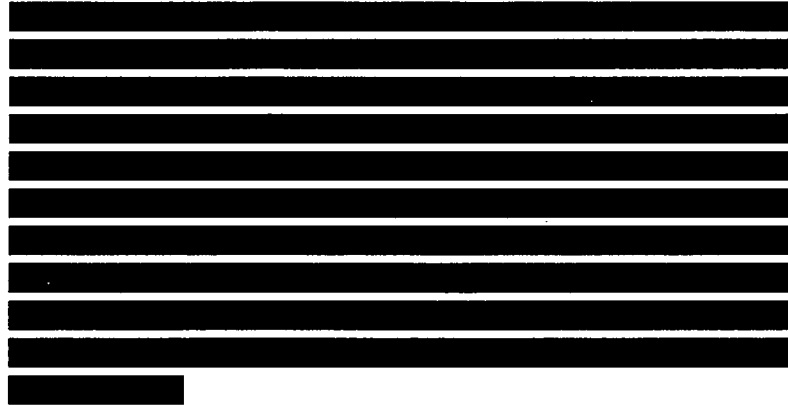
In short, Petitioner had the opportunity to exercise “sole control” of those Delaware defendants’ defense. The evidence in the instant proceeding establishes that Petitioner had substantial control over the Delaware actions. *Gonzalez*, 27 F.3d at 758 (“Substantial control . . . connotes the availability of the significant degree of effective control in the . . . defense of the case—what one might term, in the vernacular, the power—whether exercised or not—to call the shots.”).

We also are not persuaded by Petitioner’s arguments that it does not have a right to control the Delaware actions that involve other suppliers’ products, and that Petitioner’s “██████████ plainly shows that ARRIS does not control the litigation.” Disc. Opp. 5–7. ██████████

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In essence, Petitioner “has already had [its] day in court” as it had the opportunity to present proofs and arguments with respect to its own accused product in the Delaware actions. *See Taylor*, 553 U.S. at 895 (“Because such a person has had the opportunity to present proofs and argument, he has already had his day in court even though he was not a formal party to the litigation.”) (internal quotation marks and citations omitted). Petitioner had the same practical opportunity to control the course of the proceedings that would be available to the named party. As such, Petitioner had the actual measure of control or opportunity to control that might reasonably be expected between formal coparties.

Furthermore, Petitioner’s reliance on *Wi-Fi One* and *Nestle* is misplaced. Disc. Opp. 5–7 (citing *Wi-Fi One*, 887 F.3d 1329; *Nestle*, Case IPR2015-00195, slip op. at 6–17). The determination of whether a petitioner is in privity with a time-barred district court party is a “highly fact-dependent question.” Trial Practice Guide, 77 Fed.

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Reg. at 48,759. The particular facts in those cases are distinguishable from the instant proceeding.

In *Wi-Fi One*, the court found that “the evidence did not show that Broadcom had the right to control that litigation or otherwise participated in that litigation to the extent that it should be bound by the results.” *Wi-Fi One*, 887 F.3d at 1341. In *Nestle*, the Board explicitly found that there is no evidence to suggest that the IPR petitioner financed the district court litigation or prior *inter partes* reviews. *Nestle*, Case IPR2015-00195, slip op. at 12. In fact, the Board noted that the “Agreement expressly states that “[e]ach party will bear their own legal costs . . . in handling the [Patent Owner] Claim (e.g., defending, filing counterclaims or cross claims . . . , etc.)” *Id.*

Here, in contrast, Petitioner has a right to substantially control the Delaware actions. Under the indemnification agreement, Petitioner had the obligations to defend the patent infringement claim brought against its customer as to its accused product. Ex. 2007. [REDACTED]

[REDACTED] Therefore, unlike *Wi-Fi One* and *Nestle*, the evidence in the instant proceeding establishes that Petitioner had substantial control over the Delaware actions. Petitioner’s involvement was not merely indemnity payments and minor participation. Rather, Petitioner had the same practical opportunity to control the course of the proceedings that would be available to a named party.

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In addition, we agree with Patent Owner that cases where the Board rejected a privity argument based on indemnification are distinguishable because in those cases, unlike here, the Board found no sufficient evidence to show that the petitioner exercised or could have exercised control over a named party's participation in the prior litigation. Prelim. Resp. 32–33; *see, e.g., Apple Inc. v. Achatos Reference Publ'g, Inc.*, Case IPR2013-00080, slip op. at 12 (PTAB June 2, 2014) (Paper 90) (noting that the agreement “does not give the [indemnitor] the right to intervene or control [the indemnitee's] defense to any charge of patent infringement”).

We also are mindful that, in a prior proceeding involving the same petitioner,⁵ the Board rejected patent owner's privity argument because, ██████████ the Board found that “Patent Owner does not provide evidence sufficient to demonstrate that [the named party] provided prompt notification to Petitioner, and that Petitioner exercised sole control or full authority according to the Agreements.” *ARRIS Group, Inc. v. C-Cation Techs.*, Case IPR2014-00746, slip op. at 8–10 (Paper 22) (PTAB Nov. 24, 2014). The Board, in the prior proceeding, also noted that “absent is evidence of Petitioner's conduct in the 2011 district court proceeding from which we could infer that Petitioner exercised control or could have exercised control as provided for in the Agreements.” *Id.*

5. The petitioner (ARRIS Group, Inc.) in Case IPR2014-00746 was the predecessor in interest of Petitioner here (ARRIS International plc). Ex. 2002, 2 (ARRIS Form 10-K dated February 29, 2016).

