

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

BERKSHIRE HATHAWAY ENERGY COMPANY and
PACIFICORP,
Petitioners,

v.

BIRCHTECH CORP.,
Patent Owner.

IPR2025-00422
Patent 10,668,430 B2

Before KRISTINA M. KALAN, ZHENYU YANG, and
DAVID COTTA, *Administrative Patent Judges*.

YANG, *Administrative Patent Judge*.

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

I. INTRODUCTION

We issue this Decision on remand from Director review. We previously instituted *inter partes* review because we determined that Petitioners demonstrated a reasonable likelihood that they would prevail with respect to at least one claim challenged in the Petition. Thereafter, the Director remanded the case and instructed us to determine whether the Petition is time-barred under 35 U.S.C. § 315(b).

On this record, and as explained below, we determine that the Petition is not time-barred. Therefore, for the same reasons discussed in our earlier decision, we find Petitioners have satisfied the threshold requirement for institution as set forth in 35 U.S.C. § 314(a). Accordingly, we institute trial to review challenged claims based on the grounds raised in the Petition.¹

A. Remaining Petitioners

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”) (collectively, “Petitioners”) filed a Petition (Paper 1, “Pet.”), seeking *inter partes* review of claims 1–4 and 6–29 of U.S. Patent No. 10,668,430 B2 (Ex. 1001, “the ’430 patent”).

Soon after the Petition was filed, WPL and IPL settled their dispute with Birchtech Corp. (“Patent Owner”) and were terminated from this

¹ Petitioners filed a Petition for *inter partes* review (IPR2025-00423), challenging the same claims. IPR2025-00423, Paper 1. Pursuant to an Order Supplementing Director Review Decision (Paper 70), we deny institution of *inter partes* review in that proceeding. See IPR2025-00423, Paper 76.

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proceeding. Paper 29. Later, WEC and MidAmerican also separately settled with Patent Owner and each was terminated from this proceeding. Papers 41, 48.

Accordingly, BHE and PacifiCorp are the only remaining Petitioners in this proceeding.

B. Procedural History

After the Petition, Patent Owner filed a Preliminary Response. Paper 19 (“Prelim. Resp.”). Petitioners filed a Reply to the Preliminary Response (Paper 22, “Reply”), and Patent Owner filed a Sur-reply to Petitioners’ Reply (Paper 24, “Sur-reply”).

In its Preliminary Response (Paper 19, “Prelim. Resp.”), Patent Owner argued that the Petition was time-barred because it failed to identify Talen Energy Corporation and Talen Energy Holdings, Inc. (collectively “Talen”) and Chem-Mod LLC (“Chem-Mod”), who were defendants in the Delaware Action,² as real parties in interest (RPI). Prelim. Resp. 47–52. According to Patent Owner, “Petitioners are coal plant owners and/or operators with a close relationship to Delaware Defendants. Consequently, the clock for time-barring this Petition ran from the time Delaware Defendants were served in the Delaware Litigation.” Sur-reply 2.

In the decision to institute, we determined, among other things, that the then-current record did not provide sufficient reason to doubt Petitioners’ assertion that Talen and Chem-Mod were not “funding this petition, advising

² In 2019, Patent Owner filed a patent infringement case in Delaware (“the Delaware Action”) against “various power plant operators and refined coal suppliers.” Supp. Resp. 2.

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on strategy for this petition, or exercising any control over Petitioners’ decision to file the petition (or the arguments included therein).” Paper 34 (“DI”) 16, 20 (citing Pet. 2; Reply 1–2). In reaching that decision, we found that certain of the evidence Patent Owner submitted in support of its arguments was ambiguous and/or redacted in a manner that would require us to speculate as to the nature of the redacted material. *Id.* at 13–15, 17–19.

After institution, Patent Owner filed a Request for Director Review arguing, among other things, that the panel incorrectly resolved the issues regarding RPI. Paper 39. The Director denied Patent Owner’s Request for Director Review without prejudice and remanded the case to the Board for further proceedings. Paper 47. The Director found that Patent Owner introduced “evidence sufficient to put RPI and privity at issue” and remanded to us 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.’” *Id.* at 3–4.

