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Paper 87
Date: May 18, 2026

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

BERKSHIRE HATHAWAY ENERGY COMPANY and PACIFICORP,
Petitioner,

v.

BIRCHTECH CORP.,
Patent Owner.

IPR2025-00274
Patent 10,343,114 B2

Before CHRISTOPHER M. KAISER, KRISTNA M. KALAN, and DAVID COTTA, *Administrative Patent Judges*.

COTTA, *Administrative Patent Judge*.

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

I. INTRODUCTION AND PROCEDURAL HISTORY

On January 17, 2025, Berkshire Hathaway Energy Company ("BHE"), Interstate Power & Light Company ("IPL"), MidAmerican Energy Company ("MidAmerican"), PacifiCorp, WEC Energy Group, Inc. ("WEC"), and Wisconsin Power & Light Company ("WPL") filed a Petition seeking *inter partes* review of U.S. Patent No. 10,343,114 B2 ("the '114 patent").[1] Paper 1 ("Petition" or "Pet."). On September 8, 2025, we instituted *inter partes* review. Paper 33 ("DI" or "Institution Decision"). The Institution Decision determined, among other things, that the then-current record did not provide sufficient reason to doubt Petitioner's assertion that unnamed parties, Talen Energy Corporation and Talen Energy Holdings, Inc. (collectively "Talen") and Chem-Mod LLC ("Chem-Mod"), were not "funding the petition, advising on strategy, or controlling the decision to file or the arguments presented." DI 18, 22. In reaching this decision, we found that certain of the evidence Patent Owner submitted in support of its arguments was ambiguous and/or redacted in manner that would require us to speculate as to the nature of the redacted material. *Id*. at 15–16, 20–21.

On September 22, 2025, Patent Owner filed a Request for Director Review arguing, among other things, that the Panel incorrectly resolved the issues regarding real party in interest. Paper 39. On September 30, 2025,

[1] Subsequent to the filing of the Petition, Petitioners MidAmerican, WEC, WPL settled and we dismissed them from this proceeding. *See,* Paper 62 (Termination Order with respect to MidAmerican); Paper 51 (Termination Order with respect to WEC); Paper 32 (Termination Order with respect to IPL and WPL).

Petitioner filed an Authorized Response. Paper 40. On November 10, 2025, Patent Owner emailed the Board requesting authorization to file a Motion for Additional Discovery related to real parties-in-interest issues. Ex. 3105. On November 25, 2025, the Director issued a decision finding that Patent Owner introduced "evidence sufficient to put RPI and privity at issue" and remanding with instructions to "allow discovery, narrowly tailored to resolve the RPI and privity issues" including "at least materials sufficient to clarify the evidence the Board found to be 'ambiguous' and to avoid the need for the Board to 'speculate as to the nature of the redacted material.'" Paper 57, 4 (Decision on Request for Director Review).

On December 3, 2025, we instructed the parties to "meet and confer on the appropriate scope of discovery required to address RPI and privity issues in view of the Director's instruction in the Decision on Patent Owner's Request for Director Review to allow discovery." Ex. 3001. On December 5, 2025, the parties responded that they were unable to come to agreement and requested that we allow briefing on the issue, which we allowed. *Id*. On December 15, 2025, Patent Owner filed a Motion for Additional Discovery (Paper 58) and on December 19, 2025, Petitioner filed a Response to Patent Owner's Motion (Paper 61).

On January 16, 2026, we entered an Order addressing outstanding discovery issues relating to real party in interest ("RPI") and privity issues. Paper 64. It required that parties provide to the Board, by email, "a proposed schedule for depositions, provision of testimonial evidence, and briefing of RPI and privity issues." *Id*. On January 26, 2026, the parties responded by requesting additional guidance on certain additional discovery

issues. Ex. 3109. The parties' email did not include a proposed schedule. *Id*. We provided the requested guidance, reminded the parties of the Director's instruction that "RPI and privity issues should be resolved as early as possible," and instructed the parties to propose a schedule consistent with the Director's instruction, within 48 hours. *Id*. The parties responded with a proposed schedule providing that briefing on RPI and/or privity issues conclude on or before March 30, 2026. *Id*.

On February 6, 2026, we entered an Order providing that briefing and discovery occur in the manner set forth in the parties' proposed schedule. Paper 67. Consistent with our Order, Patent Owner filed a Supplemental Response (Paper 80) and Petitioner filed a Supplemental Reply (Paper 82) addressing RPI and privity issues. Patent Owner also addressed RPI and privity issues in its Response (Paper 60, 63–73) and Petitioner did the same in its Reply (Paper 78, 51–54).

Now that the parties have completed supplemental briefing on RPI and privity issues, pursuant to the Director's Order we "determine on the full record whether Petitioners have met their burden of demonstrating that the Petitions are not time-barred under § 315(b), applying the framework set forth in *Worlds Inc. v. Bungie, Inc.*, 903 F.3d 1237, 1242–44 (Fed. Cir. 2018)." Paper 57, 4. For the reasons discussed below, we determine that the Petition is not time-barred. In our original Institution Decision, we determined that the Petitioner had established a reasonable likelihood that it would prevail in showing that at least one claim would have been obvious over the cited prior art. Paper 50. For the reasons discussed in that opinion,

we find that Petitioner has met the burden for institution.[2] Accordingly, we institute *inter partes* review of claims 1–30 of the ’114 patent.

