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Paper 79
Entered: May 12, 2026

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

MERCK SHARP & DOHME LLC,
Petitioner,

v.

HALOZYME, INC.,
Patent Owner.

PGR2025-00003 (11,952,600 B2) PGR2025-00004 (12,018,298 B2)
PGR2025-00006 (12,152,262 B2) PGR2025-00009 (12,123,035 B2)
PGR2025-00017 (12,110,520 B2) PGR2025-00033 (12,049,652 B2)
PGR2025-00039 (12,104,185 B2) PGR2025-00046 (12,091,692 B2)
PGR2025-00024 (12,060,590 B2) PGR2025-00030 (12,054,758 B2)
PGR2025-00052 (12,264,345 B1) PGR2025-00042 (12,037,618 B2)
PGR2025-00050 (12,077,791 B2) PGR2025-00053 (12,195,773 B2)

Before JEFFREY N. FREDMAN, SUSAN L. C. MITCHELL,
CYNTHIA M. HARDMAN, and MICHAEL A. VALEK,
*Administrative Patent Judges.*¹

PER CURIAM.

ORDER

Denying Patent Owner's Motion to Terminate
35 U.S.C. § 322(a)(2) and 37 C.F.R. §§ 42.8(b)(1), 42.72

¹ This Order addresses issues in each of the identified proceedings. We exercise our discretion to issue one Order to be filed in each proceeding. This is not a decision by an expanded panel of the Board. Rather, the listed judges are paneled on various of the listed cases.

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I. INTRODUCTION

Patent Owner (“Halozyme”) filed a Motion to Terminate each of these proceedings on the basis that Petitioner (“MSD”) failed to identify Merck & Co., Inc. (“MCI”), MSD’s corporate parent, as a real party in interest (“RPI”) under 35 U.S.C. § 322(a)(2) in its Petition. Paper 85 (“Mot.”). Petitioner filed an Opposition, Paper 93 (“Opp.”), and Patent Owner filed a Reply, Paper 99 (“Reply”). We heard argument on Patent Owner’s motion on March 2, 2026. Paper 114 (“Tr”) (confidential transcript). Following that argument, we authorized Petitioner to file a witness declaration (Ex. 1224 (“Grez Declaration”)), and allowed Patent Owner the opportunity to depose the witness. Ex. 1225 (“Grez Deposition”). Paper 109 (order finding good cause to allow additional evidence). We also authorized both parties to file a supplemental brief addressing the RPI issue. Paper 124 (“Pet. Suppl. Brief”); Paper 126 (“PO Suppl. Brief”). For the reasons stated below, Patent Owner’s Motion is DENIED.

A. *Issue*

The issue addressed in this Decision is whether Petitioner has demonstrated that it names all RPIs in each Petition. If MCI was a real party in interest at the time Petitioner filed its Petitions, then according to Patent Owner, the Petitions were incomplete under 35 U.S.C. § 322(a)(2), and these proceedings must be terminated, as the Petitions would be accorded a new filing date that would be past the expiration of the statutory deadline for filing for post-grant review. *See* Mot. 19; 35 U.S.C. § 321(c).

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B. Background

The matter at hand stems from the relationship between Petitioner entity MSD and MCI, MSD’s current parent corporate entity, which was not listed as a RPI in any Petition. The following represents our understanding of the relevant evidence.²

Petitioner filed a post-grant review petition in PGR2025-00003 on November 12, 2024, alleging that the claims of U.S. Patent 11,952,600 (“’600 patent”) are unpatentable over several grounds. Petitioner continued to file additional post-grant review petitions on related patents as they were issued by the USPTO, eventually resulting in the other thirteen PGR proceedings listed above.³ Subsequent to several of these post-grant review filings, Patent Owner filed a complaint in *Halozyme, Inc. v. Merck Sharp & Dohme Corp.*, Case No. 2-25-cv-03179 (D.N.J.) (“New Jersey litigation”), alleging infringement of the ’600 patent and most of the other patents challenged in these proceedings. Ex. 2036; *see also* Tr. 8:12–9:6 (Patent Owner’s counsel explaining timing between district court complaint and PGR filings).

II. ANALYSIS

A. Legal Principles

Under 35 U.S.C. § 322(a)(2), a petition may be considered only if it identifies all RPIs. We generally accept a petitioner’s initial identification of RPI(s), unless the patent owner presents some evidence to support its

² For purposes of this Decision, we refer to papers and evidence in PGR2025-00003, which are representative of the papers and evidence in all of the post grant reviews at issue in this Order.

³ There is another related proceeding, PGR2025-00087, that is currently being considered for institution by the Director.