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Here, to the contrary, the evidence in the instant proceeding shows that Petitioner had substantial control over the Delaware actions. Exs. 2007–23. As discussed above, Petitioner had the obligation to defend the patent infringement claim brought against its customer with respect to its accused product. *Id.* [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED] Petitioner had the same practical opportunity to control the course of the proceedings that would be available to a named party. Therefore, the facts in the prior proceeding are distinguishable from the instant proceeding.

In sum, based on the evidence in the entirety of this record, we find that Petitioner had substantial control over the Delaware actions. One or more of the defendants of the Delaware actions was in privity with Petitioner, and those defendants were served with a complaint, alleging infringement of the '565 patent more than one year prior to the filing of the instant Petition. Therefore, we determine that the instant Petition is time-barred under § 315(b).

C. Motion for Additional Discovery

In its Motion for Additional Discovery, Patent Owner indicates that the parties had conferred and agreed to additional discovery between themselves. Disc. Mot. 1; 37 C.F.R. § 42.51(b)(2)(i) (“The parties may agree to additional discovery between themselves.”). In particular, Petitioner agreed to produce “relevant indemnification

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provisions from agreements with the Delaware defendants, any indemnification claims made by the defendants, and ARRIS's responses to those claims." Ex. 2035; Ex. 2030, 3–4. Petitioner produced the following documents: several indemnification agreements; letters from several of the Delaware defendants to Petitioner, requesting indemnification [REDACTED]; and several response letters from Petitioner to one or more of the Delaware defendants. Exs. 2009–23.

In its Motion for Additional Discovery, Patent Owner alleges that Petitioner did not produce the indemnification agreement and the response letter for each of the [REDACTED] customers that sent indemnification notices to Petitioner. Disc. Mot. 1–2. Patent Owner requests discovery of missing documents and interrogatories concerning Petitioner's involvement in the Delaware litigation. *Id.*; Ex. 2033. Patent Owner avers that the requested additional discovery is necessary in the interests of justice, arguing that it is beyond speculation that Petitioner was in privity with the Delaware defendants. Disc. Mot. 2–3.

Under the circumstances of this case, we need not assess the merits of Patent Owner's Motion for Additional Discovery. As discussed above, even without the additional requested documents and information, the evidence in the current record establishes sufficiently that Petitioner was in privity with one or more of the Delaware defendants, and we determine that the instant Petition is time-barred under § 315(b).

Accordingly, Patent Owner's Motion for Additional Discovery is *dismissed* as moot.

*Appendix F**D. Motions to Seal*

Patent Owner filed unredacted and redacted versions of its Preliminary Response (Papers 9 and 10), along with its First Motion to Seal (Paper 8). Patent Owner also filed a Stipulated Default Protective Order agreed to by the parties, which is a copy of the Board's Default Protective Order and attached to Patent Owner's First Motion to Seal. Trial Practice Guide, 77 Fed. Reg. 48,760 (Aug. 14, 2012), App'x B. Patent Owner requests the Board to enter the Stipulated Default Protective Order. Because the parties agree to the terms of the Board's Default Protective Order, we hereby enter the Stipulated Default Protective Order, which governs the treatment and filing of confidential information in the instant proceeding.

In its First Motion to Seal, Patent Owner seeks to seal Exhibits 2008–23 and portions of its Preliminary Response that discuss the substance of these exhibits. Exhibits 2008–23 were produced by Petitioner pursuant to the Stipulated Default Protective Order, and designated “CONFIDENTIAL-PROTECTIVE ORDER MATERIAL” by Petitioner. Exhibits 2008–23 relate to indemnification agreements between Petitioner and its customers.

Patent Owner filed its Second Motion to Seal (Paper 11) along with unredacted and redacted versions of its Motion for Additional Discovery (Papers 12 and 13). Patent Owner seeks to seal Exhibits 2033 and 2038–42, as well as portions of its Motion for Additional Discovery, which discuss the substance of Exhibits 2008–23. Petitioner

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filed a Motion to Seal (Paper 16) along with unredacted and redacted versions of its Opposition (Papers 14 and 15) to the Motion for Additional Discovery. Petitioner seeks to seal portions of its Opposition that discuss the substance of Exhibits 2008–23. Patent Owner filed its Third Motion to Seal (Paper 17) along with unredacted and redacted versions of its Reply (Papers 18 and 19) to Petitioner’s Opposition to the Motion for Additional Discovery. Patent Owner seeks to seal portions of its Reply that discuss the substance of Exhibits 2008–23.

Neither party files an opposition to any of the Motions to Seal filed in this proceeding.

The record for an *inter partes* review shall be made available to the public, except as otherwise ordered, and a document filed with a motion to seal shall be treated as sealed until the motion is decided. 35 U.S.C. § 316(a)(1); 37 C.F.R. § 42.14. There is a strong public policy that favors making information filed in *inter partes* review proceedings open to the public. *Garmin Int’l v. Cuozzo Speed Techs., LLC*, Case IPR2012-00001, slip op. 1–2 (PTAB Mar, 14, 2013) (Paper 34). The moving party bears the burden of showing that the relief requested should be granted. 37 C.F.R. § 42.20(c). That includes showing that the information is truly confidential, and that such confidentiality outweighs the strong public interest in having an open record. *See Garmin*, Case IPR2012-00001, slip op. at 3. The standard for granting a motion to seal is good cause. 37 C.F.R. § 42.54.

Having considered the documents at issue, we are persuaded that good cause exists to keep the documents

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under seal as they related to confidential business information of Petitioner. In particular, Exhibits 2008–23, and all other documents that discuss the substance of these exhibits, relate to indemnification agreements between Petitioner and its customers. The details of these agreements are unimportant to the patentability of the challenged claims. The public’s interest in having access to the details of these agreements is minimal. Hence, we agree with the parties that the documents should be kept under seal.

