

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

TARGET CORPORATION,
Petitioner,

v.

DESTINATION MATERNITY CORPORATION,
Patent Owner.

Case IPR2014-00508
Patent RE43,563 E

Before LORA M. GREEN, THOMAS L. GIANNETTI,
JENNIFER S. BISK, MICHAEL J. FITZPATRICK, and
MITCHELL G. WEATHERLY, *Administrative Patent Judges*.

Opinion for the Board filed by *Administrative Patent Judge* FITZPATRICK.

Opinion Dissenting filed by *Administrative Patent Judge* GREEN, in which
GIANNETTI, *Administrative Patent Judge*, joins.

FITZPATRICK, *Administrative Patent Judge*.

DECISION
Denying Motion for Joinder
35 U.S.C. 315(c)

Petitioner Target Corporation filed a corrected Petition (“Petition”) for an *inter partes* review of claims 1–4, 6–8, 10–14, 16, 20, and 21¹ of U.S. Patent No. RE43,563 E (the “’563 patent”). Paper 9. Petitioner previously filed two other petitions for *inter partes* reviews of different, yet overlapping, subsets of claims of the ’563 patent. We instituted trial in both of those proceedings: IPR2013-00530 and IPR2013-00531 (“the pending trials”). Collectively, we instituted trial on all but one of the claims of the ’563 patent that Petitioner had challenged in the pending trials. *See* Paper 13 in IPR2013-00530 (instituting trial on all of challenged claims 1–4 and 6–8); Paper 10 in IPR2013-00531 (instituting trial on challenged claims 1, 10–14, 16, and 20 but not on challenged claim 21).

Concurrently with the filing of its instant Petition, Petitioner filed a motion for joinder pursuant to 35 U.S.C. § 315(c). Paper 3, 1. Specifically, Petitioner Target Corp. seeks to have the instant “Petition . . . joined with the instituted *inter partes* review, *Target Corp. v. Destination Maternity Corp.*, IPR2013-00531.” *Id.* Petitioner’s motion for joinder is *denied*.

As our reviewing court has noted in *Ethicon, Inc. v. Quigg*, 849 F.2d 1422, 1425 (Fed. Cir. 1988), “[a]s always, the ‘starting point in every case involving construction of a statute is the language itself.’” *United States v. Hohri*, 482 U.S. 64, 69 (1987) (quoting *Kelly v. Robinson*, 479 U.S. 36, 43 (1986)). Additionally, “[i]n expounding a statute, we must not be guided by a single sentence or member of a sentence, but look to the provisions of the whole law, and to its object and policy.” *Kelly v. Robinson*, 479 U.S. 36, 43

¹ Petitioner subsequently filed a motion to limit the claims being challenged by its Petition to only claims 1, 20, and 21. Paper 7.

(1986) (quoting *Offshore Logistics, Inc. v. Tallentire*, 477 U.S. 207, 222 (1986)). The statute under which Petitioner seeks relief provides:

(c) JOINDER.—If the Director 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* under section 311 that the Director, after receiving a preliminary response under section 313 or the expiration of the time for filing such a response, determines warrants the institution of an inter partes review under section 314.

35 U.S.C. § 315(c) (emphasis added). The statute does not refer to the joining of a petition. Rather, it refers to the joining of a petitioner (i.e., “any person who properly files a petition . . .”). *Id.* Further, it refers to the joining of that petitioner “as a party to [the instituted] inter partes review.” *Id.* Because Target is already a party to the proceeding in IPR2013-00531, Target cannot be *joined* to IPR2013-00531.

In other decisions, the Board has granted joinder of an additional petition or proceeding (as opposed to an additional person) to an instituted *inter partes* review. See *Ariosa Diagnostics v. Isis Innovation Ltd.*, Case IPR2012-00022 (PTAB Sept. 2, 2014) (Paper 66) (“*Ariosa*”); *Samsung Elecs. Co. v. Virginia Innovation Scis., Inc.*, Case IPR2014-00557 (PTAB June 13, 2014) (Paper 10) (“*Samsung*”); *Microsoft Corp. v. Proxyconn, Inc.*, Case IPR2013-00109 (PTAB Feb. 25, 2013) (Paper 15); *ABB Inc. v. Roy-G-Biv Corp.*, Case IPR2013-00286 (PTAB Aug. 9, 2013) (Paper 14); *Sony Corp. v. Yissum Research Dev. Co. of the Hebrew Univ. of Jerusalem*, Case IPR2013-00327 (PTAB Sept. 24, 2013) (Paper 15).