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argument that an unnamed party should also be included. *See Worlds Inc. v. Bungie, Inc.*, 903 F.3d 1237, 1242 (Fed. Cir. 2018) (explaining that “an IPR petitioner’s initial identification of the real parties in interest should be accepted unless and until disputed by a patent owner”). “[A] patent owner must produce some evidence to support its argument that a particular third party should be named a real party in interest.” *Id.* After a patent owner has done so, “it is Petitioner’s burden to bring forth evidence or arguments demonstrating that it had named all RPIs.” *Tianma Microelectronics Co. v. LG Display Co.*, IPR2025-01579, Paper 12, at 9–10 (March 18, 2026) (“*Tianma*”) (precedential). The ultimate burden of proof remains with the petitioner to establish that it has complied with the statutory requirement of 35 U.S.C. § 322(a)(2) to identify all real parties in interest.

Whether a non-party is a “real party in interest” is a “highly fact-dependent question” with no “bright line test.” *Applications in Internet Time, LLC v. RPX Corp.*, 897 F.3d 1336, 1342 (Fed. Cir. 2018). “[T]he two questions lying at [the] heart [of the RPI inquiry] are whether a non-party ‘desires review of the patent’ and whether a petition has been filed at a nonparty’s ‘behest.’” *Id.* at 1351 (quoting USPTO’s Trial Practice Guide, 77 Fed. Reg. 48,756, 48,759 (Aug. 14, 2012)⁴).

The Supreme Court in *Taylor v. Sturgell*, 553 U.S. 880 (2008) sets forth factors relevant to the question of whether a non-party is “real party in interest.” 533 U.S. at 893–95. Although “rarely will one fact, standing alone, be determinative of the inquiry,” “[a] common consideration is whether the non-party exercised or could have exercised control over a party’s

⁴ The current version of the Trial Practice Guide (“TPG”) is available at <https://www.uspto.gov/patents/ptab/trial-practice-guide>.

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participation in a proceeding.” TPG § I.D.1. Other considerations may include whether a non-party “funds and directs and controls” an IPR petition or proceeding; the non-party’s relationship with the petitioner; the non-party’s relationship to the petition itself, including the nature and/or degree of involvement in the filing; and the nature of the entity filing the petition. *Id.*

The analysis considers how courts generally have used the term to “describe relationships and considerations sufficient to justify applying conventional principles of estoppel and preclusion.” *Id.* In general, a real party in interest is “the party that desires review of the patent,” and “may be the petitioner itself, and/or it may be the party or parties at whose behest the petition has been filed.” *Id.*

“We also may consider whether Petitioner’s actions ‘have blurred sufficiently the lines of corporate separation with [an unnamed related entity], such that [the entity] could have controlled the filing and participation of the IPRs.’” *Corning Optical Commc’ns RF, LLC v. PPC Broadband, Inc.*, IPR2014-00440, Paper 68, at 15 (PTAB Aug. 18, 2015) (precedential except § II.E.1) (“*Corning*”) (quoting *Zoll Lifecor Corp. v. Philips Elec. N. Am. Corp.*, IPR2013-00606, Paper 13, at 10 (PTAB Mar. 20, 2014)).

B. Patent Owner’s Contentions

Patent Owner contends that “Merck & Co.’s own SEC filings indicate it has directed the filings of all pending PGR Petitions, and continues to direct and control these proceedings, or at least has an unequivocal opportunity to do so.” Mot. 8 (citing Ex. 2400, 6, 53; Ex. 2454, 6, 47). Patent Owner contends “Merck & Co.’s recent 10-Q SEC filing expressly states that the ‘Company,’ i.e., Merck & Co., has filed a series of PGRs against Halozyme.” *Id.* (citing Ex. 2400, 25; Ex. 2454, 22). Patent Owner contends

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Jennifer Zachary signed these SEC filings as Merck & Co.’s “Executive Vice President and General Counsel.” EX2400 at 53; EX2454 at 47. When Ms. Zachary signed the SEC documents, she expressly did so on behalf of Merck & Co., in her capacity as an executive leader for Merck & Co., as indicated in the documents themselves.

Id. at 9 (citing Ex. 2400, 53; Ex. 2454, 47; Ex. 2415, 142; Ex. 2456; Ex. 2462, 12–13). Patent Owner contends

Ms. Zachary signed the engagement letters with both law firms retained as outside counsel for Petitioner in these PGRs, indicating her involvement and control over these proceedings. EX2402 at 8; EX2403 at 8. That Ms. Zachary signed engagement letters on behalf of MSD cannot wipe away the fact that she at all times has had the opportunity to “call the shots” in these PGRs on behalf of Merck and Co. and has represented to the general public and the SEC that, in fact, it was Merck & Co. that filed and controls these PGRs.

Id. at 9–10. Patent Owner contends that “MCI’s corporate documents delegate control, including over patent matters, to dual-role personnel. Thus, MCI officer/MSD employee Ms. Zachary can settle these proceedings. MCI is an RPI.” PO Suppl. Br. 1.