Thereafter, we emailed the parties and instructed them 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. 3003. After the parties responded that they were unable to come to agreement, we granted the parties’ request for briefing on the issue. *Id.*

After the briefing (Papers 49, 51), we entered an Order addressing outstanding discovery issues relating to RPI and privity issues. Paper 53. It

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required that parties provide to the Board “a proposed schedule for depositions, provision of testimonial evidence, and briefing of RPI and privity issues.” *Id.* at 9. After the parties failed to comply with the Order, we provided additional guidance. *See* Ex. 3006. We 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. *Id.* The parties responded with a proposed schedule. Ex. 3008. *Id.*

On February 6, 2026, we entered an Order, setting forth the manner for discovery and briefing on RPI and privity issues. Paper 59. Consistent with our Order, Patent Owner filed a Supplemental Response (Paper 69 “Supp. Resp.”) and Petitioners filed a Supplemental Reply (Paper 71, “Supp. Reply”). Patent Owner also addressed RPI and privity issues in its Response. Paper 55 (“PO Resp.”), 59–68.

The parties concluded the briefing on RPI and privity issues on March 30, 2026. On this record, and as explained below, we determine that the Petition is not time-barred under § 315(b).

We previously determined that Petitioners had satisfied the threshold requirement set forth in 35 U.S.C. § 314(a). DI 3. In other words, Petitioners had demonstrated a reasonable likelihood that they would prevail with respect to at least one claim challenged in the Petition. *Id.* at 42. We institute *inter partes* review of all challenged claims based on all the grounds raised in the Petition.

II. ANALYSIS UNDER § 315(B)

A. *Legal Standard*

Under 35 U.S.C. § 315(b), “[a]n 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 question of whether a 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, 53 (2020) (“Section 315(b)’s time limitation is integral to, indeed a condition on, institution.”); *see also id.* at 54 (stating that “§ 315(b) expressly governs institution and nothing more”).

“Courts invoke the terms ‘real party-in-interest’ and ‘privy’ to describe relationships and considerations sufficient to justify applying conventional principles of estoppel and preclusion.” Consolidated Trial Practice Guide (“CTPG”) 13 (2019).³ These requirements are designed to “protect patent owners from harassment via successive petitions by the same or related parties, to prevent parties from having a ‘second bite at the apple,’ and to protect the integrity of both the USPTO and federal courts by assuring that all issues are promptly raised and vetted.” *Id.* at 12–13.

Whether an unnamed party is an RPI or a privy of a petitioner is highly fact dependent and “demands a flexible approach that takes into account both equitable and practical considerations.” *See Applications in*

³ Available at <https://www.uspto.gov/TrialPracticeGuideConsolidated>.

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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) (“Ventex”) (citing *Worlds Inc. v. Bungie, Inc.*, 903 F.3d 1237, 1242 (Fed. Cir. 2018)); CTPG 13.

In an *inter partes* review, a petitioner’s initial identification of the real parties in interest should be accepted unless and until disputed by a patent owner. *Worlds Inc.*, 903 F.3d at 1242. Afterwards, the “patent owner must produce some evidence to support its argument that a particular third party should be named a real party in interest.” *Id.* The petitioner bears the ultimate burden of persuasion to show that its petitions are not time-barred under § 315(b). *Id.*

In this case, the Director found that Patent Owner “did introduce evidence sufficient to put RPI and privity at issue.” Paper 47, 3. We must now decide “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.*” *Id.* at 4.

Patent Owner argues that the Petition is time barred because, more than one year before the filing of the Petition, Petitioners, RPIs, and/or privies were served with a complaint in the Delaware Action. PO Resp. 59. 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.*

As an initial matter, we note Patent Owner’s argument 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.” Supp. Resp. 5. Patent Owner also contends 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.” *Id.* at 9. These arguments are examples of Patent Owner’s comingling analyses of the issues of RPI and privity throughout its briefing. *See, e.g., id.* at 5 (“The Chem-Mod Defendants are Time-Barred RPIs/Privies”), 9 (“Talen is a Time-Barred RPI/Privy with Respect to PacifiCorp”).

RPI and privity, however, describe distinct concepts with differing effects under the statute. Indeed, § 312(a)(2) requires that a petition must identify all RPIs, but not privies. On the other hand, the preclusive effect of § 315(b) extends to both RPIs and privies. Accordingly, we separately analyze RPI and privity issues.

1. Real Party in Interest

“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. In an RPI analysis, we consider:

- (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.

