

IPR2018-00914

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IN THE  
**Patent Trial and Appeal Board**

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PROPPANT EXPRESS INVESTMENTS, LLC,  
PROPPANT EXPRESS SOLUTIONS, LLC,  
*Petitioners,*

v.

OREN TECHNOLOGIES, LLC,  
*Patent Owner.*

**On Rehearing By The  
Precedential Opinion Panel of the  
Patent Trial and Appeal Board**

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**BRIEF FOR BIOTECHNOLOGY INNOVATION  
ORGANIZATION AS *AMICUS CURIAE***

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## **QUESTIONS PRESENTED**

1. Under 35 U.S.C. § 315(c) may a petitioner be joined to a proceeding in which it is already a party?

2. Does 35 U.S.C. § 315(c) permit joinder of new issues into an existing proceeding?

3. Does the existence of a time bar under 35 U.S.C. § 315(b), or any other relevant facts, have any impact on the first two questions?

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## STATEMENT OF AMICUS CURIAE<sup>1</sup>

The Biotechnology Innovation Organization (BIO) is the world's largest biotechnology trade association, representing over 1,000 biotechnology companies, research institutions, state biotechnology centers, and related organizations. BIO's members devote billions of dollars annually to researching and developing biotechnological healthcare, agricultural, environmental, and industrial products that cure diseases, improve food security, create alternative energy sources, and deliver many other benefits. However, these products typically require lengthy, costly, and resource-intensive development periods. Biological medicines, for instance, save countless lives by treating previously untreatable diseases, but usually require over a decade of research and an investment of over \$2 billion.

In light of these investments, BIO's members depend upon a stable, predictable, and transparent patent system that encourages patent-holders to maintain and enforce strong patents. In particular, BIO's members have a significant interest in ensuring that the America Invents Act's joinder provision, 35 U.S.C. § 315(c), is interpreted

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<sup>1</sup> Amicus states that no counsel for a party authored this brief in any part, and that no person or entity, other than *amicus* and its counsel, made a monetary contribution to fund its preparation and submission.

as Congress intended, and that only proper parties can join an existing *inter partes* review (IPR) proceeding.

## INTRODUCTION

This case raises an important question about whether the Patent and Trademark Office (PTO) has the authority to use a powerful procedural device—joinder—to redefine central aspects of IPR proceedings before the Patent Trial and Appeal Board (PTAB). Section 315(c) of the America Invents Act provides that if the Director of the PTO “institutes an *inter partes* review, the Director, in his or her discretion, may join as a party to that *inter partes* review any person who properly files a petition . . . that the Director . . . determines warrants the institution of an *inter partes* review.” 35 U.S.C. § 315(c) (emphasis added). Prior PTAB decisions conflict as to whether a petitioner may join a second PTAB trial to an instituted first trial, where the petitioner is already a party to the first instituted trial. Such joinder is often referred to as “same-party joinder.” The PTO has requested amicus guidance on whether (1) same-party joinder is permissible; (2) new issues can generally be introduced into an existing trial via joinder; and (3) a time bar under Section 315(b) has any impact on the preceding issues.

With regard to the first question, an interpretation of Section 315(c) that permits same-party joinder cannot be reconciled with the statutory text. The only plausible

meaning of the phrase “join as a party” is that a new party is being added to an existing proceeding. That is how Congress has understood the phrase in other statutes using nearly identical language. The PTAB’s contrary reading would transform joinder into an unintended tactical weapon for petitioners to circumvent Section 315(b)’s one-year time bar, and would unfairly hamper patent-holders’ ability to defend themselves.

Second, while a party may not introduce new issues into its own trial via same-party joinder, the statute does not preclude the limited introduction of additional issues by other parties, subject to important considerations of fairness and procedural efficiency. This is evidenced by Section 315(c)’s requirement that a party seeking joinder file a petition. Section 312 mandates that a petition particularly identify “each claim challenged, the grounds on which the challenge to each claim is based, and the evidence that supports the grounds for the challenge.” If a second petitioner seeking joinder were strictly limited to the issues of the existing proceeding, the requirement to file a petition re-detailing those issues would be superfluous.

The existence of a time bar does not have an impact on the first issue. Regarding same-party joinder, such action is not permitted under Section 315(c) regardless of whether a time bar exists. If the petitioner is not time-barred, a same petitioner can of course file a second petition challenging claims of a patent. And the PTO has

discretion under Section 315(d) to consolidate those two timely matters filed by the petitioner.

Regarding the time-bar's effect on incorporation of new issues, some authorities have questioned whether an otherwise time-barred petitioner is meant to be able to add any issues at all. *See Nidec Motor Corp. v. Zhongshan Broad Ocean Motor Co.*, (Fed. Cir. Aug. 22, 2017) (Dyk, J., Wallach, J., concurring). New issues raised by a petitioner after its time-bar date, under this view, would result in the second petition being deemed untimely and subject to denial either under the PTO's Section 314(a) discretion or a proper reading of Section 315(b)'s final sentence. Because a timely joinder petition by a different party can add limited new issues, the existence of a time bar does not prevent a properly joined new party from adding issues to an instituted trial via a joinder petition.