Patent Owner contends “Merck & Co.’s SEC filings further indicate it (as the parent company) funds all of these PGR proceedings.” Mot. 10. Patent Owner contends the “10-Q SEC filing also discusses litigation involving ‘the Company’s subcutaneous pembrolizumab product’ (i.e., KEYTRUDA QLEX™), as well as these PGR Petitions.” *Id.* at 11 (citing Ex. 2400, 25). Thus, Patent Owner contends that “Merck & Co. expressly states to the SEC that it (the ‘Company’) filed these PGR Petitions.” *Id.* (citing Ex. 2400, 25). Patent Owner points the “Legal Defense Reserves” sub-section of Merck & Co.’s 10-Q SEC filing and asserts “this sub-section indicates that the

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‘Company,’ i.e., Merck & Co, expects to pay costs and is involved in litigation strategy, including in these PGR proceedings.” *Id.* at 12.

Patent Owner contends “Merck & Co. and Petitioner are closely intertwined.” Mot. 13. Patent Owner also contends that three of the four people identified by Petitioner as employees directly involved in the PGR proceedings also “have indicated publicly that they work for Merck & Co., even if they also work for MSD” in various ways. *Id.* at 14 (citing Ex. 2446, Appendix 2a; Ex. 2448; Ex. 2447; Ex. 2449; Ex. 2416). Patent Owner provides a table allegedly showing evidence of blurred lines between MCI and Petitioner MSD and asserts “the corporate lines are so blurred between MSD and Merck & Co. that Merck & Co. has the opportunity to, and in fact does, control these PGR proceedings.” *Id.* at 17.

Patent Owner contends that “as the ‘sole owner of MSD,’ MCI is ‘charged with appointing’ those very same managers and can remove them.” PO Suppl. Br. 2 (citing Ex. 1225, 56:6–17, 55:6–25, 63:17–25, 65:8–67:12). Patent Owner contends “[i]n fact, Ms. Grez performs both her MCI and MSD roles using the same office, desk, computer, email, and phone, without notifying colleagues when she allegedly ‘switches’ roles” and has “a single performance evaluation for both roles.” *Id.* at 3 (citing Ex. 1225, 77:14–78:6, 87:5–90:13). Patent Owner contends “*all* MCI officers are *also* MSD ‘employees.’” *Id.* (citing Ex. 1225, 94:6–25, 258:18–259:17, 356:9–15).

Patent Owner contends “

: “

Patent Owner contends that “MCI passed resolutions

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authorizing dual role MCI officers/MSD employees—including Mr. Davis and Ms. Zachary (both of whom have dual roles)—to ‘execute and to revoke’ documents related to any patent matters, including with respect to litigation, on behalf of both MCI and its affiliates, including MSD.” *Id.* at 4–5 (citing Ex. 1225, 241:20–246:18, 252:6–257:11, 258:18–259:4). Patent Owner contends “[c]onsistent with MCI’s control of MSD, and inconsistent with the incredible suggestion that MCI would not coordinate its global litigations, Mr. Stewart attended a German proceeding between MCI (not MSD) and Halozyme, on behalf of ‘Merck,’ not MSD.” *Id.* at 5 (citing Ex. 1225, 205:18–210:17).

Patent Owner contends

Both MSD and Merck & Co. benefit from the sales of both KEYTRUDA® and KEYTRUDA QLEX™, as well as any positive outcome in litigation (in district court or at PTAB) related to the sale of either KEYTRUDA® product. Merck & Co. has a large interest in, desires, and greatly benefits from all PGR proceedings.

Mot. 19. Patent Owner asserts “[b]ecause Petitioner has not even attempted to correct its RPI here, none of the Petitions can be considered under 35 U.S.C. § 322(a)(2).” *Id.* Finally, while this RPI issue was not raised until well after institution, Patent Owner asserts it has “been as timely as possible in raising the RPI issue after the change in PTAB policy and binding case law.” *Id.* at 20.

C. Petitioner’s Contentions

Petitioner contends “MCI [REDACTED]

[REDACTED] has not directed, controlled, or funded any aspect of these PGR proceedings. Nor could it have done so.”

Opp. 1. Petitioner contends “[e]very material fact in the record confirms that Petitioner alone initiated, funded, and directed these proceedings, without any

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involvement by MCI.” *Id.* Petitioner contends that in response to discovery requests to confirm that MCI was not an RPI, they provided “official employment records, corporate registrations, engagement letters, billing records, and confirmations of other pertinent facts about the corporate structure of Petitioner.” *Id.* (citing Ex. 2401). Petitioner contends that Patent Owner’s contentions are based “on speculative (and incorrect) inferences from sources that are not definitive of the facts represented by Halozyne—such as SEC filings, LinkedIn pages, trade organization directories, and websites.” *Id.* at 2.