Id. at 1349, 1351, 1353. The “heart of the inquiry” in and RPI analysis is “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

“Privity 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.” *Id.* at 14–15. But “the reach of privity cannot extend beyond the limits of due process.” *WesternGeco LLC v. ION Geophysical Corp.*, 889 F.3d 1308, 1319 (Fed. Cir. 2018).

The Supreme Court identified a non-exhaustive list of considerations in analyzing privity, including

- (1) an agreement to be bound; (2) pre-existing substantive legal relationships between the person to be bound and a party to the judgment (e.g., “preceding and succeeding owners of property”); (3) adequate representation by someone with the same interests who was a party (e.g., “class actions” and “suits brought by trustees, guardians, and other fiduciaries”);
- (4) assumption of control over the litigation in which the judgment was rendered; (5) where the nonparty to an earlier litigation acts as a proxy for the named party to relitigate the

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same issues; and (6) a special statutory scheme expressly foreclosing successive litigation by nonlitigants.

Id. (quoting *Taylor v. Sturgell*, 553 U.S. 880, 894–95 (2008)).

B. Dismissed Petitioners

We first consider Petitioners’ argument that we should not consider WPL, IPL, MidAmerican, and WEC in the RPI and privity analysis. Supp. Reply 2–3.

As explained above, WPL, IPL, MidAmerican, and WEC (“former Petitioners”) settled their disputes with Patent Owner and were terminated from this proceeding. Papers 29, 41, 48. *See supra* Section I.A. According to Petitioners, “[t]he petitioners for which to consider RPI and privity are those existing *as of institution*, not as of a petition’s filing date.” Supp. Reply 2. Petitioners contend that “[t]he statute does not preclude *filing* an IPR petition; rather, the statute directs when petitions ‘may not be *instituted*.’” *Id.* (citing 35 U.S.C. § 315(b)).

Patent Owner argues that the Petition may not be instituted because it “was filed more than one year after RPIs/privities were served with a complaint.” Supp. Resp. 4 n.1 (citing 35 U.S.C. § 315(b)). According to Patent Owner, “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.” *Id.*

We agree with Petitioners that the dismissed Petitioners should not be considered in our RPI and privity analysis. Indeed, “the statute specifically precludes *institution*, not *filing*. When the Board finds that an IPR is barred under § 315(b), it denies institution. It does not reject the petitioner’s filing.” *Power Integrations v. Semiconductor Components Indus., LLC*,

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926 F.3d 1306, 1314 (Fed. Cir. 2019). Reasoning that “[t]he focus of § 315(b) is on institution,” the Federal Circuit determined that “the best reading of § 315(b) requires consideration of privity and RPI relationships arising after filing but before institution.” *Id.* at 1314–15.

Under *Power Integrations*, in our RPI and privity analysis, we consider events occurred after the filing of the Petition, but before institution. *See* 926 F.3d at 1314. In this case, during that period, IPL and WPL were dismissed from the proceeding. Paper 29. Therefore, we do not consider IPL and WPL in our RPI and privity analysis.

In addition, the Director has instructed us to determine whether we should “maintain the Decisions granting institution,” depending on whether “Petitioners have met their burden of demonstrating that the Petitions are not time-barred.” Paper 57, 4. Therefore, this Decision is fairly characterized as an institution decision. *See 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.”). For this reason, we also do not consider dismissed Petitioners WEC and MidAmerican in our RPI and privity analysis.

Patent Owner argues that Petitioners may not amend the Petition now. Supp. Resp. 4. (citing *Corning Optical Comm. RF, LLC v. PPC Broadband, Inc.*, IPR2014-00440, Paper 68 at 25 (Aug. 18, 2015) (precedential)). To the extent Patent Owner implies that Petitioners may not remove the dismissed Petitioners, we find the argument irrelevant. The issue here is not whether Petitioners can edit the Petition to correct a mistake, as in *Corning*, but

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whether this institution decision should consider events occurred before institution that impact our RPI and privity analysis, as in *Power Integrations*.

In sum, we need not consider IPL, WPL, WEC, and MidAmerican in our RPI and privity analysis.