We hereby grant the Motions to Seal with respect to the following documents: Exhibits 2008–23, 2033, and 2038–42; and unredacted version of Patent Owner’s Preliminary Response (Paper 9), Patent Owner’s Motion for Additional Discovery (Paper 12), Petitioner’s Opposition (Paper 15), and Patent Owner’s Reply (Paper 18).

In addition, this Decision is filed under seal designated as “For Board and Parties Only” as it discusses and cites to the documents under seal. The parties are ordered to file jointly a proposed redacted version of this Decision within 5 business days from the entry of this Decision.

III. CONCLUSION

For the foregoing reasons, the Petition is time-barred under § 315(b).

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IV. ORDER

In consideration of the foregoing, it is

ORDERED that the Petition is *denied*, and no trial is instituted

FURTHER ORDERED that Patent Owner's Motion for Additional Discovery is *dismissed* as moot.

FURTHER ORDERED that Patent Owner's Motions to Seal and Petitioner's Motion to Seal are *granted*; the following papers shall be seal as "Board and Parties Only": Exhibits 2008-23, 2033, and 2038-42; and unredacted versions of Patent Owner's Preliminary Response (Paper 9), Patent Owner's Motion for Additional Discovery (Paper 12), Petitioner's Opposition (Paper 15), and Patent Owner's Reply (Paper 18);

FURTHER ORDERED that the Stipulated Default Protective Order attached to Patent Owner's First Motion to Seal (Paper 8) be entered; and

FURTHER ORDERED that, within 5 business days from the entry of this Decision, Patent Owner and Petitioner jointly file a proposed redacted version of this Decision.

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**APPENDIX G — DENIAL OF REHEARING OF
THE UNITED STATES COURT OF APPEALS FOR
THE FEDERAL CIRCUIT, FILED APRIL 26, 2019**

UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

2018-2426, 2018-2427, 2018-2428, 2018-2429, 2018-2430

ARRIS INTERNATIONAL PLC,

Appellant,

v.

CHANBOND, LLC,

Appellee,

ANDREI IANCU, UNDER SECRETARY OF
COMMERCE FOR INTELLECTUAL PROPERTY
AND DIRECTOR OF THE UNITED STATES
PATENT AND TRADEMARK OFFICE,

Intervenor.

Appeals from the United States Patent and Trademark
Office, Patent Trial and Appeal Board in Nos. IPR2018-
00570, IPR2018-00572, IPR2018-00573, IPR2018-00574,
IPR2018-00575.

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ON PETITION FOR REHEARING *EN BANC*

Before PROST, *Chief Judge*, NEWMAN, LOURIE,
DYK, MOORE, O'MALLEY, REYNA, WALLACH,
TARANTO, CHEN, HUGHES, and STOLL,
Circuit Judges.

PER CURIAM.

ORDER

ARRIS International plc filed a petition for rehearing *en banc*. Responses to the petition were invited by the court and filed by Appellee ChanBond, LLC and Intervenor Andrei Iancu. The petition was first referred as a petition for rehearing to the panel that heard the appeal, and thereafter the petition for rehearing *en banc* was referred to the circuit judges who are in regular active service.

Upon consideration thereof,

IT IS ORDERED THAT:

The petition for panel rehearing is denied.

The petition for rehearing *en banc* is denied.

FOR THE COURT

April 26, 2019
Date

/s/Peter R. Marksteiner
Peter R. Marksteiner
Clerk of Court

**APPENDIX H — PETITION FOR REHEARING
AND ADDENDUM OF THE UNITED STATES
COURT OF APPEALS FOR THE FEDERAL
CIRCUIT, FILED FEBRUARY 11, 2019**

UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

Nos. 2018-2426, -2427, -2428, -2429, -2430

ARRIS INTERNATIONAL PLC,

Appellant,

v.

CHANBOND, LLC,

Appellee,

ANDREI IANCU, DIRECTOR OF THE UNITED
STATES PATENT AND TRADEMARK OFFICE,

Intervenor,

*Appeal from the United States Patent and Trademark
Office, Patent Trial and Appeal Board in Nos.
IPR2018-00570, IPR2018-00572, IPR2018-00573,
IPR2018-00574 and IPR2018-00575*

**APPELLANT ARRIS INTERNATIONAL PLC'S
PETITION FOR REHEARING *EN BANC***

February 11, 2019

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PATRICK D. MCPHERSON
DUANE MORRIS LLP
505 9th Street NW, Suite 1000
Washington DC 20004
(202) 776-5214
pdmcperson@duanemorris.com

DIANA SANGALLI
DUANE MORRIS LLP
1330 Post Oak Boulevard, Suite 800
Houston, Texas 77056-3166
dmsangalli@duanemorris.com

MATTHEW C. GAUDET
DUANE MORRIS LLP
1075 Peachtree Street NE,
Suite 2000
Atlanta, Georgia 30309-3929
MCGaudet@duanemorris.com
*Counsel for Appellant ARRIS
International plc*

CERTIFICATE OF INTEREST

Counsel for Appellant ARRIS International plc certifies the following:

1. The full name of every party represented by me is: ARRIS International plc.
2. The name of the real party in interest represented by me is: ARRIS International plc, ARRIS Solutions, Inc. and ARRIS Technology, Inc.

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3. All of the parent corporations and any publicly held companies that own more than 10 percent or more of the stock of the party represented by me are: ARRIS Group, Inc.

4. The names of all law firms and the partners or associates that appeared for the party now represented by me in the trial court or agency are expected to appear in this court are: None.

5. The title and number of any case known to me to be pending in this or any other court or agency that will directly affect or be directly affected by this court's decision in the pending appeal: None.