Petitioner contends “MCI could have structured MSD LLC to operate under MCI’s direction, but it did not, which confirms the two entities’ independence.” Pet. Suppl. Brief 2 (citing Ex. 1225, 53:6–55:9, 65:5–23). Petitioner contends “[w]hen SEC filings refer to the ‘Company,’ they are referring to ‘Merck & Co., Inc. and its subsidiaries.’ EX2415, 131. MCI is a parent and holding company (EX1244, 2 (‘Common parent corporation’)) to over 400 subsidiaries worldwide, of which MSD LLC is but one.” Opp. 5 (citing Ex. 1237). Petitioner contends “MCI does not control its subsidiaries’ legal affairs ([Ex. 1225], 114:14-24), direct or instruct them on legal matters (*id.*, 114:25-116:7), or manage their legal proceedings[,]” and “MCI ‘has no legal operations’ of its own.” PO Suppl. Brief 2 (citing Ex. 1225, 98:21–24).

[REDACTED]

[REDACTED].

Petitioner contends “Halozyne has made no attempt to name MCI as a party in the New Jersey litigation. By naming *MSD LLC* as the **only** defendant, Halozyne belies its assertion of ‘blurred lines’ between MCI and MSD LLC

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such that ‘one has difficulty telling one from the other.’” Opp. 7 (citing Motion, 3, 15–16).

Petitioner contends its “interrogatory responses confirm that four in-house legal counsel, all MSD LLC employees, oversee the PGR proceedings.” Opp. 8 (citing Ex. 2401, 8–10). Petitioner also contends “[r]ecords from MSD LLC’s official system for maintaining employee records, which is also used for federal tax reporting, show that each of these attorneys are employed by Petitioner, and no other Merck-related entity.” *Id.* (citing Exs. 2430–2435). Petitioner contends that “Ms. Zachary is an employee of MSD LLC, not MCI. EX2431; EX2451; EX1236; EX1242. Although Ms. Zachary also serves as General Counsel to MCI as an officer, she is not an MCI employee.” *Id.* at 9.

[REDACTED]

[REDACTED]

Petitioner contends “MSD LLC has funded these proceedings. All evidence supports this fact. [REDACTED]

[REDACTED]” Opp. 13. Petitioner contends

Documents produced by MSD LLC demonstrate that payments to Sidley and Dechert come directly from MSD LLC. EX2436–2444. Payments to outside counsel are reviewed and authorized by [REDACTED], who is employed by MSD LLC. EX2401, 8–9. Testifying expert witnesses were engaged solely on behalf of MSD LLC. EX2405; 2406. MSD LLC has therefore funded the entirety of these proceedings.

Id.

Petitioner contends “[n]othing in the record evidence suggests ‘significant control’ exercised by MCI over Petitioner’s operations, much less over its involvement in the PGR proceedings. The evidence makes clear that

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the input, influence, direction, and control over the PGRs came solely from Petitioner.” Opp. 17. Petitioner contends:

The reason there are two nearly identical websites is that the “Merck” branded website, www.merck.com, is directed to the U.S. and Canada, and the “MSD” branded website, www.msd.com, is used for the rest of the world. This stems from an agreement with the German entity Merck KGaA, which is a different company than Merck & Co., Inc., that prohibits Merck & Co., Inc. entities from being referred to as “Merck” alone outside the U.S. and Canada.

Id. at 17–18. Petitioner contends “[t]here is some overlap between the MCI and MSD LLC officers. But this does not support Halozyme’s argument that MCI is an unnamed RPI.” *Id.* at 18. Petitioner contends this “is not evidence of blurred lines, much less with respect to these proceedings. Official employment records and Ms. Grez’s testimony make clear that the attorneys responsible for these PGRs are not MCI employees, and are not acting on MCI’s behalf.” PO Suppl. Br. 4.

D. Factual Findings

1. Funding

Ms. Zachary is an employee of MSD and wears multiple hats serving as general counsel for both MSD and MCI. *See* Opp. 9–10 (acknowledging her role as general counsel for both entities). All of the internal documentation of record supports that she is an employee of MSD. Her job offer letter states that it is for, “a position with Merck Sharp & Dohme LLC, a wholly-owned subsidiary of Merck & Co., Inc.” Ex. 2451, 1. Moreover, the company from which she receives compensation is identified as “Merck Sharp & Dohme LLC” and her earnings statement identifies her employer as “Merck Sharp & Dohme LLC.” Ex. 1236, 1; Ex. 1242, 1.

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All of the lead and backup counsel identified in Petitioner’s Power of Attorney are employed at either Sidley Austin LLP or MSD. Paper 2. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Petitioner has produced emails showing that the payor name listed on payments and invoices for Sidley Austin LLP is “Merck Sharp and Dohme LLC”. *See, e.g.*, Exs. 2440–2444. Petitioner has also produced documents showing payments from MSD to its expert witnesses supporting the Petition in these proceedings, Dr. Hecht and Dr. Park. Ex. 2444, 1.