## **ARGUMENT**

### **I. QUESTION 1: SAME-PARTY JOINDER IS UNLAWFUL**

#### **A. The PTO Has No Authority Under Section 315(c) To Allow Same-Party Joinder**

Some PTAB panels, and the PTO intervening on appeal, have interpreted Section 315(c) to allow the PTAB to join to an existing IPR proceeding *new issues* that the existing petitioner raises in a separate petition via Section 315(c)'s *party*

*joinder* provision. *See, e.g.*, Brief for Intervenor – Director of the USPTO in *Nidec Motor Corp. v. Zhongshan Broad Ocean Motor Co.*, No. 2016-2321. That interpretation exceeds the bounds of the PTO’s authority, and would transform IPR proceedings into an invitation for prejudicial, time-consuming gamesmanship by petitioners.

**1. Only Someone Who Is Not Already A Party Can “Join As A Party”**

“The starting point for statutory interpretation is the language of the statute,” and “[w]here the statutory language provides a clear answer [to the question at issue], it ends there as well.” *Bull v. United States*, 479 F.3d 1365, 1376 (Fed. Cir. 2007) (quotation marks and citations omitted). This case begins and ends with Section 315(c)’s unambiguous text: “the Director, in his or her discretion, may *join as a party* . . . any person who properly files a petition . . . that the Director . . . determines warrants the institution of an *inter partes* review.” (emphasis added.) The phrase “join as a party” describes how someone who is not already a party to the proceeding is added alongside the existing parties. That is the only plausible reading of that phrase, and it necessarily rules out “join[ing]” either the petitioner or the patent owner, since those two entities are already “a party” to all IPR proceedings. *See* 37 C.F.R. § 42.2.

Dictionaries—the source that courts consult to establish “the ordinary or common meaning” of a term, *Taniguchi v. Kan Pacific Saipan, Ltd.*, 132 S. Ct. 1997, 2003 (2012)—confirm this commonsense reading. Black’s Law Dictionary, for instance, distinguishes between “joinder of issue” and “joinder of parties” and defines the latter term to mean “[t]he combination of two or more persons or entities as plaintiffs or defendants in a civil lawsuit.” Black’s Law Dictionary 965 (10th ed. 2014); *accord* Webster’s New Int’l Dictionary 1339 (2d ed. 1945) (defining the verb “join” as “[t]o unite, connect, or associate physically so as to make, act, work, appear, hold together, or the like, as one”).

“A statute should be construed so that effect is given to all its provisions, so that no part will be inoperative or superfluous, void or insignificant...” *Hibbs v. Winn*, 542 U.S. 88, 101 (2004) (quoted in *Corley v. United States*, 556 U.S. 303, 314 (2009)). Interpreting Section 315(c) to allow only new parties to join an existing proceeding preserves a non-superfluous role for Section 315(d), the consolidation provision. Section 315(c) sets forth the only way for a new petitioner to be added as a party to an ongoing IPR proceeding, and makes the joinder of such new parties a narrow exception to Section 315(b)’s one-year time bar. Section 315(d), in turn, governs the PTO’s authority to consolidate an existing IPR proceeding with any other “proceeding or matter involving the patent.” The distinction between these

two sections makes sense. Congress wanted IPR proceedings to proceed efficiently and without repetitive filings intended to harass a patent owner. So Congress chose narrow joinder language in Section 315(c) that allows only new parties with a similar interest in a given patent to participate in an existing IPR proceeding once the one-year filing deadline for IPR petitions has elapsed.

But Congress also wanted to ensure that the PTO had authority to address how an instituted IPR proceeding might be affected by parallel proceedings or other matters already before the PTO, and accordingly granted the Director broader powers in Section 315(d) (“providing for stay, transfer, consolidation, or termination of any such matter”). Thus, to the extent that the AIA allows existing petitioners to bring multiple challenges in different petitions, those petitioners should rely on Section 315(d)’s consolidation provision—not Section 315(c)’s joinder provision. And such a petitioner would only be in a position to have multiple instituted petitions consolidated under Section 315(d) if all were timely under Section 315(b).