February 11, 2019

/s/ Patrick D. McPherson
Patrick D. McPherson
Attorney for Appellant

[TABLES INTENTIONALLY OMITTED]

**STATEMENT OF COUNSEL - FEDERAL CIRCUIT
RULE 35(b)(2)**

Based on my professional judgment, I believe this appeal requires an answer to one or more precedent-setting questions of exceptional importance:

1. Should the Court's panel decision in *St. Jude Medical, Cardiology Division, Inc. v. Volcano Corp.*, 749

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F.3d 1373 (Fed. Cir. 2014) be overturned in view of the Supreme Court's decision in *Cuozzo Speed Technologies, LLC v. Lee*, 136 S. Ct. 2131 (2016) and the Federal Circuit's *en banc* decision in *Wi-Fi One, LLC v. Broadcomm Corp.*, 878 F.3d 1364 (Fed. Cir. 2018) (*en banc*) and panel decision in *Arthrex, Inc. v. Smith & Nephew, Inc.*, 880 F.3d 1345 (Fed. Cir. 2018).

2. Does this Court have jurisdiction to hear ARRIS's appeal of the Patent Trial and Appeal Board's ("PTAB") determination that ARRIS's *Inter Partes* Review ("IPR") petition was time-barred pursuant to 35 U.S.C. §315(b), a ruling that has sweeping effects of the application of the law of privity and real-party-in-interest.

Based on my professional judgment, I believe the panel decision is contrary to the following decisions of the Supreme Court of the United States and precedents of this Court: *Cuozzo Speed Technologies, LLC v. Lee*, 136 S. Ct. 2131 (2016); *Weyerhaeuser Co. v. U.S. Fish & Wildlife Service*, 139 S. Ct. 361 (2018); *Wi-Fi One, LLC v. Broadcomm Corp.*, 878 F.3d 1364 (Fed. Cir. 2018) (*en banc*); *Arthrex, Inc. v. Smith & Nephew, Inc.*, 880 F.3d 1345 (Fed. Cir. 2018).

February 11, 2019

/s/ Patrick D. McPherson
Patrick D. McPherson
Attorney for Appellant

*Appendix H***I. INTRODUCTION AND STATEMENT
OF THE CASE**

This case presents the opportunity for the *en banc* Court to consider the scope and application of 35 U.S.C. §314(d) and 35 U.S.C. §315(b) regarding institution decisions in light of the Federal Circuit’s decision addressing the interplay between §314(d) and §315(b) in *Wi-Fi One, LLC v. Broadcom Corp.*, 878 F.3d 1364 (Fed. Cir. 2018) (*en banc*), and the available avenues of review in view of the Federal Circuit’s decision in *Arthrex, Inc. v. Smith & Nephew, Inc.*, 880 F.3d 1345 (Fed. Cir. 2018) that 35 U.S.C. §319 does not provide the exclusive jurisdiction for review of decisions from the PTAB. Specifically, in *Wi-Fi One*, the *en banc* Court found that §314(d) did not preclude appellate review of a determination as to whether an *Inter Partes* Review (“IPR”) petition was time-barred pursuant to 35 U.S.C. §315(b). Although the decision in *Wi-Fi One* was based on a final written decision issued by the PTAB, the *en banc* Court relied on the Supreme Court’s holding in *Cuozzo Speed Technologies, LLC v. Lee*, 136 S. Ct. 2131 (2016) to find that “the statutory scheme as a whole demonstrates that §315(b) is not ‘closely related’ to the institution decision addressed in §314(a), and it therefore is not subject to §314(d)’s bar on judicial review.” *Wi-Fi One*, 878 F.3d at 1374 (citing *Cuozzo*, 136 S. Ct. at 2142).

The facts of this case demonstrate that, under the PTAB’s view of §315(b), there are circumstances in which a PTAB’s non-institution decision can subject a party to a substantive estoppel without any avenue for appellate

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review, raising a serious due process issue. This result is at odds with the Supreme Court's recital in *Weyerhaeuser Co. v. U.S. Fish & Wildlife Service*, 139 S. Ct. 361 (2018) of the "basic presumption of judicial review [for] one 'suffering legal wrong because of agency action.'" *Id.* at 370 (citing *Abbott Labs. v. Gardner*, 387 U.S. 136, 140 (1967)).

Specifically, in this case, Petitioner ARRIS was never sued in district court for infringement of the patents at issue in the IPRs below, but several of Petitioner ARRIS's customers were. At the time ARRIS filed its IPR petitions, those customers had already participated in IPR petitions filed by another vendor – a competitor of ARRIS – and they were time-barred from filing another petition under 35 U.S.C. §315(b). See Opposition to Motion to Dismiss at 2-3, *ARRIS Int'l plc v. ChanBond, LLC*, No. 18-2426 (Fed. Cir. Nov. 2, 2018). The ultimate legal issue decided by the PTAB in this case was whether Petitioner was a real-party-in-interest or privy of its customers, based on the previously filed IPRs or the district court litigation, and thus also subject to the §315(b) time-bar. In other words, the PTAB decided whether to impose a substantive estoppel on Petitioner ARRIS.

While due process dictates that the imposition of a substantive estoppel by an administrative agency is presumptively subject to appellate review, the underlying facts of the PTAB's decision in this case demonstrate the particular urgency in this scenario. Petitioner ARRIS filed five Petitions for *inter partes* review directed to three patents that Petitioner ARRIS's customers – but not ARRIS itself – had been accused of infringing. The twist

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in this case is that at the time that the PTAB rendered its decision ending the IPRs, ARRIS and the Patent Owner were involved in an active dispute before the PTAB over the Patent Owner's unjustified request for additional discovery regarding the real-party-in-interest/privity issue. Rather than resolve the discovery dispute, the PTAB instead held that ARRIS was time-barred because "[o]ne or more of the defendants of the Delaware actions was in privity with Petitioner, and those defendants were served with a complaint, alleging infringement of the [asserted patents] more than one year prior to the filing of the instant Petition." *ARRIS Int'l plc v. ChanBond, LLC*, IPR2018-00570, Paper 25 at 20-21 (PTAB July 20, 2018)¹. The PTAB reached this conclusion – and imposed a substantive estoppel on Petitioner – based on an impossible interpretation of a single agreement without considering any testimony or other facts. This is precisely the type of agency decision that should be subject to appellate review.