Mr. Stewart is in house counsel at MSD and listed as backup counsel on its power of attorney. Paper 2, 2–3. All of the internal documentation of record supports that he is an employee of MSD. His job offer letter states that it is for, “a position with Merck Sharp & Dohme LLC (‘Merck’ or the ‘Company’), a wholly-owned subsidiary of Merck & Co., Inc.” Ex. 2404, 1. In addition, Mr. Stewart’s earnings statement identifies his employer as “Merck Sharp & Dohme LLC”. Ex. 2430. And an internal payroll document identifies Mr. Stewart’s organization and external payroll company as “Merck Sharp & Dohme LLC.” Ex. 2434, 1.

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In addition to Mr. Stewart, Petitioner identifies Eric Majchrzak, Laura Ginkel, and Li Su, as individuals its outside counsel has “contacted regarding instructions, strategy, and funding as it relates to” these PGR proceedings. Ex. 2401, 9. They are all “employed by and hold titles within the legal department of Merck Sharp & Dohme LLC.” *Id.*; *see also* Exs. 2431, 2433, 2435 (supporting internal documentation and evidence). None are employed by MCI. Ex. 1224 ¶¶ 17–18.

2. Relationship between MCI and MSD

[REDACTED]

MSD is one of a number of wholly owned subsidiaries of MCI. Mot. 1; Opp. 1; Ex. 1244, 2; Ex. 1224 ¶ 6. “Although Merck & Co., Inc. is the sole owner of Merck Sharp & Dohme LLC, the two companies have separate governance structures, and their own sets of officers and directors.” Ex. 1224 ¶ 6.

3. Effective Control

SEC filings for MCI state “Merck & Co., Inc. (Merck or the Company) is a global health care company that delivers innovative health solutions through its prescription medicines, including biologic therapies, vaccines and animal health products.” Ex. 2415, 4. Notwithstanding, the audit letter in those filings makes clear that the accompanying consolidated balance sheet is for

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“Merck & Co., Inc. and its subsidiaries (the “Company”).” *Id.* at 183.

Ms. Grez likewise testified that

When Merck & Co., Inc.’s SEC filings use the terms “the Company” or “Merck,” those references describe the consolidated enterprise of Merck & Co., Inc. and all of its subsidiaries. Statements made about “the Company” in these filings are not intended to be attributed specifically or exclusively to Merck & Co., Inc. itself.

Id. ¶ 31 (citing Ex. 2415, 183 (“We have audited the accompanying consolidated balance sheet of Merck & Co., Inc. and its subsidiaries (the ‘Company’ as of December 31, 2024 and 2023.”)). “

Ex. 1224 ¶ 37.

The SEC filing identifies thirteen members of their board of directors, one of whom is Ms. Zachary. Ex. 2415, 61; *cf.* Ex. 1238, 1–3. The officers/directors listing for MSD in their state filing shares several individuals with those listed for MCI including Ms. Grez, Ms. Leonard, Mr. Dillane, and Mr. Swartwood. Ex. 1238; Ex. 1240. Three of the individuals listed in the state filing for MSD are identified as managers. Ex. 1240, 2. The Merck website lists eleven individuals as the Merck executive team with only

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Ms. Zachary in common with the officers/directors listened in the state filing for MSD. Ex. 1240; Ex. 2408.

When discussing appointment of Managers to MSD by MCI, Ms. Grez testified authorized officers, including herself as the secretary and Ms. Zachary, may sign on behalf of MCI. Ex. 1225, 56:145–7:7, 63:20–21.

4. Beneficiary of these IPRs

There is no dispute that both MCI and MSD benefit from the revenues received from KEYTRUDA® and KEYTRUDA QLEX™, the product at issue in the PGR proceedings. Mot. 18; Opp. 22.

5. Relationship with Petition

The mandatory notice on the Petition lists MSD as the real party in interest. Pet. 6. The Petition identified only counsel from Sidley Austin and MSD as representatives. *Id.* at 7. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

In deposition, when asked “Do Merck & Co., Inc. and MSD LLC have a common interest agreement that covers these PGRs?”, Ms. Grez stated “[n]ot to my knowledge.” Ex. 1225, 53:3–6.

6. Alleged Blurred Lines

Ms. Zachary signed 10-Q statements for MCI using the title “Executive Vice President and General Counsel.” Ex. 2400, 86. In an Intellectual Property Owners Association website listing, in a speaking engagement, and in an Appendix to an amicus brief filed by the Intellectual Property Owners Association, Ms. Ginkel’s employer is identified as “Merck & Co.” Ex. 2446, Appendix 2a; Ex. 2447; Ex. 2448. Ms. Su listed “Merck & Co. Inc.” as an

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employer on her LinkedIn page. Ex. 2449. A listed backup counsel, Mr. Stewart, originally listed his firm name as “Merck Sharp & Dohme LLC Merck and Co.” on the USPTO Office of Enrollment and Discipline website and later changed the listed firm name to “Merck Sharp & Dohme, LLC.” Ex. 2416; Ex. 2461.