II. ANALYSIS OF MULTIPLE PETITIONS

Petitioner filed two petitions for *inter partes* review against claims of the ’114 patent, challenging claims 1–30 in this Petition and the same claims in IPR2025-00278. *See* IPR2025-00278, Paper 1. In a Supplemental Director Review Decision, the Director instructed that the Board should “maintain at most one IPR challenging . . . the ’114 patent.” Paper 81, 3. Petitioner requests that we consider this Petition before we consider the Petition in IPR2025-00278. Paper 2, 3. For the reasons discussed herein, and in our original Institution Decision, we find that the Petition meets the threshold for institution. For this reason, and because Petitioner ranks this petition above the petition in IPR2025-00278, we institute *inter partes* review on this petition and do not institute *inter partes* review in IPR2025-00278.

III. ANALYSIS OF WHETHER PETITIONER IS TIME BARRED

“In 2019, Patent Owner filed a patent infringement case in Delaware [“the Delaware Litigation”] against various power plant operators and

[2] In the time since entry of our original Institution Decision, the parties have submitted additional evidence and briefing addressing the obviousness of the challenged claims. Our decision here does not take account of that new evidence. We will address that evidence on a complete record in our Final Written Decision.

refined coal suppliers." PO Supp. Resp. 2. Patent Owner argues that the Petition is time barred because RPIs and/or privies of Petitioners were served with a complaint in the Delaware Litigation more than one year before the filing of the Petition. *Id.* at 1; PO Resp. 63. More specifically, Patent Owner states that "those RPIs/privies include: (1) Chem-Mod affiliated suppliers of refined coal to Petitioners; and (2) PacifiCorp's co-owner of the accused Colstrip plant, Talen." *Id.* at 63–64; *see also* PO Supp. Resp. 1. For convenience and readability, we separately address Patent Owner's contentions with respect to Chem-Mod and Patent Owner's contentions with respect to Talen.

A. Legal Standard

Under 35 U.S.C. § 315(b), an *inter partes* review "may not be instituted if the petition requesting the proceeding is filed more than [one] 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 question of whether Petitioner is time-barred under § 315(b) is part of the determination of whether to institute an inter partes review. *See Thryve, Inc. v. Click-to-Call Techs., LP*, 590 U.S. 45, 54 (2020) ("§ 315(b) expressly governs institution and nothing more"); *Achates Reference Publ'g. Inc. v. Apple Inc.*, 803 F.3d 652, 658 (Fed. Cir. 2015) ("The Board's reconsideration of the time-bar [in the final determination] is 'still fair[ly] characterize[ed] as part of the decision to institute.") (citations omitted); *Federal Express Corp. v. Qualcomm Inc.* __ F.4th __; 2026 WL 1153767 *5 (Fed. Cir. 2026) (determining that patent owner's "real party in interest-

related challenges are unreviewable" because they are part of the institution decision).

Whether an unnamed party is a real party-in-interest or a privy of the instant petitioner is highly fact dependent and "demands a flexible approach that takes into account both equitable and practical considerations." *See Applications in Internet Time, LLC v. RPX Corp*., 897 F.3d 1336, 1351, 1360 (Fed. Cir. 2018) ("AIT"); *Ventex Co., Ltd. v. Columbia Sportswear N. Am., Inc*., IPR2017-00651, Paper 152 at 4–5 (PTAB Jan. 24, 2019) (precedential) (citing *Worlds Inc. v. Bungie, Inc*., 903 F.3d 1237, 1242 (Fed. Cir. 2018)); Consolidated Trial Practice Guide, 13 (2019), https://www.uspto.gov/TrialPracticeGuideConsolidated) ("CTPG").

In assessing RPI and privity issues, Patent Owner bears an initial burden to present some evidence disputing that the correct parties have been identified in the Petition. *Worlds Inc. v. Bungie, Inc.*, 903 F.3d 1237, 1246 (Fed. Cir. 2018). Here, the Director determined that Patent Owner has met that burden. *See* Paper 57 (Decision on Request for Director Review). Accordingly, Petitioner now bears the burden of demonstrating compliance with 35 U.S.C. § 312(a)(2) and § 315(b). *See, e.g., Ventex Co., Ltd. v. Columbia Sportswear N. Am., Inc*., IPR2017-00651, Paper 152 (PTAB Jan. 24, 2019) (precedential).

1. Real Party in Interest

"Congress intended that the term 'real party in interest' have its expansive common-law meaning." *AIT*, 897 F.3d at 1350–51; *see RPX Corp. v. Applications in Internet Time, LLC*, IPR2015-01750, Paper 128 at 2, 7 (PTAB Oct. 2, 2020) (precedential). "Determining whether a non-party

is a 'real party in interest' demands a flexible approach that takes into account both equitable and practical considerations, with an eye toward determining whether the non-party is a clear beneficiary that has a preexisting, established relationship with the petitioner." *AIT*, 897 F.3d at 1351; *see Ventex*, IPR2017-00651, Paper 152 at 6; *RPX*, IPR2015-01750, Paper 128 at 6.

The real-party-in-interest analysis should consider the following:

(1) whether a nonparty "desires review of the patent";

(2) "whether a petition has been filed at a nonparty's 'behest'";

(3) "who, from a 'practical and equitable' standpoint, will benefit from the redress that the chosen tribunal might provide";

(4) "the extent to which [the nonparty] has an interest in and will benefit from [the petitioner's] actions"; and

(5) whether the petitioner "can be said to be representing that interest after examining its relationship with" the nonparty.

AIT, 897 F.3d at 1349, 1351, 1353; *see RPX*, IPR2015-01750, Paper 128 at 5, 7–8, 15, 20; CTPG at 14. According to the Federal Circuit, "the heart of the inquiry" concerning a real party in interest should focus on "whether a petition has been filed at a [nonparty's] 'behest.'" *Uniloc 2017 LLC v. Facebook Inc.*, 989 F.3d 1018, 1027–28 (Fed. Cir. 2021) (quoting *AIT*, 897 F.3d at 1351).