The Federal Circuit panel wholly ignored the unusual procedural aspects of the IPR proceedings in this case. Specifically, the PTAB's decision under §315(b) finding that ARRIS was time-barred because "[o]ne or more of the defendants of the Delaware actions was in privity with Petitioner" affects ARRIS's substantive rights and subjects ARRIS to the estoppels that flow from the activities of the defendants, including the prior IPRs in which the defendants participated and the rulings in the pending district court litigation of which ARRIS is not a party. The Board issued its real-party-in-interest/privity

1. The PTAB used the same substantive language in each IPR.

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rulings weeks before its statutory deadline for issuing its institution decisions and in the midst of the unresolved discovery dispute between ARRIS and the Patent Owner on the very same real-party-in-interest/privity issue.

On the §314(d) issue, the panel found that *Wi-Fi One* did not overrule *St. Jude Medical, Cardiology Division, Inc. v. Volcano Corp.*, 749 F.3d 1373 (Fed. Cir. 2014) because, according to the panel, *Wi-Fi One* only concerned review of the Board's §315(b) determination in a final written decision, not a decision denying institution. *ARRIS Int'l plc v. ChanBond, LLC*, No. 18-2426, slip op. at 2-3 (Fed. Cir. Dec. 27, 2018) (hereinafter Panel Order). In so holding, the panel overlooked that the *en banc* Court's analysis in *Wi-Fi One* to determine if §315(b) was closely related to the §314(a) institution decision criteria followed the Supreme Court's analysis in *Cuozzo* regarding the effect of §314(d)'s appeal bar on the institution decision under §314(a). And, with respect to the Federal Circuit's holding in *Arthrex*, the panel distinguished that decision on the purported basis that *Arthrex* was limited to adverse decisions. In reaching that incorrect conclusion, the panel failed to acknowledge that 28 U.S.C. §1295(a)(4)(A) provides an appeal path that is not constrained to final written decisions as set forth in 35 U.S.C. §319. *Id.* at 3. Finally, the panel overlooked the recent Supreme Court case of *Weyerhaeuser*, holding that even a discretionary agency decision can be subject to review.

The dismissal of ARRIS's appeal of the PTAB decisions finding ARRIS to be in privity with the

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defendants in the district court litigation deprives ARRIS of its due process right to challenge the abrogation of its substantive rights by the PTAB. Rehearing *en banc* of this appeal is required to overturn *St. Jude*, correct the panel's erroneous decision, and to decide important issues of law in light of *Cuozzo*, *Weyerhaeuser*, *Wi-Fi One* and *Arthrex*.

II. ARGUMENT

A. The *En Banc* Court Should Decide Important Legal Issues of First Impression as to the Scope of Application of the Court's Panel Decision in *St. Jude* (2014) in View of the Subsequent Supreme Court Decision in *Cuozzo* (2016), the *En Banc* Court's Decision in *W-Fi One* (2018) and the Court's Ruling in *Arthrex* (2018)

This case presents the opportunity for the Court to consider *en banc* the proper scope and application of §314(d) post-*Wi-Fi One* and post-*Arthrex*, and specifically to decide the application of §314(d) to the §315(b) time-bar issue at the institution stage, particularly in view of the due process issue arising from the imposition of a substantive estoppel by an administrative agency without the opportunity for appellate review.

1. The *En Banc* Court in *Wi-Fi One* Held that Time-Bar Determinations Under §315(b) are Reviewable by this Court

In *Wi-Fi One*, the *en banc* Court considered the scope of §314(d) as it applied to a review of a Board decision

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under §315(b) after a final written decision was issued. The *Wi-Fi One* court relied on the guidance provided by the *Cuozzo* court in determining the proper scope of the appeal bar of §314(d). The specific issue in *Cuozzo* was whether the PTAB had made a proper institution decision under §314(a) in light of *Cuozzo's* assertion that the petition lacked the “particularity” required by 35 U.S.C. §312. *Cuozzo*, 136 S. Ct. at 2142. In *Cuozzo*, the Supreme Court expressly limited its holding to the facts of that case, and left it for this Court to decide the proper application of §314(d) to other IPR appellate issues, such as the §315(b) time-bar issue, in light of the guidance provided by *Cuozzo*:

[W]e emphasize that our interpretation applies where the grounds for attacking the decision to institute inter partes review consist of questions that are closely tied to the application and interpretation of statutes related to the Patent Office’s decision to initiate inter partes review. See §314(d) (barring appeals of “determinations . . . to initiate an inter partes review *under this section*” (emphasis added)). This means that we need not, and do not, decide the precise effect of §314(d) on appeals that implicate constitutional questions, that depend on other less closely related statutes, or that present other questions of interpretation that reach, in terms of scope and impact, well beyond “this section.”

Id. at 2141 (emphasis in original).

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The Supreme Court held that agency action outside of its statutory limits and other “shenanigans” are properly reviewable under 35 U.S.C. §319 or the Administrative Procedure Act. *Id.* at 2141-42 (citing 5 U.S.C §§706(2)(A)-(D)).