Revocation proceedings in other countries on similar patents in which Mr. Stewart was involved were brought by other subsidiaries besides MSD including “Merck Sharp & Dohme (UK) Limited,” “MSD France,” “MSD Sharp & Dohme GmbH,” and “Merck Sharp & Dohme B.V.” Ex. 1225, 190:4–20; Ex. 1224 ¶ 34.

When asked, “[a]ppearing here today, are you appearing on behalf of Merck Sharp & Dohme LLC or Merck & Co., Inc. or both?” Ms. Grez stated “Merck Sharpe & Dohme LLC.” Ex. 1225, 73:12–15. Ms. Grez stated “My employment relationship is with Merck Sharp & Dohme LLC.” *Id.* at 74:5–6.

The complaint filed by Patent Owner in the New Jersey litigation requests “a Declaratory Judgment of Patent Infringement against Merck Sharp & Dohme Corp. (‘Merck’ or ‘Defendant’).” Ex. 2036, 1. That complaint does not name MCI as a defendant. *Id.*; *see also* Tr. 9:7–15.

E. Analysis

There is a general principle of corporate law “deeply ‘ingrained in our economic and legal systems’ that a parent corporation (so-called because of control through ownership of another corporation’s stock) is not liable for the acts of its subsidiaries.” *U.S. v. Bestfoods*, 524 U.S. 51, 61 (1998) (citations omitted). Consistent with this, Board precedent holds that the mere fact that MCI is “the ultimate parent of Petitioner is not sufficient evidence, by itself that MCI exerts control over these proceedings.” *Corning*, 22.

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For this reason, we are not persuaded by Patent Owner’s repeated reliance on statements such as “MCI and MSD ‘[a]re not independent parties’” (PO Suppl. Br. 2 (citing Ex. 1225, 85:17–23)) because the exercise or availability of general “control” that stock ownership vests in stockholders, such as in the parent-subsidary relationships among MCI and MSD, which includes the election of directors, the making of by-laws, and other acts incident to the legal status of stockholders, will not make one company a real party in interest of the other. *Bestfoods*, 524 U.S. at 61–62. Moreover, it is entirely appropriate for directors of a parent corporation to serve as directors of its subsidiary, and that fact alone may not serve to expose the parent corporation to liability for its subsidiary’s acts. *Id.* at 69 (citations omitted).

Patent Owner’s assertion, based on websites in Exhibits 2407–2410, that the companies share the “[e]xact same Boards of Directors (BOD)” is incorrect. Mot. 15. As Petitioner explains, “the ‘Merck’ branded website, www.merck.com” that Patent Owner cites “is directed to the U.S. and Canada, whereas the “‘MSD’ branded website, www.msd.com, is used for the rest of the world.” Opp. 17–18.⁵ Thus, both of the websites forming the premise for Patent Owner’s assertion actually identify the officers and BOD for MCI—not MSD. Ex. 1224 ¶¶ 15–16. Other evidence shows that the management and directors of the MCI and MSD differ significantly. *See* Ex. 1238; Ex. 1240; Ex. 1224 ¶¶ 6, 10.

⁵ Ms. Grez explains that this distinction results from corporate changes that followed a merger with Schering-Plough and “a dispute over the use of the name ‘Merck’ with an unrelated German company ‘Merck KGaA.’” Ex. 1224 ¶¶ 13–15.

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Patent Owner contends that because MCI appoints MSD's controlling managers and delegated control over patent matters to MSD, this allows "MCI to control MSD" because theoretically MCI could appoint new managers and retake the control previously delegated to its operating subsidiary. *See* PO Supp. Br. 1. But relying on such "theoretical power" would eviscerate the RPI test. *See Daifuku Co. v. Murata Mach., Ltd.*, IPR2015-01538, Paper 11, at 11 (Jan. 19, 2016) ("If theoretical power, whether exercised or not, were the controlling test for determining a real party in interest, the test would be eviscerated of substance."). It would also contradict the general corporate law principle that control through ownership (and the theoretical power that goes along with it) alone does not eviscerate corporate distinctions between a parent and its subsidiaries, particularly where the evidence shows—as it does here—those distinctions have at all times been maintained with respect to the activity at issue. *See Bestfoods* at 61.