2. Privity

The term "privity" expresses "the conclusion that nonparty preclusion is appropriate on any ground." *Taylor v. Sturgell*, 553 U.S. 880, 894 n.8

(2008); *see Power Integrations, Inc. v. Semiconductor Components Indus., LLC*, 926 F.3d 1306, 1315 (Fed. Cir. 2019). According to the Board, "[p]rivity is essentially a shorthand statement that collateral estoppel is to be applied in a given case." CTPG at 15. The privity analysis "seeks to determine 'whether the relationship between the purported "privy" and the relevant other party is sufficiently close such that both should be bound by the trial outcome and related estoppels.'" *WesternGeco*, 889 F.3d at 1318 (quoting *Cal. Physicians' Serv. v. Aoki Diabetes Rsch. Inst.*, 163 Cal. App. 4th 1506, 1521 (Cal. App. 2008)); *see id*. at 1317 n.5; CTPG at 14–15. But "the reach of privity cannot extend beyond the limits of due process." *WesternGeco*, 889 F.3d at 1319; *see Taylor*, 553 U.S. at 891. The Supreme Court has grouped the exceptions to the rule against nonparty preclusion into six categories as follows:

(1) "[a] person who agrees to be bound by the determination of issues in an action between others is bound in accordance with the terms of his agreement";

(2) "a variety of pre-existing 'substantive legal relationship[s]' between the person to be bound and a party to the judgment," including but not limited to "preceding and succeeding owners of property, bailee and bailor, and assignee and assignor";

(3) a nonparty was "adequately represented by someone with the same interests who [wa]s a party" to an earlier litigation, such as class actions and "suits brought by trustees, guardians, and other fiduciaries";

(4) a nonparty "assume[d] control" over an earlier litigation and had "the opportunity to present proofs and argument";

(5) a nonparty acts as a "proxy" to bring suit as the "designated representative" or "agent" of a party to an earlier litigation; and

(6) "a special statutory scheme may 'expressly foreclos[e] successive litigation by nonlitigants . . . if the scheme is otherwise consistent with due process," such as "bankruptcy and probate proceedings."

Taylor, 553 U.S. at 893–95, 893 n.6, 900 & n.10, 905 (alterations in original). The Federal Circuit has analyzed these six categories when considering § 315(b)'s one-year time bar to institution.

B. Chem-Mod Affiliated Suppliers of Refined Coal to Petitioners

Patent Owner asserts that "Petitioners BHE, IPL, MidAmerican, WEC, and WPL are power plant operators, and they used something called 'the Chem-Mod Solution' to burn coal." Supp. Resp. 3.[3] In the Delaware Litigation, "Patent Owner asserted that this Chem-Mod Solution, as provided by Chem-Mod and its affiliates ('Chem-Mod Defendants') caused direct infringement at power plants, a number of which were owned by Petitioners." *Id.* at 3. Patent Owner argues: "Petitioners are RPIs/privies based on their exclusive supplier and indemnity relationships with Chem-Mod affiliates that is specifically related [to] the conduct Patent Owner accused of infringement in its Delaware lawsuit." *Id.* at 5.

We begin our analysis by considering facts relating to the relationship between the individual Petitioners and Chem-Mod. We then consider

[3] As noted above (*supra* n.1), IPL, MidAmerican, WEC, and WPL have been dismissed from this proceeding. We consider the effect of this dismissal on our RPI/privity analysis *infra* § III.B.2.

whether Petitioners that have been dismissed from this proceeding—i.e., IPL, MidAmerican, WEC, and WPL—should be considered in the RPI and privity analyses. Finally, we separately analyze whether the Chem-Mod suppliers are RPIs and whether they are privies of Petitioners. For the reasons discussed below, we conclude that Petitioners are not RPIs or privies based on their relationships with Chem-Mod affiliates.

1. Facts Relating to the Relationship Between Individual Petitioners and Chem-Mod

In the Delaware Litigation, Patent Owner asserted that refined coal sold by Chem-Mod LLC and its affiliates ("Chem-Mod") infringed the '114 patent. PO Resp. 68. Patent Owner describes the nature of Chem-Mod's refined coal services as follows:

> [T]he Chem-Mod Defendants paid the power plants to convert to refined coal and engage in infringing conduct. Specifically, they purchased coal from each power plant, sprayed bromine on the coal, and then sold the "refined coal" back to that same power plant—at a loss—such that the power plant made money on each ton of coal combusted. Ex. 2045 at 15. This allowed the Chem-Mod Defendants to claim refined coal tax credits that were passed on to large banks and corporations. Ex. 2063; Ex. 2045 at 15 (citing Ex. 2004, Trial Tr. at 550–51). Together, Chem-Mod and the power plants earned hundreds of millions of dollars from this relationship, and it allowed their investors to pay little if any federal income tax. Ex. 2063; Ex. 2045; Ex. 2004, Trial Tr. at 938–40.

PO Supp. Resp. 3–4.

Patent Owner contends that "[t]his process involved the exclusive sale of refined coal to Petitioners under sales agreements that included indemnity provisions." *Id.* at 4. As examples, Patent Owner cites Chem-Mod's

agreements with WPL (Ex. 2037), MidAmerican (Exs. 2038–2041), and Wisconsin Public Service Corporation (Ex. 2042), which Patent Owner identifies as "the parent of [former] Petitioner WEC" (PO Resp. 70).