In *Ariosa*, in particular, the Board set forth an alternative interpretation of 35 U.S.C. § 315(c) as authorizing joinder of issues

presented in another petition by the same petitioner. *Ariosa* at 18–21. The decision stated:

While the plain language of the statute mentions joinder of “a party” and does not specifically articulate the joinder of issues, it states that “any person who properly files a petition under section 311” may be joined at the Director’s discretion. Thus, there does not appear to be any language in the statute directly prohibiting the joinder of issues by the same party.

Id. at 19.

We agree with *Ariosa*’s characterization of the express content of § 315(c), but we reach a different conclusion. In our view, the absence from the statute of an express prohibition against joining another petition to an instituted *inter partes* review does not inform whether the authority to do so has been granted. “[A]n agency’s power is no greater than that delegated to it by Congress.” *Lyng v. Payne*, 476 U.S. 926, 937(1986); *Killip v. Office of Pers. Mgmt.*, 991 F.2d 1564, 1569 (Fed. Cir. 1993) (“An agency is but a creature of statute. Any and all authority pursuant to which an agency may act ultimately must be grounded in an express grant from Congress.”). Indeed, if the absence of a prohibition constituted a grant of authority, § 315(c)’s express grant of authority for joining a party would be superfluous. We view the statute as authorizing only what it states, i.e., that the Director “may join as a party to that inter partes review.” 35 U.S.C. § 315(c).

Ariosa noted that § 315(c) is available to “any person who properly files a petition under section 311,” and, thus, interpreted the statute to apply to an existing party. *Ariosa* at 19 (quoting 35 U.S.C. § 315(c)) (our emphasis). However, the relief described in § 315(c) is something an

existing party already has, namely, party status in the instituted *inter partes* review. A person cannot be joined to a proceeding in which it already is a party.²

Even if § 315(c) contemplated the *re*-joining, so to speak, of an existing party by virtue of the “any person” language, neither *Ariosa* nor the dissent identifies any language in the statute that supports the further interpretation that § 315(c) allows for the same party’s second petition also to be joined to the instituted *inter partes* review. *See Ariosa* at 19; 35 U.S.C. § 315(c).

The dissent questions, however, why then does § 315(c) require the “any person,” seeking to join an existing *inter partes* review, to properly file its own petition under § 311. The question presupposes that the filing of a petition by a party seeking to join an existing trial would be redundant unless it provided an opportunity to raise new substantive issues. However, the filing of a petition by a prospective party serves many purposes other than setting forth the challenges to claims in a patent. Section 312(a) states:

(a) *Requirements of a petition.*—A petition filed under section 311 may be considered only if—

- (1) the petition is accompanied by payment of the fee established by the Director under section 311;

² Additionally, solely focusing upon “any person” does not give full effect to the other words in the statute that limit who “any person” may be. Other language in § 315(c) excludes from “any person” at least two persons from among those who may be joined to a proceeding. More specifically, the phrase “who properly files a petition under section 311” excludes the patent owner, and “as a party,” excludes persons who are already a party.

- (2) the petition identifies all real parties in interest;
- (3) the petition identifies, in writing and with particularity, each claim challenged, the grounds on which the challenge to each claim is based, and the evidence that supports the grounds for the challenge to each claim, . . . ;
- (4) the petition provides such other information as the Director may require by regulation;”

35 U.S.C. § 312(a). Pursuant to 35 U.S.C. § 312(a)(4), the Director has required that a petitioner must identify real parties in interest, related matters, lead and backup counsel, and service information. *See* 37 C.F.R. § 42.104 (requiring the notices set forth in 37 C.F.R. § 42.8 to be set forth in a petition).

Each statutory and regulatory requirement imposed upon a prospective party, i.e., a petitioner, remains meaningful. The second petitioner’s payment of a fee is equitable given that the original petitioner paid a fee to create the proceeding and also provides the Office with funds to cover the costs of the more complex proceeding. The second petitioner must identify all real parties in interest so that the Board may evaluate whether the second petitioner is barred under § 315(a) and so that the estoppel provisions of § 315(e) have the intended effect against the appropriate persons. Similarly, the second petitioner must identify the basis of each challenge so that the scope of estoppel resulting from participation in an *inter partes* review is clear. The second petitioner must identify related matters to aid the Board in determining the potential presence of a § 315 bar. The second petitioner must identify lead and backup counsel so that the Board can determine whether those counsel are qualified to represent the petitioner and

to render those counsel subject to the ethical requirements of practice that apply in *inter partes* reviews. The second petitioner must identify service information so that the Board and the other parties to the proceeding know how to communicate with the second petitioner's counsel and effect service of papers as required under the Rules.