We are not persuaded by Patent Owner's reliance on *Corning* because the facts here are quite different. In *Corning*, there was evidence that employees managed the same product line at both the parent and subsidiary, that engagement letters with outside counsel referred to both entities, that the corporate parent funded the litigation, and that counsel for the corporate parent provided direction to outside counsel. *See Corning*, 17–22. Unlike *Corning*, the evidence in the instant proceeding shows that MCI did not manage any product line at MSD, that MCI did not participate in engagement of outside counsel, that MCI did not fund the proceedings, and that all the internal counsel involved are employed by MSD—not MCI. Ex. 2402, 1, 8; Exs. 2440–2444; Ex. 2404, 1; Ex. 2430; Ex. 2434, 1; Ex. 2451, 1; Ex. 1236, 1; Ex. 1242, 1; Ex. 1224 ¶¶ 17–18. That a few of these employees may have either

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misidentified themselves in LinkedIn or been misidentified by hosting organizations such as IPO, does not rise to the level of legal significance as employment agreements, paystubs, and signed legal agreements with outside counsel.⁶ In sum, the blurred corporate lines that existed between the entities in *Corning* do not exist between MSD and MCI here.

We note these facts are also different than those in *Tianma* where the Petitioner only submitted a conclusory declaration unsupported by relevant documents. *Tianma*, 10. Unlike the petitioner in *Tianma*, Petitioner in this case has provided significant documentary evidence including corporate documentation, payment records for outside counsel and expert witnesses, engagement letters with outside counsel, and payroll and other records for its involved internal legal counsel. *See, e.g.*, Exs. 1236, 1238, 1240, 1244, 2401–2406, 2426–2444. Moreover, unlike the testimony offered in *Tianma*, Ms. Grez’s testimony is not conclusory. She provides considerable explanation in her declaration with citations to supporting exhibits, and her direct testimony was subject to extensive cross-examination by Patent Owner. *See* Ex. 1255 (more than 350-page deposition transcript). On balance, we find her testimony credible and generally supportive of the facts in Petitioner’s briefing.

Patent Owner has not directed us to any persuasive evidence that Petitioner conducted negotiations with Patent Owner or others on behalf of both Petitioner and its parent or subsidiary corporations, as found in *Atlanta*

⁶ We also credit Petitioner’s explanation that “the corporate history of MSD LLC, which has included mergers and name changes, may explain why some MSD LLC employees inadvertently refer to themselves publicly as Merck & Co. employees (Motion, 17), even though they are employed only by MSD LLC.” Opp. 21 and n.4; *see also* Ex. 1224 ¶¶ 11–16.

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Gas Light Co. v. Bennett Regulator Guards, Inc., IPR2013-00453, Paper 88 at 2–6, 11 (PTAB Jan. 6, 2015). There is no evidence of record indicating that any personnel from MCI directed, controlled, or participated in these PGR proceedings. Indeed, there is no evidence that any officer of MCI other than Ms. Zachary is aware of these PGR proceedings.

We also are not persuaded by Patent Owner’s arguments regarding the role of Ms. Zachary or other employees as both officers of MCI and as employees of MSD. *See* PO Suppl. Br. 4–5. *Bestfoods* explains the understanding that “corporate personalities remain distinct has its corollary in the ‘well established principle [of corporate law] that directors and officers holding positions with a parent and its subsidiary can and do “change hats” to represent the two corporations separately, despite their common ownership.”” *Bestfoods*, 524 U.S. at 69 (citations omitted). Moreover, the evidence here shows that Ms. Zachary has been careful to note which “hat” she is wearing in the relevant documentation, as Ms. Zachary identified herself on the 10-Q statement as representing MCI (i.e., the publicly-traded entity filing that statement), but on outside counsel engagement letters identified herself as representing MSD. Ex. 2400, 86; Ex. 2402, 8. Rather than blurring lines, this shows that a line of demarcation was made clear, allowing outsiders to identify when Ms. Zachary was representing MCI and when she was representing MSD.

And we find the evidence of control even more tenuous when addressed to MSD employees such as Mr. Stewart, who reports to Ms. Ginkel, who herself reports to Ms. Zachary. Ex. 1225, 194:1–5. There is no indication of any blurred line that would require Mr. Stewart to act directly on behalf of MCI. And as to revocation proceedings in other countries in which

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Mr. Stewart was allegedly involved, these were brought by subsidiaries of MCI other than MSD including “Merck Sharp & Dohme (UK) Limited,” “MSD France,” “MSD Sharp & Dohme GmbH,” and “Merck Sharp & Dohme B.V.”—not MCI itself. Ex. 1225, 190:4–20; Ex. 1224 ¶ 34.

Patent Owner’s actions in the New Jersey litigation further belie its assertion that MCI is a RPI. As of the date that litigation was filed, Petitioner had already filed several of its petitions in the present PGR proceedings challenging Patent Owner’s patents. Tr. 9:3–6. Nevertheless, Patent Owner’s complaint in the New Jersey litigation names only MSD as a defendant. Ex. 2036, 1. This is true, notwithstanding the fact that MCI’s SEC filing and other documents that Patent Owner relies upon in its Motion were presumably available to Patent Owner prior to the filing of that complaint. *Compare* Ex. 2415, 1 (Form 10K filed February 25, 2025), *with* Ex. 2036, 1 (complaint naming MSD filed April 25, 2025). Accordingly, even Patent Owner has treated MCI and MSD as distinct entities as it relates to the subject matter of these proceedings—further supporting Petitioner’s position that MCI is not an RPI.