C. Chem-Mod and Its Affiliates

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.” Supp. Resp. 5. 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. In the Delaware Action, Patent Owner “asserted that this Chem-Mod Solution, as provided by Chem-Mod and its affiliates (“Chem-Mod Defendants”) caused direct infringement at [Petitioners’] power plants.” *Id.*

Specifically, Patent Owner alleges that, under certain sales agreements, WPL, MidAmerican, and “Wisconsin Public Service Corporation, the parent of Petitioner WEC,” purchased refined coal from Chem-Mod Defendants. PO Resp. 63–65 (citing Exs. 2037 (agreement with WPL), 2038–2041 (agreement with MidAmerican), 2042 (agreement with Wisconsin Public Service Corporation)); *see also* Supp. Resp. 4 (the same). Patent Owner argues that “these agreements directly related to the refined coal process accused of infringing the patent at issue in this proceeding because they governed the contracts between the parties that resulted in the

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alleged infringement.” Supp. Resp. 5–6 (citing *Ventex*, Paper 152 at 12, quotation marks and brackets omitted); *see also* PO Resp. 64 (arguing that the indemnity provisions included in the sales agreements “create[d] an indemnity relationship directly tied to the conduct accused of infringement by Patent Owner”).

For example, Patent Owner points out that [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]” PO Resp. 69 (quoting Ex. 2037 § 13.1). Patent Owner also points out that the [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] *Id.*
at 64–65 (quoting Ex. 2037, 1).

1. RPI

An RPI is a party that “desires review of the patent.” CTPG 14. Thus, an PRI “may be the party or parties at whose behest the [*inter partes* review] petition has been filed. *Id.* 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. Ultimately, an RPI inquiry is to probe the extent to which the unnamed party has an interest in and will benefit from the petitioner’s actions, and to inquire whether the petitioner can be said to be representing that interest after examining its relationship with the unnamed party. *Id.* at 1353.

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Record evidence shows that ChemMod and its affiliates are licensed under the '430 patent as part of the settlement of the Delaware Action. *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 '430 patent. Instead, Patent Owner argues that “[w]ith respect to RPI, control over the *present proceeding* is not required.” PO Resp. 67. According to Patent Owner, “if the Chem-Mod Defendants exercised control over the Delaware Litigation for the benefit of Petitioners, this would also qualify them as RPIs.” *Id.* Patent Owner contends “that is plainly what happened based on their relationships as indemnitors and co-owners.” *Id.* Patent Owner further asserts that Petitioner BHE “owns and controls MidAmerican.” PO Resp. 65 n.27.

We are not persuaded by Patent Owner’s arguments. First, Patent Owner cites no evidence to support its assertion that BHE “owns and controls MidAmerican.” PO Resp. 65 n.27. And the record evidence shows the contrary. Indeed, Petitioners submit persuasive evidence that BHE is a holding company that does not exercise control over MidAmerican. *See, e.g.,* Ex. 1144. For example, Jennifer A. McIvor, senior vice president of BHE, testifies that “BHE is, and always has been, a holding company” and that BHE observed “corporate formalities at all times.” *Id.* ¶¶ 4–11. Ms. McIvor further testifies that BHE 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].” *Id.* ¶¶ 12, 13. Consistent with Ms. McIvor’s testimony that the two companies

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are separate, MidAmerican has settled out of this proceeding whereas BHE has not.

Second, all the exclusive supplier and indemnity agreements that allegedly created an RPI relationship are between ChemMod and dismissed Petitioners. *See* Exs. 2037–2042. As explained above, we do not consider dismissed Petitioners in our RPI analysis. *See supra* Section II.B.

Third, as explained below, we find unpersuasive Patent Owner’s assertions that ChemMod’s defense of the Delaware Action was for Petitioners’ benefit. *See infra* Section II.C.2.

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. PO Resp. 62. This argument is not persuasive because the present inquiry considers the relationship between Chem-Mod and 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 sufficient evidence for us to determine the nature of such relationship.

In sum, we agree with Petitioners that ChemMod and its affiliates are not RPIs because they do not desire review of the patent and are not beneficiaries. *See* Supp. Reply 3.

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2. Privity

After reviewing the evidence of record, we are persuaded that ChemMod and its affiliates are not privies of Petitioners.

First, all the indemnity agreements relied on by Patent Owner are between ChemMod sublicensees and dismissed Petitioners. *See* Ex. 2037–2042. As explained above, we do not consider dismissed Petitioners in our privity analysis. *See supra* Section II.B.

Second, even if we were to consider ChemMod’s relationship with dismissed Petitioners, we would not find they are privies of each other. This is because generic indemnity agreements are insufficient, without more, to establish privity. *See 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, including its affiliates, and the dismissed Petitioners is that of a supplier-customer relationship. As part of that relationship, the parties entered into supply agreements that included an indemnification provision for the purchased products. *See* Exs. 2037–2042.