In our view, § 315(c) is not ambiguous as to whether it permits for joinder of petitions or issues. It unambiguously does not. It states that a person “may join as a party” and nowhere refers to the joining of a petition or issues. 35 U.S.C. § 315(c). Even if the statute were ambiguous such that the legislative history should be consulted, the legislative history does not support the interpretation set forth in *Ariosa* and the dissent.

The Final Committee Report stated, under §§ 315(c) and 325(c), “[t]he Director may allow *other* petitioners to join an inter partes or post-grant review.” H.R. Rep. No. 112-98, pt.1, at 76 (2011) (emphasis added). The dissent acknowledges this statement but fails to address it. Instead, it proceeds to rely on comments from a single legislator and concludes that “joinder of issues was envisioned by Congress.” But, the Supreme Court informs us that committee reports are substantially more authoritative than comments from any one Member.

In surveying legislative history we have repeatedly stated that the authoritative source for finding the Legislature's intent lies in the Committee Reports on the bill, which “represent[t] the considered and collective understanding of those Congressmen involved in drafting and studying proposed legislation.” *Zuber v. Allen*, 396 U.S. 168, 186 (1969). We have eschewed reliance on the passing comments of one Member, *Weinberger v. Rossi*, 456 U.S. 25, 35 (1982), and casual statements from the floor debates. *United States v. O'Brien*, 391 U.S. 367, 385; *Consumer Product Safety Comm'n v. GTE Sylvania, Inc.*, 447

U.S. 102, 108 (1980). In *O'Brien, supra*, 391 U.S., at 385, we stated that Committee Reports are “more authoritative” than comments from the floor, and we expressed a similar preference in *Zuber, supra*, 396 U.S., at 187.^{FN3}

FN3. As Justice Jackson stated:

“Resort to legislative history is only justified where the face of the Act is inescapably ambiguous, and then I think we should not go beyond Committee reports, which presumably are well considered and carefully prepared.... [T]o select casual statements from floor debates, not always distinguished for candor or accuracy, as a basis for making up our minds what law Congress intended to enact is to substitute ourselves for the Congress in one of its important functions.” *Schwegmann Bros. v. Calvert Distillers Corp.*, 341 U.S. 384, 395-396 (1951) (concurring).

Garcia v. United States, 469 U.S. 70, 76 (1984) (parallel citations omitted).

Instead of relying upon the clear intent set forth in the Final Committee Report as suggested by the Court, the dissent relies upon the following comments from Senator Kyl:

The Office anticipates that joinder will be allowed as of right—if an inter partes review is instituted on the basis of a petition, for example, a party that files an identical petition will be joined to that proceeding, and thus allowed to file its own briefs and make its own arguments. *If a party seeking joinder also presents additional challenges to validity that satisfy the threshold for instituting a proceeding, the Office will either join that party and its new arguments to the existing proceeding, or institute a second proceeding for the patent.*

157 Cong. Rec. S 1376 (daily ed. Mar. 8, 2011) (statement of Sen. Kyl) (emphasis added). Senator Kyl’s first sentence refers to “a party that files an identical petition,” which must refer to a person who is not already a party.

Nevertheless, Senator Kyl also refers to a party who “presents additional challenges to validity.” It is not clear, from Senator Kyl’s statements, whether every word related to his view of the operation of § 315(c) or § 325(c). His comments regarding “additional challenges” may relate solely to a second petitioner seeking consolidation of post-grant reviews under § 325(c), which expressly contemplates consolidation of issues presented in multiple petitions. *See* 35 U.S.C. § 325(c) (“If more than 1 petition for a post-grant review under this chapter is properly filed against the same patent and the Director determines that more than 1 of these petitions warrants the institution of a post-grant review under section 324, the Director may *consolidate* such reviews into a single post-grant review.”) (emphasis added). At best, Senator Kyl’s remarks are ambiguous regarding his view of joinder. Regardless, under Supreme Court precedent, they are far less authoritative than the Final Committee Report, which expressly refers to “other petitioners” in reference to joining an *inter partes* review.