There is no evidence that the PGRs were filed at MCI’s behest, which is consistent with the parallel litigation where MCI is not a party. We find that Patent Owner has provided no persuasive evidence showing that MCI has any direct relationship to the PGR proceedings at issue here, with no evidence that MCI personnel, funds, or other assets were involved. In contrast, there is abundant evidence that MSD personnel, funds, and assets were directly involved in these PGR proceedings, which Petitioner has shown it alone controls. Ex. 2402, 1, 8; Exs. 2440–2444; Ex. 2404, 1; Ex. 2434, 1; Ex. 1224 ¶¶ 17–18; Ex. 2405, 1; Ex. 2406, 1.

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As noted above, there is no dispute that both MCI and MSD benefit from the revenues received from KEYTRUDA[®] and KEYTRUDA QLEX[™], the product at issue in the PGR proceedings. Mot. 18; Ex. 2400, 39; Opp. 22. We find, however, that this appears to be a generalized benefit for MCI incidental to being MSD's parent corporation. *See* Opp. 4, 22. Indeed, contrary to Patent Owner's assertions, the evidence of record shows that MCI is [REDACTED] for KEYTRUDA QLEX[™] technology and does not have any [REDACTED] with respect to that product. *See* Pet. Suppl. Brief 3; Ex. 1224 ¶ 28; Ex. 1225, 322:25–323:3, 326:22–327:14.

Consistent with these facts, Patent Owner did not sue MCI in the parallel litigation involving the challenged patents. *See* Opp. 7. “[W]e must be cautious not to ‘overextend[]’ the analysis of who qualifies as an RPI ‘to any situation where ‘a party benefits generally from the filing of the Petition and also has a relationship with the Petitioner.’” *Ventex Co. v. Columbia Sportswear N. Am., Inc.*, IPR2017-00651, Paper 152 at 10 (PTAB Jan. 24, 2019) (precedential) (quoting *Unified Patents, Inc. v. Realtime Adaptive Streaming, LLC*, IPR2018-00883, Paper 36 at 14–15 (PTAB Oct. 11, 2018)). In other words, although MCI may have an interest in these PGRs and/or in the accused products, that interest is incidental to being Petitioner's corporate parent. Such an incidental interest is insufficient, in and of itself, to make MCI an RPI to these proceedings. *See id.*; *see also Corning*, 22 (The fact that MCI is “the ultimate parent of Petitioner” and in that regard would presumably benefit from Petitioner's success in these proceedings “is not sufficient evidence, by itself that [MCI] exerts control over these proceedings.”).

Finally, we find Ms. Grez's testimony that MCI uses collective terms such as “Merck” or “the Company” to refer to actions of MCI's subsidiaries

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in SEC filings credible. Ex. 1224 ¶¶ 31–32. (Ex. 1224 ¶¶ 31–32). Indeed, such use is unsurprising, given that “consolidating the activities of a subsidiary into the parent’s annual reports is a common business practice. It is allowed by both the Internal Revenue Service and the Securities and Exchange Commission, and it is recommended by generally accepted accounting principles.” *Calvert v. Huckins*, 875 F. Supp. 674, 678–79 (E.D. Cal. 1995); *see also Par Pharm., Inc. v. Horizon Therapeutics, Inc.*, IPR2015-01117, Paper 13 at 10 (PTAB Nov. 4, 2015) (“[T]he use of the term ‘we’ in an SEC filing, even if used deliberately when referring to what could be the current Petition, does not establish adequately that [parent] has control over this proceeding.”). Thus, we find that in view of the totality of the circumstances here, the collective language in SEC filings does not demonstrate that the activities described therein are attributable to MCI specifically, much less that MCI directs, controls, or funds these PGRs. *See* Mot. 1, 8–13 (alleging otherwise).

III. CONCLUSION

Considering the totality of the arguments and evidence, we are persuaded that MCI is not an RPI in these PGR proceedings, notwithstanding its status as the corporate parent of Petitioner. Petitioner has established that it has complied with the statutory requirement to identify all real parties-in-interest. For the foregoing reasons, we deny Patent Owner’s motion to terminate.

IV. ORDER

In view of the foregoing, it is hereby ORDERED that Patent Owner’s Motions to Terminate in PGR2025-00003, -00004, -00006, -00009, -00017,

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-00024, -00030, -00033, -00039, -00042, -00046, -00050, -00052, and
-00053 are denied.

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