Congress could not have intended same-party joinder to provide an awkward mechanism for accomplishing what is a well-understood procedure – claim/issue joinder. The fact that joinder is a concept well understood to be applicable to parties or claims shows that Congress’s decision to allow joinder of parties but not claims in Section 315(c) was deliberate. *See Barnhart v. Peabody Coal Co.*, 537 U.S. 149,

168 (2003). And Congress is clearly familiar with the distinction between joinder of parties and joinder of claims. Both the Federal Rules of Civil Procedure and the Federal Rules of Bankruptcy Procedure distinguish between them and provide for different procedures depending on the type of joinder. *Compare* Fed. R. Civ. P. 19-20 (joinder of parties) with Fed. R. Civ. P. 18 (joinder of claims); *compare* Fed. R. Bankr. P. 7019-7020 (joinder of parties) with Fed. R. Bankr. P. 7018 (joinder of claims and remedies).

Furthermore, Congress has employed the same “join as a party” language (or the functionally identical “joined as a party”) in other statutes to signify adding a new and different party, confirming that Congress intended Section 315(c) to carry the same meaning. For example, when the Securities and Exchange Commission brings an enforcement action against registered investment companies for buying securities on margin or engaging in short-selling, the Commission “may join as a party the issuer” of certain securities. 15 U.S.C. § 80a-12(a), (d)(1)(I). Likewise, “[a] person interested in or affected by a matter under consideration in a proceeding before the Secretary of Transportation . . . may be joined as a party . . . in the proceeding.” 49 U.S.C. § 46109. So too has Congress allowed “[a] person interested in or affected by” an aviation proceeding to “be joined as a party.” 49 U.S.C. § 1152.

Were there any doubts remaining as to Section 315(c)'s meaning, the legislative history removes them. The Committee Report on the AIA stated that under Section 315(c), the "Director may allow other petitioners to join the *inter partes* or post-grant review." H. R. Rep. No. 112-98, pt.1, at 76 (2011), reprinted in 2011 U.S.C.C.A.N. 67, 100. Nothing in the AIA's legislative history suggests that a petitioner may engraft new arguments onto its own pending IPR proceeding by filing a second petition and invoking Section 315(c).

## **2. Interpreting Section 315(c) To Permit Same-Party Joinder Encourages Destabilizing Gamesmanship**

The PTO should reject any reading that would give petitioners an unfair and unintended tactical advantage. Same-party joinder could permit, for example, instances where petitioners could assert only one ground of invalidity in their initial petition. Then, after receiving the patent-holder's responses and statements, and using the PTAB's institution decision as a how-to guide, the petitioner could join a second petition asserting new grounds that sidestep or exploit weaknesses in the patent-holder's position.

Petitioners already have more than enough opportunity to cover the full scope of their invalidity theories by submitting multiple petitions raising many grounds for invalidity within Section 315(b)'s one-year time limit. But a same-party joinder interpretation would also allow petitioners to smuggle otherwise time-barred

grounds into existing IPR proceedings. Section 315(b) states that its one-year time bar “shall not apply to a request for joinder under [Section 315(c)].” A same-party joinder interpretation paves the way for petitioners to file an initial petition raising some grounds, concealing other possible grounds for a later second petition. That interpretation would allow petitioners to circumvent Section 315(b)’s one-year time limit such that most of the grounds that the PTAB ultimately addressed in IPR might be raised after that time limit elapsed. Congress cannot have intended Section 315(c) to unfairly stack the deck against patent-holders in this way.

## **II. QUESTION 2: THE STATUTE DOES NOT PRECLUDE THE INTRODUCTION OF LIMITED NEW ISSUES BY JOINDER OF PETITIONERS WHO ARE NOT ALREADY PARTIES**

Section 315(c) permits new parties to be joined to an IPR. *See* Section I. Section 315(c) directs a new party wishing to join an existing proceeding to “file[] *a petition* under section 311.” (emphasis added.) Section 311 authorizes persons other than the patent owner to file petitions, and Section 312 dictates the requirements that must be met for the Board to consider a petition. Those Section 312 requirements include a disclosure of all real parties in interest; a particularized identification of each challenged claim and the grounds on which each challenge is based with supporting evidence; the payment of a fee; and other requirements without which the Director

could not determine whether the petition “warrants the institution of an inter partes review.” 35 U.S.C. § 315(c).

The requirement that a second petitioner, seeking to join an instituted first trial, must submit a new, complete petition serves several important purposes. The disclosure of the identity of the petitioner and all its privies and real parties in interest, for example, is important to determine the applicability of the litigation bar under 315(a)(1), estoppel under 315(e), or the time bar under 315(b). On the other hand, the requirement that the challenged claims, the asserted grounds, and evidence supporting those grounds all be set forth with detailed specificity suggests that a second petitioner was not necessarily meant to be limited to precisely the issues presented in the first petition that the second petitioner seeks to join. Congress’s acknowledgment that such a second petition may require a separate preliminary response by the patent owner and a separate institution decision likewise suggest that the second petition could raise issues that were not already addressed in the earlier-instituted petition. It is unlikely that Congress would have imposed the requirement of filing a full petition on joining petitioners if no variance in petitions was permitted. Thus some variety in petition substance, and therefore issues, was likely contemplated by Congress as evidenced by the interplay of Sections 315(c) and 312(a)(3).