2. Dismissed Petitioners

Subsequent to the filing of the Petition, Petitioners IPL, WPL, WEC, and MidAmerican settled and we dismissed them from this proceeding. *See* Paper 62 (Termination Order with respect to MidAmerican); Paper 51 (Termination Order with respect to WEC); Paper 32 (Termination Order with respect to IPL and WPL). Petitioners IPL and WPL were dismissed prior to our Institution Decision (Paper 32), Petitioners WEC and MidAmerican were dismissed after our Institution Decision (Papers 51 and 62).

Petitioner argues that we should not consider RPI and privity status for former Petitioners. According to Petitioner, "[t]he time-bar statute does not preclude parties from *filing* an IPR petition; rather, the statute directs when petitions "may not be *instituted*." Pet. Reply 51. Patent Owner argues that Petitioner cannot amend the Petition to remove a Petitioner and, "to the extent [the dismissed] Petitioners were prohibited from filing a petition, the damage has already been done as they have already made their contributions to the Petition." PO Supp. Resp. 4 n.1. We agree with Petitioner that the dismissed Petitioners should not be considered in our analysis.

The Federal Circuit has explained that "[t]he focus of § 315(b) is on institution." *Power Integrations v. Semiconductor Components Indus., LLC,* 926 F.3d 1306, 1314–1315 (Fed. Cir. 2019) ("When the Board finds that an IPR is barred under § 315(b), it denies institution. It does not reject the

petitioner's filing."). In *Power Integrations,* the Federal Circuit explained that "the best reading of § 315(b) requires consideration of privity and RPI relationships arising after filing but before institution." *Id.* at 1314. Following the logic of *Power Integrations,* our analysis takes account of factual developments that occurred after the filing of the Petition, but before institution, including, in this case, the dismissal of individual Petitioners IPL and WPL from the proceeding. *See id*.

In addition, in the present decision, the Director has instructed us to determine whether "Petitioners have met their burden of demonstrating that the Petitions are not time-barred" and, thus, whether we should "maintain the Decisions granting institution." Paper 57, 4. This decision is, therefore, fairly characterized as an institution decision. *Achates Reference Publ'g, Inc. v. Apple Inc.*, 803 F.3d 652, 658 (Fed. Cir. 2015) (finding that the "Board's reconsideration of the time-bar" in a final written decision was "'fair[ly] characteriz[ed]' as part of the decision to institute.") (alterations in original). For this reason, dismissed petitioners WEC and MidAmerican should also not be considered in our time-bar analysis.

Patent Owner's arguments to the contrary do not persuade us that IPL, WPL, WEC, and MidAmerican should be considered. Patent Owner argues that our precedent precludes parties Petitioner from amending the Petition to address a time-bar problem once a Petition has been filed. PO Supp. Resp. 4 (citing *Corning Optical Comm. RF, LLC v. PPC Broadband, Inc*., IPR2014-00440, Paper 68 at 25 (Aug. 18, 2015) (precedential)). This argument is not persuasive because the issue here is not whether Petitioner can edit the Petition to correct a mistake, but whether our institution decision should take

account of factual developments impacting the time-bar analysis that developed prior to institution. Put another way, the issue here is controlled by *Power Integrations*, not by *Corning Optical.* Accordingly, we conclude that IPL, WPL, WEC, and MidAmerican need not be considered in our time-bar analysis.

3. Analysis: Real Party in Interest

Patent Owner argues that "Petitioners are RPIs/privies based on their exclusive supplier and indemnity relationships with Chem-Mod affiliates that is specifically related [to] the conduct Patent Owner accused of infringement in its Delaware lawsuit." PO Supp. Resp. 5. This statement, and Patent Owner's briefing as a whole, comingles analyses of the issues of real party in interest (RPI) and privity. *See also* PO Supp. Resp. 5 (section heading entitled "The Chem-Mod Defendants are Time-Barred RPIs/Privies"), 9 (section heading entitled "Talen is a Time-Barred RPI/Privy With Respect to PacifiCorp"). The two terms, however, describe distinct concepts with differing effects under the statute. *See, e.g.*, 35 U.S.C. § 312(a)(2) (petition must identify all RPIs, but not privies). Accordingly, we separately analyze RPI and privity issues.

The "real-party-in-interest" is "the party that desires review of the patent" and includes "the party or parties at whose behest the petition has been filed." CTPG § I.D.1. We take a flexible approach "with an eye toward determining whether the non-party is a clear beneficiary that has a preexisting, established relationship with the petitioner." *AIT*, 897 F.3d at 1351. Petitioner argues that Chem-Mod and their affiliates are not RPIs because they are licensed as part of the settlement of the Delaware litigation

and, therefore, do not desire review of the patent and are not beneficiaries. Pet. Supp. Reply 3. We agree. Petitioner directs us to evidence that Chem-Mod and its affiliates are licensed under the '114 patent. *See* Ex. 2053. Patent Owner does not provide persuasive evidence or argument explaining why a licensed party would benefit from or desire review of the '114 patent. Accordingly, we agree with Petitioner that Chem-Mod and its affiliates are not RPIs of Petitioner. *AIT*, 897 F.3d at 1353 (explaining that the point of the RPI inquiry is to "probe the extent to which [the unnamed party] has an interest in and will benefit from [petitioners'] actions, and inquire whether [petitioner] can be said to be representing that interest after examining its relationship with [the unnamed party]").

