

## **GEA Process Engineering, Inc. v. Steuben Foods, Inc.: Terminating Proceedings IPR2014-00041, 43, 51, 55, 55**

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*Takeaway: Where a real party-in-interest is not provided in the petition, the Board is not allowed to consider the petition, and any correction of the real party-in-interest will likely result in a new filing date as of the date the correction is made. This can result in the petition being time-barred.*

In the [Decision](#), the Board granted Patent Owner's motions addressing (1) whether Petitioner had identified all real-parties-in-interest ("RPIs") in its Petitions, and (2) what relief should be granted if Petitioner failed to identify all RPIs in its Petitions, and thus vacated its decisions on institution in each of the five cases and terminated each of the proceedings.

Patent Owner had filed a complaint in district court alleging infringement of all five patents at issue in these proceedings against GEA and Procomac on October 10, 2012. GEA and Procomac entered into an agreement with another company covering the "Steuben Patents." GEA filed the five petitions at issue on October 9 and 10, 2013. GEA is represented in these proceedings by the same counsel that represents both GEA and Procomac in the district court case, and the same two in-house attorneys for the parent of both GEA and Procomac are designated as in-house legal representatives for both GEA and Procomac in the district court case.

Patent Owner sought additional discovery relating to RPI alleging that Procomac was possibly an RPI because it may have funded and controlled the filing of the instant petitions. GEA argued that if Procomac was an RPI, the failure to list it in the petitions was merely a clerical error. Further, GEA requested that the time period for requesting joinder be extended to allow Procomac to file petitions that could be joined with the present cases. The Board denied GEA's request to extend the joinder request deadline. The Board also denied Patent Owner's motion for additional discovery, because the evidence provided by Patent Owner did not persuade the Board that it was likely to uncover information useful to the instant proceedings. One reason for denying the additional discovery was that there was no evidence that GEA accepted monetary compensation from Procomac.

Upon a further request for discovery by Patent Owner, GEA admitted that Procomac had been invoiced for IPR petition expenses. Based on this new information, the Board granted additional discovery. In the meantime, GEA reimbursed Procomac for all IPR expenses that were invoiced previously by GEA to Procomac. GEA further explained, via a Declaration from GEA's General Counsel, that the IPR expenses paid by Procomac resulted from GEA failing to differentiate between

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(1) IPR expenses that Petitioner alone was responsible for, and (2) non-IPR expenses that were supposed to be charged to Procomac.

With regard to the motions at issue, Patent Owner argued that a challenge to the identification of the RPI can be raised at any time during a proceeding, that there is no jurisdictional basis for the IPR if all RPIs have not been identified in the petition, and that the failure to disclose an RPI is a substantive defect that can only be fixed by a new petition with a new filing date. In this case, a new petition would be time-barred. Patent Owner further argued that Procomac is an RPI, because (1) GEA and Procomac jointly entered in an agreement with another company, (2) Procomac funded the proceedings up until May 2014, and (3) GEA's allegation is suspect.

Petitioner argued that the RPI issues were untimely, because they must be raised prior to institution. Petitioner further argued that any funding by Procomac was by mistake, any post-filing change in RPI does not affect petition completeness or GEA's standing, and that Procomac did not have an actual opportunity to control GEA's IPR.

The Board agreed with Patent Owner that RPI issues are "standing" issues and not merely a "petition completeness statute," and thus agreed that the issue could be raised at any time. Thus, the Board analyzed the RPI issue. Whether a non-party is a RPI is based, at least in part, on whether the nonparty possessed effective control from a practical standpoint. Petitioner argued that payments by Procomac were after the IPRs were filed, and thus Procomac was not an RPI until after the petitions were filed. The Board was not persuaded that invoicing after the petition is filed can shield a third-party from being identified as an RPI. Further, the Board was not persuaded that the payments by Procomac were merely a mistake, because Petitioner provided no evidence that GEA had ever issued or received instructions that it should bear the costs of the review proceedings. The Board also stated that funding is enough to show control or at least a reasonable inference that it had an opportunity to control Petitioner's participation in the IPR. Therefore, based on the totality of the facts, the Board determined that Procomac was an RPI of the instant proceeding and that it was not identified in the Petitions.

The Board then determined what the remedy should be. Patent Owner argued that because Procomac is an RPI that GEA did not identify, GEA must update the mandatory notices and be accorded a new filing date, which would result in the petition being time-barred. Petitioner argued that it should be allowed to correct the identification without changing the filing date because "(1) Petitions need not be completed on their filing date, and (2) Petitioner should equitably be allowed to correct a good faith RPI mistake without changing Petitioner's filing date." Because the Board is statutorily not allowed to consider a petition unless it includes identification of all real parties-in-interest, fixing the RPI necessarily must receive a new filing date. The Board acknowledged that it has allowed corrections of "clerical or typographical" mistakes while maintaining the original filing date, but the failure to identify all RPIs is a substantive error. The Board did not assess whether it could consider a petition pursuant to 35 U.S.C. § 312(a)(2) when a "good-faith" mistake has impeded Petitioner from identifying all real parties-in-interest, because it did not believe the facts in this case warranted such equitable relief. Accordingly, the Board ruled that (1) the petitions were incomplete and cannot be considered by the Board because they failed to list all of the real parties-in-interest and (2) any correction would result in a new filing date. A new filing date would result in the petition being time-barred, so the Board terminated the proceedings.

***GEA Process Engineering, Inc. v. Steuben Foods, Inc.*, IPR2014-00041, IPR2014-00043, IPR2014-00051, IPR2014-00054, IPR2014-00055**

Paper 135 (IPR2014-00041), Paper 114 (IPR2014-00043), Paper 113 (IPR2014-00051), Paper 134

(IPR2014-00054), Paper 106 (IPR2014-00055): Termination of Proceeding under 35 U.S.C. § 312(a)(2)

Decision Dated: December 23, 2014

Patent 6,945,013 B2 (IPR2014-00041) Patent 6,475,435 B1 (IPR2014-00043) Patent 6,209,591 B1 (IPR2014-00051) Patent 6,481,468 B1 (IPR2014-00054) Patent 6,536,188 B1 (IPR2014-00055)

Before: Michael P. Tierney, Rama G. Elluru, and Beverly M. Bunting

Written by: Elluru

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