We acknowledge that the [REDACTED]
[REDACTED]
[REDACTED] Ex. 2037, 1. But the language
of [REDACTED]
[REDACTED]. *See* Ex. 2037, 26. ChemMod’s supply agreements with
Wisconsin Public Service Corporation, the parent of dismissed Petitioner

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WEC, and with dismissed 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 create a sufficiently close relationship to warrant finding privity. *See WesternGeco LLC*, 889 F.3d at 1321–22.

Patent Owner asserts 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. 66 (citing Ex. 2009, 91). According to Patent Owner, its settlement agreement with Chem-Mod

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] *Id.* (citing Ex. 2053, 1, 24–25); *see also* Supp. Resp. 5 (the same).

We do not find this argument persuasive because it is, again, based on dismissed Petitioners. Indeed, the remaining Petitioners, BHE and PacifiCorp, had not seen the ChemMod 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.

Moreover, Patent Owner does not identify, and we do not find, any mention of the dismissed Petitioners in the ChemMod settlement agreement. *See generally* Ex. 2053. Based on our review of the settlement agreement, we determine that ChemMod negotiated the agreement for its own benefit. *Id.* Consistent with this finding, Patent Owner’s corporate designee testified

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that, to his knowledge, ChemMod negotiated the agreement on its own behalf “and no one else.” Ex. 1151, 49:12–20.

We also are not persuaded by Patent Owner’s argument that dismissed Petitioner MidAmerican’s affirmative defense creates privity. PO Resp. 66 (citing Ex. 2009, 91). We do not understand MidAmerican to be asserting that Chem-Mod negotiated a license on behalf of MidAmerican or any other Petitioner. Instead, we understand MidAmerican’s affirmative defense to assert that it purchased materials from Chem-Mod that were licensed under the settlement agreement. *See* Ex. 2009, 91; Ex. 1155. Given that Patent Owner sued MidAmerican for patent infringement, Patent Owner’s understanding appears to be the same as ours. *See* Ex. 1151, 74:16–19, 77:19–24. Furthermore, Patent Owner’s settlement with each dismissed Petitioner includes a license under the challenged patent. *See* Ex. 1137 § 2.1; Ex. 1138 § 2.1; Ex. 1139 § 2.1; Ex. 1143 § 2.1. This license would have been redundant had Chem-Mod already negotiated a license on behalf of the dismissed Petitioners.

3. Summary

In sum, we do not consider dismissed Petitioners in our RPI/privy analysis. Even if we were to consider Chem-Mod’s relationship with dismissed Petitioners, based on our review of the record, including, particularly, the supply agreements (Exs. 2037–2042), the Chem-Mod settlement agreement (Ex. 2053), the testimony of Patent Owner’s corporate designee (Ex. 1151), dismissed Petitioner MidAmerican’s Answer (Ex 1157; Ex. 2009), and an email explaining MidAmerican’s contentions (Ex. 1155),

we find the preponderance of the evidence supports that Chem-Mod and its affiliates are not RPIs or privies of Petitioners or dismissed Petitioners.

D. 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.” Supp. Resp. 9. Specifically, Patent Owner argues that “co-ownership of a plant alone renders these parties real parties in interest.” *Id.* According to Patent Owner, Talen is an RPI/privy also because “through the Colstrip operating agreement, PacifiCorp vested Talen with authority to defend and settle that claim on PacifiCorp’s behalf.” *Id.*

As an initial matter, we note multiple corporate entities bear the name “Talen” or 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. 59–68 (making time bar argument without identifying any Talen affiliates by name); Supp. Resp. 1–10 (defining “Talen” as “Talen Montana LLC and its affiliates” and referring to Talen mostly without distinguishing among affiliates). In this Decision, when quoting or discussing Patent Owner’s arguments, we refer to Talen in the same undistinguishing manner Patent Owner does. We otherwise identify the Talen affiliate at issue.

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

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defined by the Ownership and Operation Agreement for Colstrip Units #3 & #4 (“the OOA”).⁴ The OOA [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Ex. 2060 § 3(a), (b). [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED].” *Id.*

§ 3(d).