Practically, this of course does not provide second petitioners with an unfettered ability to append issues onto an instituted trial via joinder because the PTO has broad discretion under Section 314(a) regarding institution of trials. *See General Plastic Industrial Co., Ltd. v. Canon Kabushiki Kaisha*, IPR2016-01357, Paper 19 at 15 (PTAB, Sept. 6, 2017)(precedential). Section 315(c) permits joinder of a petition, and any additional issues that it includes, only when the Director “determines [that the petition] warrants the institution of an *inter partes* review.” So when the PTO determines that additional issues presented in a joinder petition make that joinder petition unworthy for institution, the PTO may exercise its discretion under Sections 314(a), 315(c) to deny the joinder petition and thwart the attempt to add issues, be they too many in number or too complicated in type, to the existing trial.<sup>2</sup>

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<sup>2</sup> The criticality of this discretion to deny inefficient petitions seeking joinder is exemplified by the effect of the Supreme Court’s decision in *SAS Institute Inc. v. Iancu*, 584 U.S. \_\_\_\_ (2018). Because the PTAB is no longer able to prune issues from a trial via partial institution, the PTAB must now institute the second petition that seeks joinder in full or not at all. Joinder of second petitions that attempt to

The PTO has consistently looked at efficiency factors in determining whether joinder is warranted in a case, considering (1) new grounds of unpatentability asserted in the joinder petition; (2) the impact that joinder would have on the trial schedule for the existing trial; and (3) options for simplifying briefing and discovery in the case of a joined matter. *Dell Inc. v. Network-1 Security Solutions, Inc.*, IPR2013-00385, Paper 17 at 3-4 (PTAB, July 29, 2013). These considerations of Sections 314(a), 315(c) limit the type and number of issues that can be added to a trial via joinder to a reasonable level.

### **III. QUESTION 3: THE EXISTENCE OF A TIME BAR IS NOT DIRECTLY RELEVANT TO QUESTIONS 1 AND 2 ABOVE**

As detailed above in Section I, same-party joinder is not permissible in any case. So the presence of a time bar under Section 315(b) has no impact on that inquiry. Of course, a single petitioner is free to file multiple petitions within the allowable time period of Section 315(b), and the PTO may institute trial on more than one of those petitions. The PTAB has discretion under Section 315(d) to consolidate matters involving a patent during a PTAB trial thereon, such as to promote “the efficient \_\_\_\_\_ inefficiently add issues to an instituted trial would run contrary to “the efficient administration of the Office, and the ability of the Office to timely complete proceedings” emphasized by Section 316(b).

administration of the Office, and the ability of the Office to timely complete proceedings.” 35 U.S.C. § 316(b). So while same-party joinder is prohibited, multiple petitions challenging a patent, timely filed by a single party, may be consolidated at the PTAB’s discretion.

Regarding the time-bar’s effect on incorporation of new issues, it is likely improper for an otherwise time-barred petitioner to add any issues at all. In *Nidec Motor Corp. v. Zhongshan Broad Ocean Motor Co.*, (Fed. Cir. Aug. 22, 2017), Judges Dyk and Wallach stated in concurrence:

The issue in this case is whether the time bar provision allows a time-barred petitioner to add new issues, rather than simply belatedly joining a proceeding as a new party, to an otherwise timely proceeding. Section 315(c) does not explicitly allow this practice. We think it unlikely that Congress intended that petitioners could employ the joinder provision to circumvent the time bar by adding time-barred issues to an otherwise timely proceeding, whether the petitioner seeking to add new issues is the same party that brought the timely proceeding, as in this case, or the petitioner is a new party.

Under this reading of Sections 315(b), (c), no time-barred petitioner would be permitted to introduce new issues to an instituted trial. Such petitions would be deemed untimely (*e.g.*, under the PTO’s Section 314(a) discretion or a proper reading of Section 315(b)’s final sentence) and denied. Accordingly, BIO submits

that such a time-barred petitioner would not be able to join another instituted IPR because it would not have “properly file[d] a petition under section 311” as required by Section 315(c). But as detailed above in Section II, a *timely* joinder petition by a different party can add new issues to an existing trial in a limited manner. Thus, the existence of a Section 315(b) time bar is not directly relevant to Question 2.

### CONCLUSION

BIO’s members have a significant interest in ensuring that the AIA’s IPR joinder provision, 35 U.S.C. § 315(c), is interpreted as Congress intended, and that only proper parties can join an existing IPR proceeding. The statutory scheme of the AIA makes same-party joinder impermissible in all instances. While a party may not introduce new issues into its own trial via same-party joinder, other petitioners may do so in limited circumstances.

DECEMBER 28, 2018

RESPECTFULLY SUBMITTED,

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