Patent Owner argues that "[w]ith respect to RPI, control over the ***present proceeding*** is not required." PO Resp. 72. Patent Owner contends that "if the Chem-Mod Defendants exercised control over the Delaware Litigation for the benefit of Petitioners, this would also qualify them as RPIs." *Id.* According to Patent Owner, "that is plainly what happened based on their relationships as indemnitors and co-owners." *Id.* This is not persuasive because the focus of the RPI inquiry is on the "parties that desire review of the patent." CTPG § I.D.1. Moreover, in connection with our analysis of privity, we discuss Patent Owner's assertions that Chem-Mod's defense of the Delaware Litigation was for Petitioners' benefit, and find them unpersuasive. Further, the exclusive supplier and indemnity agreements with Chem-Mod that Patent Owner contends create an RPI

relationship are all between Chem-Mod and dismissed former Petitioners.[4] *See* Ex. 2037–2042. As discussed *supra* § III.B.2, we do not consider dismissed Petitioners in our analysis. For this additional reason, Chem-Mod is not an RPI of Petitioner.

Patent Owner argues that other power plant operators recognized that their supply relationships with Chem-Mod made Chem-Mod a real party in interest in IPR2020-00832, another proceeding discussing some of the same parties as this proceeding. PO Resp. 71. This is not persuasive because the present inquiry considers the relationship between Chem-Mod and the Petitioners, not between Chem-Mod and other non-party power plant operators. Moreover, the other power plant operators in IPR2020-00832 identified Chem-Mod only as a "potential" real party in interest (IPR2020-00832, Paper 3, 1–3) and, even if we were inclined to consider Chem-Mod's relationship with these other power plant operators, the current record lacks evidence sufficient to determine the nature of such relationship.

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[4] Patent Owner asserts, in a footnote, that Petitioner BHE "owns and controls MidAmerican." PO Resp. 70 n.28. However, Patent Owner cites no evidence to support this assertion and the evidence of record is to the contrary. Petitioner submits persuasive evidence that BHE is a holding company that does not exercise control over MidAmerican. *See* Ex. 1144 ¶¶ 4–13 (testimony of Jennifer A. McIvor explaining that "BHE is, and always has been, a holding company" and that BHE observed "corporate formalities at all times," does not have an agency relationship with MidAmerican, and does not "control, direct, exercise supervision of, or intervene in, the day-to-day operations or affairs of [MidAmerican]."). Consistent with Ms. McIvor's testimony that the two companies are separate, MidAmerican has settled out of this proceeding while BHE has not.

4. Analysis: Privity

Patent Owner argues that "Petitioners are RPIs/privies based on their exclusive supplier and indemnity relationships with Chem-Mod affiliates that is specifically related the conduct Patent Owner accused of infringement in its Delaware lawsuit." PO Supp. Resp. 5. Patent Owner points out that PO Resp. 69 (quoting Ex. 2037 § 13.1). Patent Owner also points out that the *Id.* (citing Ex. 2037, 1). In addition, Patent Owner asserts that Wisconsin Public Service Corporation, the parent of former Petitioner WEC and former Petitioner MidAmerican, purchased coal from Chem-Mod sublicensees under agreements containing indemnity provisions that are directly related to the conduct accused of infringement in the Delaware Litigation *Id.* at 69–70. We do not find this argument persuasive.

As an initial matter, as discussed *supra* § III.A.3, all of the indemnity agreements that Patent Owner relies upon are between Chem-Mod sublicensees and dismissed former Petitioners. As discussed *supra* § III.A.2, we do not consider dismissed Petitioners in our analysis. For this reason, Patent Owner's arguments that Chem-Mod is a privy of Petitioner are not persuasive.

Even if we were to consider Chem-Mod's relationships with former Petitioners, we would not find them to be privies of each other. Generic indemnity agreements are insufficient, without more, to establish privity. *WesternGeco LLC*, 889 F.3d at 1321 ("a contractual and fairly standard customer-manufacturer relationship regarding the accused product" does not suggest, "without more, that the parties were litigating . . . [an] IPR[] as proxies for the other."). The only relationship alleged to exist between Chem-Mod, its affiliates, and the Chem-Mod Purchasers is that of a supplier-customer relationship. As part of that relationship, the parties . Exs. 2037–42. We acknowledge that the Ex. 2037. But the language of . *See* Ex. 2037 § 13.1. Chem-Mod's supply agreements with WEC's parent company and with former Petitioner MidAmerican are similar. *See* Ex. 2038, 10–12; Ex, 2039. 10–12; Ex. 2040, 10–12; Ex. 2041, 10–12; Ex. 2042, 24–27. Such language, without more, "does not amount to a sufficiently-close relationship to warrant finding . . . privity." *WesternGeco LLC*, 889 F.3d at 1321–22.

Patent Owner argues that "Petitioners have argued that Chem-Mod and its affiliates defended Patent Owner's infringement claims and negotiated a license on their behalf." PO Resp. 70–71 (citing Ex. 2009, 91). According to Patent Owner, its settlement agreement with Chem-Mod

Id. at 71 (citing Ex. 2053, 1, 24–25); PO Supp. Resp. 5.

Again, this argument is not persuasive because it is based on former Petitioners. Indeed, the remaining Petitioners, BHE and PacifiCorp have not seen the Chem-Mod settlement agreement and were not even aware of its existence until after Patent Owner sued them for patent infringement in Iowa. Ex. 1144 ¶¶ 23–25; Ex. 1145 ¶¶ 31–32.