Our interpretation of § 315(c) also is supported by the language of subsection (b) of the same statute. The first sentence of § 315(b) bars institution of an *inter partes* review if “the petition . . . is filed more than 1 year after the date on which the petitioner, . . . is served with a complaint alleging infringement of the patent.” 35 U.S.C. § 315(b). The second sentence clarifies that no such time limitation applies “to a request for joinder under subsection (c).” 35 U.S.C. § 315(b). In some Board decisions in which § 315(c) has been interpreted to provide for joinder of an additional petition, the applicability of the time bar of § 315(b) has been interpreted to be dependent on whether joinder is granted and not merely requested. *See, e.g., Samsung* at 15 (“Petitioner was served with a complaint asserting

infringement of the '398 Patent more than one year before filing this Petition. Thus, absent joinder of this proceeding with IPR2013-00571, the Petition would be barred.”) (footnote omitted). But, the statute plainly states that the time bar does not apply “to a request for joinder.” 35 U.S.C. § 315(b). Accordingly, the one-year time bar under § 315(b) does not prevent the Board from considering a person’s request to join an instituted *inter partes* review “as a party.”

Under our interpretation, once a petitioner is time barred under § 315(b), it is always time barred. A time-barred petitioner cannot successfully petition for an *inter partes* review, regardless of whether it requests joinder under subsection (c). Instead, such a time-barred petitioner may only join an existing proceeding and the challenges presented in that proceeding. Our interpretation reduces Patent Owner harassment by preserving the time limitation Congress enacted in § 315(b).

If an *inter partes* review of a particular patent is underway at the Board, a time-barred petitioner (as well as a non-time-barred petitioner) may request to join it as a party. The Board, in its discretion, may grant or deny the request, but it may not deny the request as statutorily time-barred under § 315(b). If the request is granted, the requester becomes a party in the previously-instituted *inter partes* review, which review is limited to the grounds authorized in the decision to institute.³ Our interpretation of §§ 315(b) and (c) reduces the burden on Office resources by restricting the

³ Note, however, that the instituted *inter partes* review potentially could be consolidated, under § 315(d), with another matter involving the same patent, which consolidation could result in expanded grounds or claims.

scope of joinder in *inter partes* reviews to requests filed by non-party petitioners who merely seek to join existing proceedings as a party.

The dissent asserts that we should not have denied joinder solely on statutory construction grounds, but does not cite any authority for its assertion. The dissent criticizes our not addressing the arguments presented by the parties. We did not address those arguments, however, because they relate to relief that Congress has not provided us with authority to grant. *Lyng*, 476 U.S. at 937; *Killip*, 991 F.2d at 1569. Without such authority, commenting on the merits of those arguments would constitute an advisory opinion.

In our view, the plain language of § 315(c) permits joinder of only a party to an instituted *inter partes* review. That interpretation is harmonious with the plain language of § 315(b), which bars institution of an *inter partes* review based on a petition filed more than 1 year after the date on which the petitioner is served with a complaint alleging infringement of the patent, but which does not bar that petitioner's request to join, as a party, an already-instituted *inter partes* review of the same patent.

Accordingly, it is

ORDERED that Petitioner's motion for joinder is *denied*.

GREEN, *Administrative Patent Judge, dissenting*, in which GIANNETTI, *Administrative Patent Judge*, joins.

I. BACKGROUND

Petitioner, Target Corporation (“Target”), filed a Petition for *inter partes* review on March, 14, 2014 (Paper 1), and concurrently filed a Motion for Joinder, requesting joinder of this proceeding with IPR2013-00531, involving the same parties and patent as this proceeding. Paper 3. To facilitate joinder and to reduce the burden on Patent Owner, Petitioner requested authorization to file a motion to limit the petition to simplify the issues presented. With the Board’s authorization, Patent Owner filed such a motion, limiting the claims challenged to three: claims 1, 20 and 21.⁴ Paper 7. Claim 20 is involved in IPR2013-00531, but the panel in that proceeding declined to institute trial as to claim 21. *Id.* at 1. In addition, Petitioner moved to limit the new grounds of challenge to five. *Id.* at 1-2. All but one of the new grounds is based upon a Japanese patent publication (Asada), which Petitioner contends was known to Patent Owner and requested in federal court discovery, but which was withheld from Petitioner until after the petition in IPR2013-00531 was filed. Paper 3, 2-3.