Based on this guidance, the *en banc* Court in *Wi-Fi One*, stated that “[t]he [*Cuozzo*] Court made clear that its holding was limited; it expressly left open the potential for review, under certain circumstances of decisions to institute IPR.” *Wi-Fi One*, 878 F.3d at 1369-70. Thus, the *Wi-Fi One* Court considered whether the §315(b) time-bar issue was closely related to §314(a) such that the appeals bar of §314(d) should apply.

In conducting its review, the *Wi-Fi One* Court recognized that there is a “strong presumption’ favoring judicial review of administrative actions, including the Director’s IPR institution decisions,” and specifically noted that “[f]inal decisions of the PTO are reviewed according to the standard provided by the Administrative Procedures Act,” and that “28 U.S.C. 1295(a)(4)(a) provides this court exclusive jurisdiction over an appeal from a decision of ‘the Patent Trial and Appeal Board ... with respect to ... inter partes review under title 35.’” *Id.* at 1371-72, n.6.

In view of this strong presumption of judicial review, the *Wi-Fi One* Court reviewed the statutory language and legislative history of AIA. It held “[t]he parties have not cited, nor are we aware of, any specific legislative history that clearly and convincingly indicates congressional intent to bar judicial review of §315(b) time-bar determinations.” *Id.* at 1372.

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With respect to the statutory language, the *Wi-Fi One* Court noted that §314(a) identifies a threshold requirement “focused on the patentability merits of particular claims” for institution, and it grants the Director discretion to not institute even when the threshold is met. *Id.* It then contrasted the language of §314(a) with the language of §315(b) and held that §315(b) is “unrelated to the Director’s preliminary patentability assessment or the Director’s discretion not to initiate an IPR even if the threshold ‘reasonable likelihood’ is present.” *Id.* at 1373. This holding is consistent with the dictates of due process. A decision not to institute a petition based on a discretionary decision on the “reasonable likelihood” threshold does not necessarily implicate due process issues because that decision does not impose any substantive estoppel in the district court or other hardship on a party. However, a decision that a petition is time-barred based on a real-party-in-interest finding imposes a substantive estoppel and, therefore, implicates due process concerns reviewable by this Court.

The *Wi-Fi One* Court concluded that the statutory scheme as a whole demonstrates that §315(b) is not closely related to the institution decision addressed in §314(a) and specifically held “that time-bar determinations under §315(b) are reviewable by this court.” *Id.* at 1374.

Although the *Wi-Fi One* Court was considering the scope of §314(d) in the context of a decision to institute challenged after issuance of a final written decision, the rationale cited by the Court for why §314(d) is not an absolute bar to appeal applies equally to a denial

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of institution because §315(b) “is not closely related to §314(a)” regardless of whether the §315(b) decision is made at the time of institution or in a final written decision. The *Wi-Fi One* Court held that the §315(b) time-bar is fundamentally different than a procedural requirement and is unrelated to the question of patentability being addressed by the institution decision. *Id.* at 1374. The Court also recognized that a decision under §315(b) “governs the relation of IPRs to other proceedings or actions, including actions taken in district court.” *Id.*

Here, the panel decision affects the substantive rights of Petitioner as it relates to the previous IPRs filed by the defendants in the litigation, as well as the actions taken by the defendants in the district court litigation. The panel’s decision barring review of the Board’s decision affects Petitioner’s substantive rights and deprives Petitioner of the due process to which it is entitled. For example, the estoppel provision of 35 U.S.C. §315(e) that arises from a final written decision in an IPR impacts a real-party-in-interest’s or privy’s ability to challenge the validity of the asserted patents in a district court action. Likewise, a ruling in the district court litigation can be binding on a real-party-in-interest or privy.

2. *Arthrex* Held that §319 Does Not Provide Exclusive Jurisdiction for Appeals From PTAB Decisions

In *Arthrex*, this Court considered whether an adverse final judgment is appealable. The Court started its analysis by citing the general rule “that judicial review is presumed

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to be available with respect to final agency action” noting the strong presumption that Congress intends judicial review of administrative actions. *Arthrex*, 880 F.3d at 1348 (citing *Cuozzo* and the APA). The Court then found that the adverse judgment was not an institution decision under §314, and thus that the appellate bar of §314(d) did not apply. *Id.* at 1348-1349. The Court held that the adverse judgment was a final determination because the judgment terminated the IPR proceedings. *Id.* at 1348. The Court rejected the argument that §319 created the exclusive means for appeal and held “[o]n its face, §319 does not cabin the appeal rights conferred by §1295.” *Id.* Based on these findings, the Court held:

Here, the language of 28 U.S.C §1295 appears to provide for appeal. Section 1295(a)(4)(A) provides the Federal Circuit with jurisdiction over “an appeal from a decision of the Patent Trial and Appeal Board ... with respect to ... inter partes review under title 35.” The adverse judgment in this case is a decision of the Board, and the decision is “with respect to” an inter partes review proceeding. The judgment is also final, as the judgment terminated the IPR proceeding. *See In re Arunachalam*, 824 F.3d 987, 988 (Fed. Cir. 2016) (holding that §1295(a)(4)(A) incorporates a finality requirement); *Copelands’ Enters., Inc. v. CNV, Inc.*, 887 F.2d 1065, 1067-68 (Fed. Cir. 1989)(*en banc*)(same).

Id. at 1345.

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Before the panel, the Patent Owner and the Intervenor argued that §319 provides the sole basis for review of a PTAB decision. The panel should have rejected that argument in view of *Arthrex* and held that the language of §1295 on its face provides an appeal right for a Board decision made pursuant to §315(b). The time-bar decision in this case is a decision of the Board, and the decision is “with respect to” an inter partes review proceeding. The judgment is also final, as the judgment terminated the IPR proceeding.