Even if we were to consider former Petitioners, Patent Owner does not identify, and we do find, any mention of them in the Chem-Mod settlement agreement. *See* Ex. 2053. Based on our review of the settlement agreement, we determine that Chem-Mod negotiated the agreement for its own benefit. *Id.* Consistent with this finding, Patent Owner's corporate designee testified to Patent Owner's understanding that Chem-Mod negotiated on its own behalf. Ex. 1151, 49:12–20, 50:13–19. As to Patent Owner's argument that former Petitioner MidAmerican's affirmative defense creates privity (PO Resp. 70–71), we understand the affirmative defense to assert that MidAmerica purchased materials from Chem-Mod that were licensed under the settlement agreement. *See* Ex. 2009, 91; Ex. 1155. We do not understand MidAmerican to be asserting that Chem-Mod negotiated a license on MidAmerican's behalf (or on behalf of any other Petitioner). Given that Patent Owner sued MidAmerica for patent infringement, Patent Owner's understanding appears to be the same as ours. Ex. 1151, 74:16–19, 77:19–24. Consistent with the understanding that former Petitioners, including MidAmerican, were not licensed in the Chem-Mod settlement,

Patent Owner's settlements with former Petitioners include otherwise redundant licenses under the challenged patent (Ex. 1143 § 2.1; Ex. 1134 § 2.1; Ex. 1138 § 2.1; Ex. 1136 § 2.1).

5. Conclusion with Respect to Chem-Mod-Affiliated Suppliers of Refined Coal

In sum, the evidence Patent Owner relies upon to support its assertion that this proceeding is time-barred based on RPI and privity relationships with Chem-Mod and its affiliates relates to relationships with former Petitioners. For the reasons discussed above, we need not consider these relationships in our time-bar analysis. Even if we were to consider relationships with former Petitioners, based on our review of the evidence and argument of record, including, particularly, the supply agreements (Exs. 2037–42), the Chem-Mod settlement agreement (Ex. 2053), the testimony of Patent Owner's corporate designee (Ex. 1151), former Petitioner MidAmerican's Answer (Ex 1157; Ex. 2009), and an email explaining Petitioner MidAmerican's contentions (Ex. 1155), Petitioner persuades us, and the preponderance of the evidence supports, that Chem-Mod and its affiliates are not RPIs or privies of Petitioners or former Petitioners.

C. Co-Owner of the Colstrip Plant, Talen Montana LLC

Patent Owner argues that "Talen and PacifiCorp are RPIs/privies based on their co-ownership and principal/agent relationship that is specifically related the conduct Patent Owner accused of infringement in its Delaware lawsuit." PO Supp. Resp. 9.

We begin our analysis by considering facts relating to the relationship between Talen[5] and PacifiCorp as well as facts relating to Talen's participation in the Delaware litigation. We then analyze whether Talen is an RPI and whether Talen is in privity with Petitioner. For the reasons discussed below, we conclude that Talen is not an RPI and is not in privity with Petitioner.

1. Facts Relating to the Relationship Between Talen and PacifiCorp

PacifiCorp has a relationship with Talen Montana LLC because PacifiCorp has a 10% ownership interest in the Colstrip power plant and Talen Montana LLC is the operator of that plant. Ex. 1145 ¶¶ 5–13. The nature of the relationship between PacifiCorp and Talen Montana LLC is defined by the Ownership and Operation Agreement for Colstrip Units #3 & #4 ("the OOA").[6] The OOA

[5] There are multiple corporate entities that bear the name "Talen" or that are affiliated with Talen. *See e.g.,* Ex. 2003, 1 (Delaware Complaint, defining "Talen"). Much of Patent Owner's briefing does not distinguish between the various Talen corporate entities. *See generally* PO Resp. 60–70 (making time bar argument without identifying any Talen affiliates by name); PO Supp. Resp. 1–10 (defining "Talen" as "Talen Montana LLC and its affiliates" and referring to Talen mostly without distinguishing among affiliates). In this opinion, when quoting or discussing Patent Owner's arguments, we refer to Talen in the same undistinguishing manner Patent Owner does. Where relevant to our decision, we identify the Talen affiliate at issue.

[6] The original parties to the OOA included the Montana Power Company and Pacific Power & Light Company. We understand Montana Power Company to be the original name for Talen Montana LLC and Pacific Power & Light Company to be the former name of PacifiCorp. Ex. 1145 ¶ 8.

Ex. 2060 § 3(a)(b).

Id. § 3(d).

2. Facts Relating to Talen's Participation in the Delaware Litigation

Patent Owner's Delaware Complaint named multiple parties as defendants, including "Talen," which it defined to include "Talen Energy Corporation, Talen Energy Holdings, Inc., Branden Shores LLC, Talen Generation LLC, and H.A. Wagner LLC." Ex. 2003, 2. Patent Owner's First Amended Delaware Complaint similarly named multiple parties as defendants and defined defendant "Talen" to include "Talen Energy Corporation, Brandon Shores LLC, Talen Generation LLC, and H. A. Wagner LLC." Ex. 2023, 2. Neither Patent Owner's original Complaint, nor its First Amended Complaint, mentioned Talen Montana LLC or named Talen Montana LLC as a defendant. Ex. 2003, Ex. 2023; Ex. 1145 ¶¶ 14–22.

Patent Owner's original and First Amended Complaint accuse the Talen defendants' coal plants (i.e. Branden Shores, Herbert Wagner and Montour) of infringement. Ex. 2003 ¶¶ 171, 174; Ex. 2023 ¶¶ 229, 232. Although Patent Owner's original and First Amended Complaint states that Patent Owner visited the Colstrip plant to "discuss the use of [its] patented

technology," it leaves some ambiguity as to whether Patent Owner accused the Colstrip plant of infringement. Ex. 2003 ¶¶ 138, 141; Ex. 2023 ¶¶ 175–182.