Petitioner’s Motion for Joinder was filed timely, within one month after institution of the trial in IPR2013-00531, in accordance with 37 C.F.R. § 42.122(b). While Patent Owner opposes the Motion on several grounds,

⁴ Petitioner’s motion specifically challenges claims 20 and 21, but notes that both of those claims are dependent from claim 1, and thus if the challenges apply to claims 20 and 21, they must necessarily also apply to claim 1. Paper 7, 2.

Patent Owner does not question that the “Board has discretion to join an *inter partes* review with another *inter partes* review.” Paper 17, 3 and 5.

II. ANALYSIS

The majority opinion chooses not to address the issues as presented by the parties. Instead, the majority bases its decision to deny the motion entirely on a construction of 35 U.S.C. § 315(c), concluding that the statute enabling joinder does not apply here because it allows only joinder of parties, not joinder of issues. According to the majority, the language in § 315(c) addresses only joinder of a “party” to a proceeding, and does not permit joinder in the situation present in this case, where Petitioner seeks the “joinder” of additional grounds by the same party. The majority opinion acknowledges, however, the Board has consistently allowed joinder of additional grounds by the same party *See, e.g., Ariosa Diagnostics v. Isis Innovation Ltd.*, Case IPR2012-00022 (PTAB Sept. 2, 2014) (Paper 66)(“*Ariosa*”); *Samsung Elecs. Co. v. Virginia Innovation Scis., Inc.*, Case IPR2014-00557, (PTAB June 13, 2014) (Paper 10); *Microsoft Corp. v. Proxyconn, Inc.*, Case IPR2013-00109 (PTAB Feb. 25, 2013) (Paper 15); *ABB Inc. v. Roy-G-Biv Corp.*, Case IPR2013-00282 (PTAB Aug. 9, 2013) (Paper 15).

As the majority opinion observes, the Board in *Ariosa* concluded that the language in § 315(c) that allows joinder of “*any person* who properly joins a petition under section 311” should be construed as not prohibiting the joinder of *inter partes* review proceedings involving the same party. Here, however, the majority opinion concludes that “the relief described in § 315(c) is something an existing party already has, namely, party status in

the instituted *inter partes* review.” The majority opinion states further in a footnote that

solely focusing upon “any person” does not give full effect to the other words in the statute that limit who “any person” may be. Other language in § 315(c) excludes from “any person” at least two persons from among those who may be joined to a proceeding. More specifically, the phrase “who properly files a petition under section 311” excludes the patent owner, and “as a party,” excludes persons who are already a party.

We note initially that as this issue of statutory construction was not addressed, and thus not briefed, by the parties, the majority should not have denied joinder solely on statutory construction grounds. Apart from and independent of this failure to address the issues presented by the parties, however, we disagree with the majority’s construction of § 315(c), for the reasons discussed below.

Statutory interpretation begins with the language of the statute itself. *Ransom v. FIA Card Services*, 562 U.S. 61, 131 S. Ct. 716, 723-24 (2011). In addition, terms that are not expressly defined by a statutory scheme are given their ordinary meaning. *Id.* “[O]ur task is to ‘give effect, if possible, to every clause and word of [the] statute, avoiding, if it may be, any construction which implies that the legislature was ignorant of the meaning of the language it employed.’” *Mitchell v. MSPB*, 741 F.3d 81, 84 (Fed. Cir. 2014) (quoting *Inhabitants of Montclair Twp. v. Ramsdell*, 107 U.S. 147, 152 (1883)).

The statute governing joinder of *inter partes* review proceedings, 35 U.S.C. § 315(c), provides (emphasis added):

(c) JOINDER.—If the Director 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 under section 311 that the Director, after receiving a preliminary response under section 313 or the expiration of the time for filing such a response, determines warrants the institution of an inter partes review under section 314.

We recognize that although the plain language of the statute mentions joinder of “a party” and does not mention specifically the joinder of issues, the statute states that “any person who properly *files a petition* under section 311” may be joined at the Director’s discretion. Filing a petition is, therefore, a predicate to joinder.

