

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

BERKSHIRE HATHAWAY ENERGY COMPANY,¹
and PACIFICORP,
Petitioners,

v.

BIRCHTECH CORP.,
Patent Owner.

IPR2025-00422 (Patent No. 10,668,430)
IPR2025-00423 (Patent No. 10,668,430)
IPR2025-00424 (Patent No. 10,589,225)
IPR2025-00425 (Patent No. 10,589,225)²

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

YANG, *Administrative Patent Judge.*

ORDER
Conduct of Proceeding
37 C.F.R. §§ 42.5, 42.51(b)(2)

¹ Berkshire Hathaway Energy Company is Petitioner in IPR2025-00422 and IPR2025-00423 only.

² We use this caption for efficiency. These cases are not joined. The parties may not use such a caption without prior authorization from the Board.

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I. INTRODUCTION

Berkshire Hathaway Energy Company (“Berkshire”), Interstate Power & Light Company (“IPL”), MidAmerican Energy Company (“MidAmerican”), PacifiCorp, WEC Energy Group, Inc. (“WEC”), and Wisconsin Power & Light Company (“WPL”) filed a Petition, seeking *inter partes* review of claims 1–4 and 6–29 of U.S. Patent No. 10,668,430 B2. Paper 1 (“Pet.”).³ Birchtech Corp. (“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”). We instituted trial to review the challenged claims. Paper 34 (“DI”).

In its Preliminary Response, 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,⁴ as real parties in interest. 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.

³ We cite Papers and Exhibits filed in IPR2025-00422. Similar Papers and Exhibits are filed in IPR2025-00423, IPR2025-00424, and IPR2025-00425.

⁴ *Midwest Energy Emissions Corp. et al. v. Arthur J. Gallagher & Co. et al.*, No. 1:19-cv-01334 (D. Del.) (“the Delaware Action”).

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In the DI, 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 on strategy for this petition, or exercising any control over Petitioners’ decision to file the petition (or the arguments included therein).” DI 16, 20 (citing Pet. 2; Reply 1–2). In reaching this decision, we found that certain of the evidence Patent Owner submitted in support of its arguments was ambiguous and/or redacted in manner that would require us to speculate as to the nature of the redacted material. *Id.* at 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 real party in interest. Paper 39. Patent Owner also emailed the Board, requesting authorization to file a Motion for Additional Discovery related to real parties-in-interest issues. Ex. 3101.

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.*

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

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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.* With that authorization, Patent Owner filed a Motion for Additional Discovery (Paper 49, "Mot."), and Petitioners filed a Response to Patent Owner's Motion (Paper 51, "Mot. Resp.").

II. ANALYSIS

Patent Owner currently "seeks discovery targeted at RPI/privity issues related to: (1) Chem-Mod and (2) Talen." Mot. 1. We begin by considering the evidence regarding Chem-Mod and Talen that we found ambiguous.

With respect to Chem-Mod, Patent Owner asserted that "MidAmerican and WPL own power plants that were at issue in the Delaware Litigation, and they contend that the Chem-Mod-affiliated Defendants defended against Patent Owner's infringement claims and obtained a license on their behalf, at least for some periods of time." Sur-Reply 4.

We found that the evidence Patent Owner cited to support this allegation—two affirmative defenses in Answers to Patent Owner's infringement allegations filed in district court by former Petitioners MidAmerican Energy Company and Wisconsin Power and Light Company—was "ambiguous at best." DI 14.

With respect to Talen, Patent Owner asserted that "PacifiCorp has alleged that Talen negotiated that settlement agreement on its behalf and for the benefit of PacificCorp." Prelim. Resp. 49. As support, Patent Owner relied upon a redacted copy of PacificCorp's Answer in response to Patent

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Owner’s district court infringement complains. We found that the redacted Answer did not provide sufficient information to support Patent Owner’s position without forcing us to speculate.⁵ DI 18.

Subsequent to the DI, and subsequent to the Director’s Decision on Patent Owner’s Request for Director Review, Patent Owner filed in related cases:

1. PacifiCorp’s First Amended Answer, Affirmative Defenses, and Counterclaims in Response to Plaintiff’s First Amended Complaint for Patent Infringement, *In re: Midwest Energy Emissions Corp. Pat. Litig.*, No. 4:24-md-03132-SHL-WPK, ECF No. 81 (S.D. Iowa March 21, 2025) (“PacifiCorp’s First Amended Answer”);
2. PacifiCorp’s Second Amended Answer, Affirmative Defenses, and Counterclaims in Response to Plaintiff’s First Amended Complaint for Patent Infringement, *In re: Midwest Energy Emissions Corp. Pat. Litig.*, No. 4:24-md-03132-SHL-WPK, ECF No. 155 (S.D. Iowa March 21, 2025) (“PacifiCorp’s Second Amended Answer”);
3. the License Agreement Between Brandon Shores LLC, Talen Generation LLC, Talen Montana, LLC, and H.A. Wagner LLC, and Midwest Energy Emissions Corp. and MES Inc., dated January 15, 2021 (“Talen agreement”); and

⁵ We also noted that “having filed suit against PacificCorp for infringement of the ’430 patent (Ex. 2007), Patent Owner must not agree that Talen negotiated a license to the ’430 patent on PacificCorp’s behalf.” DI 18–19.