3. The Court’s Panel Decision in *St. Jude* Should be Overturned in view of *Cuozzo*, *Wi-Fi One* and *Arthrex*

In this appeal, the Patent Owner argued, and the panel agreed, that this Court’s prior decision in *St. Jude* foreclosed ARRIS’s appeal. Panel Order at 2-3. *St. Jude* held that (1) a review of the PTAB’s decision under the time-bar of §315(b) is barred by §314(d), and (2) 28 U.S.C §1295(a)(4)(A) provides the Federal Circuit with jurisdiction only over final written decisions from the PTAB. *St. Jude*, 749 F.3d at 1376. Both holdings are no longer viable in view of subsequent Supreme Court and Federal Circuit precedent.

In light of *Wi-Fi One*, it can now be seen that the *St. Jude* Court did not properly frame the issue of whether the appeal bar of §314(d) applied to the timebar of §315(b). The *St. Jude* decision granted a motion to dismiss an appeal of a denial of institution based on a §315(b) time-bar decision. The *St. Jude* decision issued before *Cuozzo*

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and *Wi-Fi One*, and was premised upon the court's finding that the §314(d) appeal bar "may well preclude all review by any route." *Id.* Thus, the *St. Jude* panel did not have the guidance from the *Cuozzo* and *Wi-Fi One* decisions that now limit the applicability of §314(d).

Under the *Cuozzo* framework, the *St. Jude* panel's analysis should have aligned with the analysis by the *Wi-Fi One en banc* Court to determine whether the §315(b) time-bar was "closely related" to the §314(a) initial determination. Moreover, the *Wi-Fi One* decision highlights that *St. Jude* did not consider the applicable Supreme Court authorities in connection with its decision to preclude all review of the PTAB's §315(b) determination. Specifically, the *St. Jude* panel did not consider the strong presumption of reviewability of agency action under the APA nor related Supreme Court cases cited by the *Wi-Fi One en banc* Court. And, unlike the *Wi-Fi One* Court, the *St. Jude* panel also failed to recognize that a decision under §315(b) affects the substantive rights of the parties.

The *St. Jude* panel also held that pursuant to §319, "[t]he final written decision is the only decision that the statute authorizes a dissatisfied party to appeal" and that 28 U.S.C. §1295(a)(4)(A) is "most naturally read to refer precisely to the Board's decision under section 318(a) on the merits of the inter partes review, after it 'conducts' the proceeding that the Director has 'instituted.'" *Id.* at 1374, 1376. The *St. Jude* panel thus did not have the guidance of *Arthrex* that held that final written decisions under §318(a) are not the only decisions that may be appealed, and that 28 U.S.C. §1295(a)(4)(A) provides jurisdiction to a

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final determination that terminates the IPR proceedings. *Arthrex*, 880 F.3d at 1349.

For all of the foregoing reasons, the Court should reconsider the viability of the *St. Jude* panel holding, which has been rendered suspect in light of *Cuozzo*, *Wi-Fi One* and *Arthrex*. Because of the importance of this issue, ARRIS respectfully urges *en banc* review.

B. This Court Has Jurisdiction to Hear Petitioner ARRIS's Appeal Under *Cuozzo*, *Wi-Fi One*, *Arthrex* and *Weyerhaeuser* as to Petitioner Being Deemed to be a Time-Barred Privy of its Customers as a Result of a Previous Suit Against Petitioner's Customers (but not Petitioner), a Ruling That Would Have Sweeping Effects on the Application of the Law of Privity and Real-Party-in-Interest

While the *Cuozzo* court stated that “the agency’s decision to deny a petition is a matter committed to the Patent Office’s discretion,” *Cuozzo*, 136 S. Ct. at 2140, this statement does not foreclose review of the agency’s determination of whether the §315(b) time-bar applies. As the *Wi-Fi One* court held, the §315(b) time-bar is “unrelated” to the Director’s discretion. *Wi-Fi One*, 878 F.3d at 1376. Furthermore, as made clear in the recent *Weyerhaeuser* decision, the fact that a matter is committed to agency discretion does not make it unreviewable.

Weyerhaeuser considered a property owner’s ability to challenge the Secretary of the Interior’s designation

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of the property owner's land as a critical habitat under 16 U.S.C. §1533(b)(2) of the Endangered Species Act. *Weyerhaeuser*, 139 S. Ct. at 368. The Endangered Species Act provides discretionary authority to the Secretary to designate a "critical habitat" but also requires that the Secretary consider the economic and any other relevant impact in making its discretionary determination of critical habitat. *Id.*

The Supreme Court noted that the APA creates a "basic presumption of judicial review [for] one 'suffering legal wrong because of agency action.'" *Id.* at 370 (citing *Abbott Labs.*, 387 U.S. at 140). The Supreme Court further noted that "[t]he presumption may be rebutted only if the relevant statute precludes review, 5 U.S.C. §701(a)(1), or if the action is 'committed to agency discretion by law,' §701(a)(2)." *Id.*

Weyerhaeuser recognized the tension between the APA's "prohibition of judicial review for actions committed to 'agency discretion'" under 5 U.S.C. §701(a)(2), and "the command in §706(2)(A) that courts set aside any agency action that is 'arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with the law.'" *Id.*

The Supreme Court found that the property owner was not foreclosed from seeking review of the Secretary's decision, holding even though the use of the word "may" in the statute "certainly confers discretion on the Secretary," this discretion does not relieve the Secretary from the requirement to consider the economic impact. *Id.* at 371.

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In so holding, the Supreme Court reiterated its position that it reads the exception in §701(a)(2) to apply in “those rare circumstances where the relevant statute is drawn so that a court would have no meaningful standard against which to judge the agency’s exercise of discretion.” *Id.* at 370-371 (citing *Lincoln v. Vigil*, 508 U.S. 182, 191 (1993)).