Contrary to the majority’s construction, however, there is no language in the statute directly prohibiting the joinder of issues by the same party. Only by rewriting the statute to eliminate “any,” and ignoring the petition filing requirement, is ambiguity avoided by the majority opinion. The word “any” may be defined as “one or more without specification or identification.”⁵ If the legislature meant to exclude joining of the same petitioner to an instituted *inter partes* review, it is unclear why the word “any” was used in the statute, such that “any person” who properly files a petition may be joined. Congress could have specified “any non-party” instead of “any person.” The majority opinion, in essence, reads the word “any” out of the statute.

Central to the majority’s opinion is their conclusion that the language of the statute is unambiguous.⁶ We, however, disagree. We acknowledge

⁵ any. Dictionary.com. *Dictionary.com Unabridged*. Random House, Inc. <http://dictionary.reference.com/browse/any> (accessed: September 22, 2014).

⁶ In fact, by specifically analyzing the legislative history, the majority appears to recognize that there may be ambiguity in the statute.

that, as written, there is some ambiguity in the statute. As the majority opinion points out, why would a petitioner who is already party to the previously instituted *inter partes* review ask to be joined as a party to that proceeding? The answer, exemplified by the facts of this particular case, is apparent. It gives the Board discretion to permit a Petitioner to address, in the same proceeding and under the same schedule, issues that come to light after a first petition is filed.

Once ambiguity in the statutory language is recognized, the legislative history and other factors become relevant. We, therefore, look at the remainder of the statutory language, the legislative history, as well as the statutory purpose to aid us in resolving that ambiguity

The statute specifies that a person seeking joinder need “properly file[] a petition under section 311.” According to the majority opinion, “the plain language of § 315(c) permits joinder of only a party to an instituted *inter partes* review,” and thus, under the majority’s construction, joinder of issues would not be permitted. The majority opinion accounts for the statutory requirement for a petition to be filed with a request for joinder as serving the purpose of identifying the real parties in interest, related matters, lead and backup counsel, and service information. A careful reading of § 315(c), as well as the statutory sections relating to the content of the petition, however, demonstrates that the majority opinion is, in our view, selectively reading out portions of the statute.

Section 315(c) specifies that joinder may only be granted after a person “properly files a petition under section 311,” such that the Director “after receiving a preliminary response under section 313 or the expiration of the time for filing such a response, determines [that the petition] warrants

the institution of an inter partes review under section 314.” Section 314 does not discuss the real parties in interest, related matters, lead and backup counsel, and service information, but instead states in subsection (a):

THRESHOLD. -- The Director may not authorize an inter partes review to be instituted unless the Director determines that the information presented in the petition filed under section 311 and any response filed under section 313 shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.

Section 315(c), by specifically referencing § 314, clearly contemplates that the merits of the petition be considered in determining whether joinder is granted, and thus, as a consequence, necessarily contemplates joinder of issues as well as joinder of parties.

Moreover, review of §§ 311 and 312 of the statute further supports our construction. Section 311(b) states that “[a] petitioner . . . may request as unpatentable 1 or more claims of a patent only on a ground that could be raised under section 102 or 103.” Section 312, which sets forth the requirements of the petition, specifies that the petition need identify “with particularity, each claim challenged, the grounds on which the challenge to each claim is based, and the evidence that supports the grounds for the challenge to each claim.” Thus, as we can see from those section of the statute, the primary purpose of the petition is to frame the issues for *inter partes* review. By requiring the filing of a proper petition, Congress has made it clear that § 315(c) contemplates the joinder of issues, as well as parties.

We conclude further that an analysis of the legislative history of this section supports our view that joinder of issues, and not just the joinder of parties, was intended. As the Final Committee Report noted, under

§§ 315(c) and 325(c), “[t]he Director may allow other petitioners to join an inter partes or post-grant review.” *See* H.R. Rep. No. 112-98, pt.1, at 76 (2011). While that statement may be expressly directed to “other petitioners,” it does not preclude joinder by the same party. During the Senate’s March 2011 debates on the America Invents Act⁷ (“AIA”), Senator Kyl explained that the USPTO expected to allow liberal joinder of reviews:

The Office anticipates that joinder will be allowed as of right—if an inter partes review is instituted on the basis of a petition, for example, a party that files an identical petition will be joined to that proceeding, and thus allowed to file its own briefs and make its own arguments. If a party seeking joinder also presents additional challenges to validity that satisfy the threshold for instituting a proceeding, the Office will either join that party and its *new arguments* to the existing proceeding, or institute a second proceeding for the patent.