Patent Owner sued multiple parties, including “Talen,” in the Delaware Action. The original Complaint defined “Talen” 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 later amended the Complaint. Ex. 2023. The First Amended Complaint again defined “Talen” to include “Talen Energy Corporation, Brandon Shores LLC, Talen Generation LLC, and H. A. Wagner LLC.” *Id.* at 2. Neither the original Complaint nor the First Amended Complaint mentioned Talen Montana LLC or named Talen Montana LLC as a defendant. *See* Ex. 2003, Ex. 2023; Ex. 1145 ¶¶ 14–22.

⁴ The original parties to the OOA included the Montana Power Company and Pacific Power & Light Company. We understand Montana Power Company is the original name for Talen Montana LLC and Pacific Power & Light Company is the former name of PacifiCorp. Ex. 1145 ¶ 8.

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Patent Owner's original Complaint and the 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.

In September 2020, Patent Owner filed an opposed motion, seeking leave to file a second amended complaint. Ex. 1162. The second amended complaint did not amend the case caption, but added Talen Montana LLC to the definition of "Talen." *Id.* at 4–5. In December 2020, the court stayed the Delaware Action without ruling on Patent Owner's motion for leave. *See* Ex. 1163. In January 2021, all Talen defendants were dismissed from the case. *See* Ex. 1164, 4 n.2. In May 2021, the court lifted the stay and ordered Patent Owner to file its second amended complaint. *See* Ex. 1165. Patent Owner filed its Second Amended Complaint on May 21, 2021. *See* Ex. 2057.

1. RPI

Record evidence shows that the Talen entities are licensed under the '430 patent as part of the settlement of the Delaware Action. *See* Ex. 2052 (license agreement between Patent Owner and Talen Energy Corporation, Brandon Shores LLC, Talen Generation LLC, Talen Montana LLC, and H.A. Wagner LLC).

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An RPI is a party that “desires review of the patent.” CTPG 14. Patent Owner does not provide persuasive evidence or argument explaining why the Talen entities, including Talen Montana LLC, would benefit from or desire review of the ’430 patent. Instead, Patent Owner argues that “Talen specifically identified PacifiCorp as a real party in interest in its 2020 IPR.” PO Resp. 62. In that proceeding, petitioner 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, 2–4. The IPR2020-00832 Petition 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 ha[d] an opportunity to control or direct th[at] Petition or proceeding.” *Id.* at 2.

The panel in IPR2020-00832 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 “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.

2. Privity

Patent Owner broadly asserts that PacifiCorp is in privity with “Talen Montana LLC and its affiliates” (Supp. Resp. 1) but does not identify

[REDACTED]

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evidence supporting that PacifiCorp has a relationship with any Talen entity other than Talen Montana LLC. We find, based on the evidence of record, that PacifiCorp’s only direct relationship with any Talen entity is with Talen Montana LLC. *See* Ex. 1145 ¶¶ 5–13; Ex. 2060. As explained above, however, Talen Montana LLC was not served with a complaint for patent infringement in the Delaware Action. Indeed, when Patent Owner filed its Second Amended Complaint, the only Complaint that included Talen Montana LLC in the definition of “Talen,” all Talen entities have been dismissed from the case. *See* Ex. 1164, 4 n.2; Ex. 2057. Patent Owner does not point to evidence to show that Talen Montana LLC was served with the Second Amended Complaint, even though it represented that “Talen received a pre-filing copy of the second amended complaint” (Ex. 1162, 3).

The statute prescribes 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.” 35 U.S.C. § 315(b) (emphasis added). Therefore, even if Talen Montana LLC and PacifiCorp were privies, because Talen Montana LLC was not served with a complaint, § 315(b) does not bar this Petition.

We acknowledge that the settlement agreement states [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]. This statement, however, does not change the fact that Talen Montana LLC was not served

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and the plain language of § 315(b) ties the one-year bar to service of a complaint.

Patent Owner argues that in connection with the Iowa case, “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.’” Supp. Resp. 9 (citing Ex. 2020, 4 n.5, emphasis removed). According to Patent Owner, “as Petitioners admit, ‘Talen [defined as Talen Montana LLC] was one of the defendants in the Delaware Case along with Brandon Shores LLC, Talen Generation LLC, and H.A. Wagner LLC.’” *Id.* at 8 (quoting Ex. 2020 at 4 n.4, bracketed language added by Patent Owner).