Here, like the statute in *Weyerhaeuser*, the Patent Statute provides relevant factors under §315(b) to guide the PTAB in the exercise of its discretion under §314(a). Thus, this case is not one of those rare instances in which an agency’s exercise of discretion is not reviewable. Rather, contrary to the position adopted by the panel in this case, the APA provides a cause of action under §706(2)(A) to challenge the Director’s discretionary decision with respect to the relevant factors under §315(b), and this Court has jurisdiction to hear that cause of action under 28 U.S.C. §1295(a)(4)(A).

III. CONCLUSION

For the foregoing reasons, ARRIS requests that the Court grant rehearing *en banc*, vacate the panel opinion and rehear this appeal.

Respectfully submitted,

/s/Patrick D. McPherson

Patrick McPherson

DUANE MORRIS LLP

505 9th St. NW, Suite 1000

Washington, D.C. 20004

202.776.5210

pdmcpherson@duanemorris.com

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DIANA SANGALLI
DUANE MORRIS LLP
1330 Post Oak Boulevard, Suite 800
Houston, Texas 77056-3166
dmsangalli@duanemorris.com

MATTHEW C. GAUDET
DUANE MORRIS LLP
1075 Peachtree Street NE,
Suite 2000
Atlanta, Georgia 30309-3929
MCGaudet@duanemorris.com

*Counsel for Appellant ARRIS
International plc*

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ADDENDUM

UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

2018-2426, -2427, -2428, -2429, -2430

ARRIS INTERNATIONAL PLC,

Appellant,

v.

CHANBOND, LLC,

Appellee.

ANDREI IANCU, Under Secretary of Commerce for
Intellectual Property and Director of the United States
Patent and Trademark Office,

Intervenor.

Appeals from the United States Patent and Trademark
Office, Patent Trial and Appeal Board in Nos. IPR2018-
00570, IPR2018-00572, IPR2018-00573, IPR2018-00574,
and IPR2018-00575.

ON MOTION

Before PROST, *Chief Judge*, O'MALLEY and STOLL,
Circuit Judges.

O'MALLEY, *Circuit Judge.*

*Appendix H***ORDER**

ChanBond, LLC moves to dismiss these appeals for lack of jurisdiction. ARRIS International PLC opposes the motion. ChanBond replies. The Director of the United States Patent and Trademark Office moves out of time to intervene in support of dismissal.

ChanBond is the owner of U.S. Patent Nos. 7,941,822; 8,341,679; and 8,984,565. In September 2015, ChanBond sued various telecommunications companies in the United States District Court for the District of Delaware for infringing those patents. In February 2018, ARRIS filed five petitions requesting *inter partes* review (IPR) of various claims of those patents. In its preliminary responses, ChanBond argued that the petitions were time-barred under 35 U.S.C. § 315(b) because ARRIS was in privity with the defendants in the Delaware action and ARRIS filed its petitions more than a year after the filing of that complaint. The Board agreed and denied institution of all five petitions. ARRIS then filed these appeals from the denial of institution decisions.

ChanBond argues that ARRIS's appeals are foreclosed under *St. Jude Medical, Cardiology Division, Inc. v. Volcano Corp.*, 749 F.3d 1373 (Fed. Cir. 2014). We agree. As is the case here, the petitioner in *St. Jude* appealed from the Board's decision to deny institution of IPR based on the Board's determination that the petition was time-barred under § 315(b). We explained the statutory contrast between a "determination . . . whether to institute" a proceeding, which is "final and nonappealable," 35 U.S.C.

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§ 314(d), and the “final written decision” determining patentability, 35 U.S.C. § 318(a), and we held that our review authority under 28 U.S.C. § 1295(a)(4)(A) does not extend to appeals from decisions not to institute. *St. Jude*, 749 F.3d at 1375–76.

Nothing in *Wi-Fi One, LLC v. Broadcom Corp.*, 878 F.3d 1364 (Fed. Cir. 2018) (*en banc*), undermines that holding. *Wi-Fi One* concerned review of the Board’s § 315(b) determination in a final written decision, not a decision denying institution. *See id.* at 1371. As both *Wi-Fi One* and subsequent precedent have reiterated, “[i]f the Director decides not to institute, for whatever reason, there is no review.” *Saint Regis Mohawk Tribe v. Mylan Pharm. Inc.*, 896 F.3d 1322, 1327 (Fed. Cir. 2018); *see also Wi-Fi One*, 878 F.3d at 1372 (noting that “the agency’s decision to deny a petition is a matter committed to the Patent Office’s discretion” (quoting *Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2140 (2016))).

ARRIS’s reliance on *Arthrex, Inc. v. Smith & Nephew, Inc.*, 880 F.3d 1345 (Fed. Cir. 2018), in support of jurisdiction over these appeals is also misplaced. Far from review over a non-institution decision, *Arthrex* concerned the issue of whether a party could appeal from a final adverse judgment entered under 37 C.F.R. § 42.73(b). *Arthrex* distinguished *St. Jude*, stating that “*St. Jude* did not involve a similar situation, and the availability of appeal of final adverse judgment decisions was not directly addressed in that case.” *Id.* at 1349.

In view of the foregoing, we conclude that we lack jurisdiction to hear ARRIS’s appeals.

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Accordingly,

IT IS ORDERED THAT:

(1) The stay of the briefing schedule is lifted.

(2) The Director's motion to intervene is granted. The revised official caption is reflected above.

(3) ChanBond's motion to dismiss is granted. The appeals are dismissed.

(4) Each side shall bear its own costs.

FOR THE COURT

Dec. 27, 2018
Date

/s/Peter R. Marksteiner
Peter R. Marksteiner
Clerk of Court

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ISSUED AS A MANDATE: December 27, 2018