

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

ASKELADDEN LLC,
Petitioner,

v.

VERIFY SMART CORP.,
Patent Owner.

Case IPR2017-00726
Patent 8,285,648 B2

Before CARL M. DeFRANCO, FRANCES L. IPPOLITO, and
MELISSA A. HAAPALA, *Administrative Patent Judges*.

HAAPALA, *Administrative Patent Judge*.

DECISION
Denying Request for Reconsideration
37 C.F.R. § 42.71(d)

On April 23, 2018, we conducted a conference call to discuss Patent Owner's request that the hearing room be closed to the public for a portion of the hearing set for April 27, 2018. Paper 60 ("Dec"), 2. During the call, we declined to consider Patent Owner's arguments that there are additional unnamed real parties in interest to this proceeding because we determined the arguments were untimely and outside the scope of the call. *Id.* at 3. Patent Owner requests reconsideration of that portion of our Decision. Paper 61 ("Req. Reh'g"), 1. On rehearing, the burden of showing that the Decision should be modified lies with Petitioner, the party challenging the Decision. See 37 C.F.R. § 42.71(d). "The request must specifically identify all matters the party believes the Board misapprehended or overlooked, and the place where each matter was previously addressed in a motion, an opposition, or a reply." *Id.*

Before reaching Patent Owner's arguments in its reconsideration request, it is necessary for us to provide context for the request. There is an extensive record in this proceeding related to arguments that Patent Owner has raised regarding unnamed real parties in interest to this proceeding. On September 7, 2017, pursuant to our authorization, Patent Owner filed a Motion to Terminate this Proceeding under 35 U.S.C. § 312(a) and § 315(b). Paper 10. In its Motion, Patent Owner contended that The Clearing House Payments Co., LLC ("TCH") and Bank of America are real parties in interest to this proceeding. *Id.* at 1–6. On December 26, 2017, we entered our decision on Patent Owner's Motion to Terminate, in which we determined TCH should be named as a real party in interest, but not Bank of America or other member banks of TCH. See Paper 41, 10–12. We denied Patent Owner's request to terminate the proceeding, but rather provided

Petitioner an opportunity to update its Mandatory Notice to name TCH as a real party in interest. *Id.* at 12–13. In particular, we gave Petitioner ten business days to update its Mandatory Notice to identify all real parties in interest, including TCH, without a change in the filing date of the Petition. *Id.* at 16. Petitioner subsequently updated its Notice in accordance with our instructions. Paper 43. Patent Owner did not seek reconsideration of our decision on its Motion to Terminate.

In its present request for reconsideration, Patent Owner contends it does not seek to make any new assertions that additional parties are real parties in interest, but rather the issue is an unresolved issue directly raised in earlier papers and not explicitly addressed in Paper 41. Req. Reh’g, 1. Patent Owner asserts that because members of Petitioner’s Executive Committee (Mr. Hunter and Ms. Hershey) were acting as executives of TCHA at the time of the filing of the Petition, TCHA should also have been named as a real party in interest to this proceeding. *Id.* at 7–12. Patent Owner argues that its raising of the issue during the conference call was not untimely because our Decision on its Motion to Terminate was not contingent on any action by Patent Owner. *Id.* at 12. Patent Owner argues that, although 35 U.S.C. § 312(a) is not jurisdictional, it is not optional or waivable. *Id.* at 13. Patent Owner asserts the burden of showing compliance with 35 U.S.C. § 312 remains with the Petitioner and there is no compelling reason why the burden is shifted to Patent Owner to prove who are the real parties in interest of Petitioner. *Id.* at 15.

We are not persuaded that our Decision declining to consider Patent Owner’s real party in interest arguments misapprehended or overlooked any matters. Patent Owner is correct that compliance with 35 U.S.C. § 312(a) is

not optional and that it is Petitioner's burden to prove it has complied with this statutory requirement. However, we generally accept the petitioner's identification of real parties in interest. *Zerto, Inc. v. EMC Corp.*, IPR2014-01254, slip op. at 6–7 (PTAB Feb. 12, 2015) (Paper 32). Patent Owner then bears the burden of production to produce evidence to rebut that presumption. *See Galderama S.A. v. Allegan Industries SAS*, IPR2014-01422, Paper 14, 6 (PTAB Mar. 5, 2015) (citations omitted). If patent owner provides sufficient rebuttal evidence to call into question the accuracy of petitioner's identification of real parties in interest, the petitioner bears the ultimate burden of proving it has complied with the statutory requirements — this burden does not ever shift to patent owner. *See Atlanta Gas Light Co. v. Bennett Regulator Guards, Inc.*, IPR2013-00453, slip op. at 7–8 (PTAB Jan. 6, 2015) (Paper 88).

Contrary to Patent Owner's assertions, our decision declining to consider its arguments that TCHA should be a real party in interest to this proceeding does not improperly shift the burden on Patent Owner to show Petitioner did not comply with 35 U.S.C. 312(a). Rather, we decline to consider untimely arguments made to meet Patent Owner's burden of production to rebut the presumption that Petitioner has identified all real parties in interest.

Patent Owner was provided ample opportunity in its Motion to Terminate to raise its concerns regarding Petitioner's failure to identify all real party in interest in this proceeding. Indeed, we agreed with Patent Owner that TCH should be named a real party in interest to this proceeding. Paper 41, 10. Patent Owner's argument that TCHA is a real party in interest to this proceeding is a new assertion and was not an argument made in its

Motion to Terminate. *See* Paper 10. Patent Owner's arguments rely on evidence entered in the record in September 2017 (e.g., Ex. 2013) and publically available information. *See* Req. Reh'g 6–9. We discern no reason why these arguments could not have been raised earlier. Our rules require that a party should seek relief promptly after the need for relief is identified and that delay in seeking relief may justify a denial of relief sought. 37 C.F.R. § 42.25. We are not persuaded of error in our determination that Patent Owner's new arguments that there are additional unnamed real parties in interest to this proceeding, raised over seven months after Patent Owner submitted its Motion to Terminate on this same issue and only days before the oral hearing, are now untimely.

For the foregoing reasons, we conclude that Patent Owner has not identified adequately any matter that we misapprehended or overlooked in our Decision, much less in a manner that constitutes an abuse of discretion.

In view of the foregoing, it is:

ORDERED that Petitioner's Request for Reconsideration is *denied*.

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