We acknowledge that, in a brief filed in a patent infringement case in Iowa, Petitioners equated Talen Montana LLC with “Talen” and stated that “Talen was one of the defendants in the Delaware Case.” Ex. 2020, 4 & n.4. Petitioners’ statement in the Iowa case, however, has no bearing on whether Talen Montana LLC was served in the Delaware Action. Nor does it obviate the plain language of § 315(b), under which the one-year bar only applies if “the petitioner, real party in interest, or privy of the petitioner is served with a complaint alleging infringement of the patent.” Here, the preponderance of the evidence supports that Talen Montana LLC was not served with a complaint alleging infringement. Therefore, even if Talen Montana LLC and PacifiCorp were privies, § 315(b) does not bar this Petition.

Patent Owner contends that PacifiCorp’s breach of contract counterclaim in the Iowa case establishes privity. Supp. Resp. 10. In the Iowa case, PacifiCorp asserted a counterclaim for breach of contract based

[REDACTED]

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on the settlement agreement reached between Patent Owner and the Talen entities. Ex. 2050, 94–100; Ex. 2051, 94–100. According to Patent Owner, PacifiCorp “alleging breach of contract means that it has alleged a relationship of privity with Talen.” Supp. Resp. 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 is plainly unfair and contrary to the purpose of IPR proceedings.” *Id.*

We do not find these arguments persuasive. As explained above, PacifiCorp’s only direct relationship with any Talen entity is with Talen Montana LLC. *See* Ex. 1145 ¶¶ 5–13; Ex. 2060. Thus, PacifiCorp’s breach of contract claim can only be based on the relationship with Talen Montana LLC. Again, Talen Montana LLC was never served with a complaint alleging patent infringement.⁵ Thus, even if, as Patent Owner argues, PacifiCorp’s “alleging breach of contract means that it has alleged a relationship of privity with Talen” (Supp. Resp. 10), § 315(b) does not bar this Petition.

3. Summary

In sum, the evidence of record does not support that any Talen entity desired or would benefit from review of the ’430 patent. Thus, we find that no Talen entity is an RPI of Petitioners. In addition, although the evidence supports the existence of a relationship between PacifiCorp and Talen

⁵ We recognize that the settlement agreement [REDACTED]. 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.

[REDACTED]

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Montana LLC, it 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, § 315(b) does not bar this Petition based on PacifiCorp's relationship with Talen Montana LLC.

III. ANALYSIS UNDER § 312(A)(2)

Patent Owner asserts that the Petition is in violation of § 312(a)(2) because Petitioners failed to identify Chem-Mod, 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. PO Resp. 67.

Again, an RPI is a party that “desires review of the patent.” CTPG 14. All the entities identified by Patent Owner [REDACTED]

[REDACTED]

Ex. 2053 § 3(d), Exs. A, B. Patent Owner does not provide persuasive evidence or argument explaining why any of these entities would benefit from or desire review of the '430 patent. Therefore, we find no violation under 35 U.S.C. § 312(a)(2).

IV. ANALYSIS OF PETITIONERS' UNPATENTABILITY SHOWING

In our original decision to institute, we determined that the Petitioners had established a reasonable likelihood that they would prevail in showing that at least one claim would have been obvious over the cited prior art. DI 42. For the same reasons discussed therein, we find that Petitioners have satisfied the threshold requirement set forth in 35 U.S.C. § 314(a). This Decision does not take into account the substantive arguments in Patent Owner's Response or Petitioners' Reply. We will address the arguments and

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evidence introduced by the parties subsequent to the DI in our Final Written Decision.

V. CONCLUSION

Based on the current record, and for the reasons explained above, we find Petitioners have demonstrated a reasonable likelihood that they would prevail with respect to at least one claim challenged in the Petition. We, therefore, institute an *inter partes* review of all challenged claims on all asserted grounds.

This Decision is not a final determination on the patentability of any challenged claim. Our view with regard to any conclusion reached in the foregoing could change upon further development of the record during trial.

VI. ORDER

In consideration of the foregoing, it is hereby:

ORDERED that, pursuant to 35 U.S.C. § 314(a), *inter partes* review is hereby instituted on all challenged claims of the '430 patent based on all the asserted grounds set forth in the Petition; and

FURTHER ORDERED, pursuant to 35 U.S.C. § 314(c) and 37 C.F.R. § 42.4(b), 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; and

FURTHER ORDERED that this Decision shall be made public if, after the expiration of time for the parties to file a joint motion to seal, no such motion is filed.



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