On September 25, 2020, Patent Owner filed an opposed motion for leave to file a second amended complaint that added Talen Montana LLC to the definition of "Talen." Ex. 1162 (motion for leave); Ex. 2058, 2 (Second Amended Complaint). The court eventually granted leave to file the Second Amended Complaint, but not before the Talen defendants were dismissed. Ex. 1164, 2–5; Ex. 1162, 3 (Patent Owner's request for leave to file a Second Amended Complaint, noting that the amendment involved "adding Talen Montana LLC as a party" and noting that "Talen received a pre-filing copy of the second amended complaint").

3. Analysis: Real Party in Interest

Patent Owner argues that "Talen and PacifiCorp are RPIs/privies based on their co-ownership ***and*** principal/agent relationship that is specifically related the conduct Patent Owner accused of infringement in its Delaware lawsuit." PO Supp. Resp. 9. As with Patent Owner's arguments relating to the Chem-Mod affiliated suppliers of refined coal, Patent Owner comingles RPI and privity arguments. We address each separately, beginning with real party in interest.

Petitioner argues that Talen and its affiliates are not RPIs because they are licensed as part of the settlement of the Delaware litigation and, therefore, do not desire review of the patent and are not beneficiaries. Pet. Supp. Reply 3. We agree. Petitioner directs us to evidence that Talen Energy Corporation, Brandon Shores LLC, Talen Generation LLC, Talen

Montana, LLC and H.A. Wagner LLC are licensed under the ’114 patent. *See* Ex. 2052. Patent Owner does not provide persuasive evidence or argument explaining why a licensed party would benefit from or desire review of the ’114 patent. Accordingly, we agree with Petitioner that the licensed Talen entities are not RPIs of Petitioner.

Patent Owner argues that Talen “specifically identified PacifCorp as a real party in interest in its 2020 IPR.” PO Resp. 66–67. The petitioners in IPR2020-00832, which included Talen Energy Corporation, “out of an abundance of caution,” identified PacifiCorp, along with numerous other entities, as a “potential real party-in-interest.” IPR2020-00832, Paper 3, 1–3.[7] The Petition in IPR2020-00832 makes clear that none of the companies listed “agreed to be listed as a real-party in interest,” and none was “funding, controlling, or directing, or otherwise has an opportunity to control or direct th[at] Petition or proceeding.” *Id.* at 2. The institution decision in that case recognized Talen Energy Corporation’s belief that PacifiCorp may be a real party-in-interest, but made no determination that PacifiCorp was in fact a real party-in-interest. IPR2020-00832, Paper 17, 9–10. Indeed, the Institution Decision explains that “over-identification of potential real parties-in-interest . . . does not appear to be a problem.” *Id.* Under these circumstances, Talen Energy Corporation’s identification of PacifiCorp as a

[7] At the time the Petition in IPR2020-00832 was filed, the PTAB had not yet made precedential *SharkNinja*, which held that failing to name an RPI was not jurisdictional and that an unnamed RPI can be added later. *See, SharkNinja Operating LLC v. iRobot Corp.*, IPR2020-00734, Paper 11, at 18–20 (PTAB, designated precedential Dec. 4, 2020, de-designated, Sept. 6, 2025)).

"potential real party-in-interest" in IPR2020-00832 does little to support Patent Owner's position that PacifiCorp should have identified any Talen entity as a real party-in-interest in this proceeding.

4. Analysis: Privity

Patent Owner argues that "Talen and PacifiCorp are RPIs/privies based on their co-ownership ***and*** principal/agent relationship that is specifically related [to] the conduct Patent Owner accused of infringement in its Delaware lawsuit." PO Supp. Resp. 9. As support, Patent Owner points out that "through the [OOA], PacifiCorp vested Talen with authority to defend and settle that claim on PacifiCorp's behalf." PO Supp. Resp. 9. In asserting that "Talen" and PacifiCorp are privies, Patent Owner does not distinguish between Talen entities, including between Talen Montana LLC and any other Talen entities. *Id.*

The evidence of record supports that PacifiCorp's only direct relationship with any Talen entity is with Talen Montana LLC. Ex. 2060; Ex. 1145 ¶¶ 5–13. Patent Owner broadly asserts that PacifiCorp is in privity with "Talen Montana LLC and its affiliates" (PO Supp. Resp. 1), but does not identify evidence supporting that PacifiCorp has a relationship with any Talen entity other than Talen Montana LLC. This is significant because the preponderance of the evidence supports that Talen Montana LLC was not served with a complaint for patent infringement. *See supra* § III.C.2. For this reason, we need not determine whether Talen Montana LLC and PacifiCorp were privies because, even assuming they were, no time bar applies. *See* 35 U.S.C. § 315(b) (providing that an "inter partes review may not be instituted if the petition is filed more than 1 year after the date on

which the petitioner . . . or privy of the petitioner is ***served with a complaint*** alleging infringement of the patent") (emphasis added); *TRW Auto. US LLC v. Magna Electrons., Inc.*, IPR2014-00293, Paper 18 at 10 (PTAB June 27, 2014) ("At the point of filing the Motion for Leave to file its Second Amended Complaint, the attachment to the Motion for Leave was merely a proposed complaint" and did not trigger § 315(b)).[8]

Even if Talen Montana LLC were a privy of one of the Talen affiliates that was served with a complaint for patent infringement, Patent Owner does not make this argument or identify evidence that would support it. And even if Patent Owner had made this argument, the one-year bar does not apply to privies of privies that were served with a complaint. 35 U.S.C. § 315(b). Simply put, that is a degree of separation not contemplated by the clear language of the statute. *Id.*

Patent Owner seeks to overcome this problem by arguing that "Petitioners admit, 'Talen [defined as Talen Montana LLC][9] was one of the defendants in the Delaware Case along with Brandon Shores LLC, Talen Generation LLC, and H.A. Wagner LLC.'" PO Supp. Resp. 8. This argument relies on Petitioner's statement in a brief in a different proceeding–

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[8] The Talen settlement agreement states [redacted] This statement, however, does not change the fact that Talen Montana LLC was not served and the plain language of the statute ties the 1 year bar to service of a complaint. *See* 35 U.S.C. § 315(b)

[9] This bracketed language is Patent Owner's own bracketed language in the direct quote; this bracketed language was not added by the Board.