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4. the Settlement and License Agreement Between Midwest Energy Emissions Corp. and MES Inc., and Chem-Mod LLC, Arthur J. Gallagher & Co., AJG Coal, LLC, DTE Energy Co., and DTE Energy Resources, LLC, dated December 28, 2023 (“Chem-Mod agreement”).

See, e.g., IPR2025-00274, Exs. 2050–2053; *see also* Mot. Resp. 1 (“PO already has the agreements it signed with these entities [i.e., Talen and Chem-Mod], but waited until December 15, 2025 to file them with the Panel (EX2052-EX2053), but then only in the IPR2025-274, -278, -280, and -281 proceedings.”), 2 (“As the plaintiff in district court, PO had unredacted copies of those pleadings. PO waited until December 15, 2025 to file unredacted copies (EX2050-EX2051), so the Panel now has the unredacted PacifiCorp documents (at least in the -274, -278, -280, and -281 proceedings).”). Patent Owner is instructed to file unredacted versions of those documents as exhibits in IPR2025-00422, IPR2025-00423, IPR2025-00424, and IPR2025-00425.

In addition, Petitioners represent that they and former Petitioners have already produced: agreements with the Delaware defendants that concern coal and that have indemnification language; Colstrip operating agreements setting forth obligations between Talen, PacificCorp and other co-owners of the Colstrip power plant; supply agreements between former petitioners MidAmerican, WPL, IPL, and WEC and Chem-Mod affiliates; a detailed letter explaining PacificCorp’s position regarding the effect of the Talen agreement; a letter explaining MidAmerican’s position regarding the effect of the Chem-Mod agreement; interrogatory responses regarding PacificCorp’s

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and MidAmerican's contentions regarding the Talen and Chem-Mod license agreements; and separate interrogatory responses regarding requests for indemnity, and ownership of powerplants accused of infringement. Mot. Resp. 1–3.

Based on the documents we have ordered to be filed in this proceeding, it appears that Patent Owner already has information that clarifies much of the ambiguity we found in our DI. It may be that the voluntary discovery already provided by Petitioners, but not yet of record in this case, provides further clarity. Nonetheless, we have been instructed that “RPI and privity issues should be resolved as early as possible” and that we should “allow discovery, narrowly tailored to resolve the RPI and privity issues.” Paper 47, 3–4 n.4. Further, we have determined that the panel would benefit from a more fulsome exposition of certain issues, including particularly the basis for assertions in district court of license and/or covenant not to sue. *See, e.g.*, Ex. 2008, 99; Ex. 2009, 91; Ex. 2010, 107. Accordingly, in the interests of generating a fully developed record and expediting resolution of these issues, we order discovery in the manner set forth below.

III. ORDER

In view of the foregoing, it is

ORDERED that Patent Owner shall file as exhibits unredacted versions of PacifiCorp's First Amended Answer, PacifiCorp's Second Amended Answer, the Talen agreement, and the Chem-Mod agreement;

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FURTHER ORDERED that Petitioners shall make available for deposition one or more corporate designee(s)⁶ who can speak on behalf of Petitioners with respect to:

- 1) Petitioners' understanding of the basis for assertions by Petitioners and former Petitioners of license and/or covenant not to sue in district court;
- 2) Petitioners' understanding of the effect of the Talen agreement and the Chem-Mod agreement with respect to Petitioners and former Petitioners, including their ability to enforce such agreements;
- 3) Petitioners' understanding of whether any Petitioner or former Petitioner exercised or influenced, or had the ability to exercise or influence, negotiation of the Talen agreement and the Chem-Mod agreement; and
- 4) Ownership of power plants that were accused of infringement in the Delaware litigation.

FURTHER ORDERED that such deposition shall not exceed three hours of cross-examination per corporate designee;

FURTHER ORDERED that if Petitioners intend to respond to arguments addressing RPI and privity issues that have been made in any of Patent Owner's already-filed briefing, Petitioners shall provide a copy of

⁶ Because RPI and privity issues are common across IPR2025-00274, IPR2025-00278, IPR2025-00280, IPR2025-00281, IPR2025-00422, IPR2025-00423, IPR2025-00424, and IPR2025-00425, Petitioners need only make a deponent available once for all of these proceedings

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such declaratory evidence to Patent Owner and make any such declarants available for deposition to Patent Owner before Patent Owner files its Patent Owner Response;

FURTHER ORDERED that within five business days of the issuance of this Order, the parties shall meet and confer regarding an appropriate schedule for the deposition of one or more corporate designees, providing declaratory testimonial evidence, and briefing RPI and privity issues. In addition, within five business days of the issuance of this Order, the parties shall provide to the Board, by email, a proposed schedule for depositions, provision of testimonial evidence, and briefing of RPI and privity issues.

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