

Huawei Device and ZTE v. SPH America and Electronics and Telecommunications Research Institute: Denying Institution IPR2015-00221

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Takeaway: The fact that a third party is the parent corporation of the petitioner or that a third party is a co-defendant in a related proceeding as the petitioner is not enough evidence without more that the third party is a real party-in-interest.

In its Decision, the Board denied institution of *inter partes* review of any of the challenged claims (claims 1, 23-25, 27-32, 34, 37, 38, and 40-42) of the '346 Patent. The '346 Patent relates to techniques for increasing the rate of transmitting data in a wireless network while maintaining compatibility with conventional wireless transmission protocols, specifically the IEEE 802.11a standard.

The Board began with an analysis of the real parties-in-interest. The Board noted that a real party-in-interest is usually a non-party that exercised or could have exercised control over the party's participation in a proceeding, including the existence of a financially controlling interest in the petitioner. Other relevant factors include the non-party's relationship with the petitioner, the non-party's relationship to the petition itself, and the nature of the entity filing the petition.

In this case, the Petition named ZTE (USA), Inc. as a real party-in-interest. Patent Owner argued that ZTE (USA)'s parent company, ZTE Corporation, is also a real party-in-interest. The Board disagreed, stating that the joint motion for dismissal of ZTE Corporation from the related district court case was ambiguous and showed that ZTE Corporation and ZTE (USA) have nonaligned interests with respect to the related case. The Petition also named Huawei Device USA Inc. ("Huawei USA") as a real party-in-interest, and Patent Owner argued that Huawei Technologies Co., Ltd. ("Huawei Tech."), Futurewei Technologies Inc. ("Futurewei Tech."), and Shenzhen Huawei Investment and Holding Co., Ltd. ("Shenzhen") are real parties-in-interest. Specifically, Patent Owner stated that because Huawei Tech. and Futurewei Tech. are co-defendants with Huawei USA in a related district court case, they all have common interests in the challenges, and because all three companies are subsidiaries of Shenzhen, Shenzhen is also a real party-in-interest. The Board found there is little evidence to suggest that Shenzhen should be a real party-in-interest because the exhibit relied upon by Patent Owner showed that the three companies are "indirect" subsidiaries of Shenzhen and there is no evidence as to what the relationship is between the companies. Further a subsidiary relationship alone does not make Shenzhen a real party-in-interest because it does not evidence

control. Further, being a co-defendant in a related case is not enough to establish a real party-in-interest, therefore, the Board found that the remaining entities are not real parties-in-interest.

The Board then reviewed claim construction, stating that the claim terms are given their broadest reasonable interpretation in view of the specification. The only term that the Board determined required construction was “space-time block coding,” which is present in all of the challenged independent claims. Petitioner stated that “space-time block coding” (STBC) is a term of art in telecommunications and described a STBC system, but did not propose a construction for the term. Patent Owner also failed to provide a construction. While it was not included in the Petition, Petitioner’s expert stated that one of ordinary skill in the art would understand the term “space-time block coding” to mean “using block codes to encode a data stream, copies of which are transmitted over multiple antennas.” The Board adopted this construction, but added that the space-time block coding takes place in a multiple antenna transmit (MIMO) system.

The Board next turned to the ground that all of the challenged claims would have been obvious over the combination of Narasimhan and Alamouti, either over the combination alone or over the combination and various other references. Petitioner asserted that Narasimhan teaches or suggests all of the features of claim 23, except for STBC, which is taught by Alamouti, and that one of ordinary skill in the art would have had reason to combine Narasimhan’s technique for transmission diversity with the STBC of Alamouti. Petitioner’s expert stated, without providing any support, that Alamouti is considered the first description of STBC, that the technique was later coined STBC, and that Alamouti is the father of STBC. However, the Board did not provide any weight to this testimony because it did not disclose the underlying facts or data on which the opinion was based. Further, the Board held that even if Alamouti does disclose STBC, neither of the references discloses a frame that includes information about STBC. The Board also found that Petitioner did not provide adequate evidence of motivation to combine the references and did not provide articulated reasoning with rational underpinning to support a legal conclusion that the subject matter of claim 23 would have been obvious to one of ordinary skill in the art.

The Board then reviewed the grounds of obviousness over the combination of Liu and Jeon, either over the combination alone or over the combination and various other references. The Board first had to determine whether Jeon is prior art that is eligible for use in an *inter partes* review. The Board stated that on its face, Jeon is neither a patent nor a printed publication, but is instead a collection of fourteen pages that appear to be formatted as a slide presentation. Petitioner contended that the Jeon reference was submitted to IEEE prior to the earliest claimed filing date of the ’346 Patent. A “printed publication . . . has been interpreted to mean that before the critical date the reference must have been sufficiently accessible to the public interested in the art; dissemination and public accessibility are keys to the legal determination whether a prior art reference was ‘published.’” *In re Conyn*, 890 F.2d 1158, 1160 (Fed. Cir. 1989). The Board stated that even if it considered Petitioner’s expert’s testimony that Jeon is an IEEE presentation submitted to the high throughput study group, which was not cited by the Petitioner, Petitioner did not present sufficient facts to conclude that the reference is a printed publication.

The Board continued to state that even if Jeon was prior art, Petitioner had not established a reasonable likelihood that it would prevail on this asserted ground. Petitioner relied on Liu’s disclosure of modifying the IEEE 802.11a packet structure to support MIMO transmitters and receivers, while maintaining backward compatibility with the unmodified IEEE 802.11a packet structure. However, Petitioner did not identify in either Liu or Jeon a signal symbol that includes information about STBC. The Board further found that Petitioner did not explain sufficiently the motivation to combine the references.

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Paper 13: Decision Denying Institution of *Inter Partes* Review

Dated: May 28, 2015

Patent 8,565,346 B2 Before: Sally C. Medley, Barbara A. Benoit, and Beth Z. Shaw

Written by: Benoit

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