–a patent infringement litigation in Iowa—where Petitioner in that brief defined Talen Montana LLC as "Talen" and then stated that "Talen was one of the defendants in the Delaware Case." Ex. 2020, 4 n.4. Petitioner's statement does not obviate the plain language of the statute. The one-year bar applies to parties that have been "served with a complaint alleging infringement of the patent." 35 U.S.C. § 315(b). Here, the preponderance of the evidence supports that Talen Montana LLC was not served with a complaint alleging infringement. *See supra* § III.C.2. A statement by non-party to a litigation in an unrelated proceeding does not change the underlying facts as to which parties were, and were not, served. Simply put, PacifiCorp's statement in the Iowa litigation has no bearing on whether Talen Montana LLC was served in the Delaware litigation.

Patent Owner argues that Petitioner's breach of contract counterclaim in the Iowa litigation establishes privity. In the Iowa litigation, PacifiCorp asserted a counterclaim for breach of contract based on the settlement agreement reached between Patent Owner and Talen. Ex. 2050, 94–100; Ex. 2051, 94–100. Patent Owner argues that in connection with the Iowa litigation, "PacifiCorp expressly contended that 'Talen sought to free all co-owners (broadly defined) of all of its power plants (including Colstrip) from any future concern of infringement of ME2C's patents.'" PO Supp. Resp. 8–9 (citing Ex. 2020 at 4 n.5). According to Patent Owner, "alleging breach of contract means that it [PacifiCorp] has alleged a relationship of privity with Talen." *Id.* at 10. Patent Owner asserts that "[a]llowing PacifiCorp to allege that it is in privity with Talen in district court, and to allege the opposite position before the PTAB [would be] plainly unfair and contrary to

the purpose of IPR proceedings." *Id.* We do not find these arguments persuasive because, even assuming that asserting breach of contract can be equated with asserting privity, PacifiCorp's breach of contract claim is based on the relationship with Talen Montana LLC. Ex. 2060 (OOA). We recognize that the settlement agreement But that does not change the fact that any benefit PacifiCorp alleges it draws from the settlement agreement is through its relationship with Talen Montana LLC. And, as discussed above, Talen Montana LLC was never served with a complaint alleging infringement.

5. Conclusion with Respect to Colstrip Co-Owner, Talen

In sum, the evidence of record does not support that any Talen entity desired or would benefit from review of the '114 patent. Accordingly, we find that Talen is not a real party in interest with respect to this proceeding. In addition, although the evidence supports that there was a relationship between PacifiCorp and Talen Montana LLC, the record does not support the existence of a relationship between PacifiCorp and any other Talen entity. Because Talen Montana LLC was not *served* with a complaint for infringement, there is no time bar based on PacifiCorp's relationship with Talen. *See* 35 U.S.C. § 315(b).

D. Alleged Failure to Identify RPI's Under 35 U.S.C. § 312(a)(2)

Patent Owner asserts that Petitioner failed to identify Portage Fuels Company, LLC, Louisa Refined Coal LLC, George Neal Refined Coal LLC, George Neal North Refined Coal LLC, Walter Scott Refined Coal LLC, and

Arbor Fuels Company LLC as real parties in interest that should have been named under 35 U.S.C. § 312(a)(2). PO Resp. 71. Ex. 2053 § 3(d), Exs. A, B. Patent Owner does not provide persuasive evidence or argument explaining why any of these parties would benefit from or desire review of the ’114 patent. Accordingly, we find no violation under 35 U.S.C. § 312(a)(2).

IV. ANALYSIS OF PETITIONER’S UNPATENTABILITY SHOWING

In our original Institution Decision, we determined that the Petitioner had established a reasonable likelihood that it would prevail in showing that at least one claim would have been obvious over the cited prior art. Paper 50. For the reasons discussed in that opinion, we find that Petitioner has met the burden for institution. We will address the arguments and evidence introduced by the parties subsequent to our original Institution Decision in our Final Written Decision.

V. CONCLUSION

For the reasons above, we determine that the information presented in the Petition establishes that there is a reasonable likelihood that Petitioner would prevail with respect to challenged claims 1–30 of the ’114 patent. At this juncture in the proceeding, we have not made a final determination with respect to the patentability of the challenged claims, or with respect to claim construction.

ORDER

For the foregoing reasons, it is

ORDERED that pursuant to 35 U.S.C. § 314(a), an *inter partes* review of claims 1–30 of the ’114 patent is hereby instituted with respect to all grounds of unpatentability set forth in the Petition;

FURTHER ORDERED that pursuant to 35 U.S.C. § 314(c) and 37 C.F.R. § 42.4, notice is hereby given of the institution of a trial;

FURTHER ORDERED that, no later than fourteen days after the issuance of this decision, the parties may file a joint motion to seal, explaining why this decision should remain under seal, and including a redacted version of this decision that can be made publicly available;

FURTHER ORDERED that the present decision shall remain under seal until any joint motion to seal the present decision is resolved; and

FURTHER ORDERED that the present decision shall be made public if, after the expiration of time for the parties to file a joint motion to seal, no such motion has been filed.

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