157 Cong. Rec. S 1376 (daily ed. Mar. 8, 2011) (statement of Sen. Kyl) (emphasis added). By referring to “new arguments,” Senator Kyl’s remarks contemplate the joinder of issues, as well as the joinder of parties.

In addition to noting that §§ 315(c) and 325(c) give the USPTO discretion over whether to allow joinder, Senator Kyl observed that “[t]his safety valve will allow the Office to avoid being overwhelmed if there happens to be a deluge of joinder petitions in a particular case.” *Id.* The Board will determine whether to grant joinder on a case-by-case basis, taking into account the particular facts of each case, substantive and procedural issues, and other considerations. *See* 157 Cong. Rec. S1376

⁷ Leahy-Smith America Invents Act, Pub. L. No. 112-29, 125 Stat. 284 (2011).

(daily ed. Mar. 8, 2011) (statement of Sen. Kyl) (when determining whether and when to allow joinder, the Office may consider factors including “the breadth or unusualness of the claim scope” and claim construction issues). These remarks highlight the discretion given to the USPTO by Congress in joinder matters. We, thus, conclude that there is nothing in the language of the statute governing joinder, 35 U.S.C. § 315(c), nor does there appear to be anything in the legislative history, which limits joinder to the joinder of parties only. In fact, joinder of issues was envisioned by Congress.

The majority opinion dismisses Senator Kyl’s remarks, relying on *Garcia v. United States*, 469 U.S. 70, 76 (1984), for the proposition that “committee reports are substantially more authoritative than comments from any one Member.” The remarks we cite, however, are not inconsistent with the Committee Report, because as previously noted, the Committee report is silent on whether joinder of issues, as well as joinder of issues by a same party, is authorized under § 315(c). Additionally, the Office Patent Trial Practice Guide, comments accompanying the rules governing trial practice, as well as numerous Board decisions, have relied on remarks made by Senator Kyl, one of the major sponsors of the AIA, when analyzing the legislative history of the Act. *See, e.g., Office Patent Trial Practice Guide*, 77 Fed. Reg. 48,756, 48,759 (Aug. 14, 2012) (citing the remarks of Senator Kyl in discussing the meaning of the term “privy”); *Rules of Practice for Trials Before the Patent Trial and Appeal Board and Judicial Review of Patent Trial and Appeal Board Decisions; Final Rule*, 77 Fed. Reg. 48,612, 48636-37 and 48638 (Aug. 14, 2012) (citing the remarks of Senator Kyl that it was expected that the Office would be conservative in its grants of discovery, as well as in the context the estoppel); *Salesforce.com Inc. v.*

VirtualAgility, Inc., Case CBM2013-00024, slip. op. at 10 (PTAB Sept. 16, 2014) (Paper 47, Final Written Decision) (citing the remarks of Senator Kyl in determining whether a patent was properly subject to business method review); *Universal Remote Control, Inc. v. Universal Electcs., Inc.*, Case IPR2013-00127, slip. op. at 8 n. 6 (PTAB June 30, 2014) (Paper 32, Final Written Decision) (citing the remarks of Senator Kyl for the proposition that section 316(a)(4) of the AIA gives the Office discretion to prescribe regulations governing trial proceedings); *SAP America v. Versata Dev. Group, Inc.*, Case CBM2012-00001, slip. op. at 13-14, n. 9 (PTAB June 11, 2013) (Paper 70, Final Written Decision) (citing the remarks of Senator Kyl for the proposition that section 316(a)(4) of the AIA gives the Office discretion to prescribe regulations governing trial proceedings).

Consideration of the purpose of the AIA also supports our construction. *See, e.g., Ransom*, 131 S. Ct. at 725 (considering statutory purpose in determining the construction of a term in the Bankruptcy Abuse Prevention and Consumer Protection Act). It is significant that a primary purpose of the AIA was to “limit unnecessary and counterproductive litigation costs.” 157 Cong. Rec. S1349 (daily ed. Mar. 8, 2011) (statement of Sen. Leahy). We look also to our rule governing joinder in *inter partes* review, 37 C.F.R. § 42.122, which states:

Request for joinder. Joinder may be requested by a patent owner or petitioner. Any request for joinder must be filed, as a motion under § 42.22, no later than one month after the institution date of any *inter partes* review for which joinder is requested. The time period set forth in § 42.101(b) shall not apply when the petition is accompanied by a request for joinder.

The policy basis for construing our rules for these proceedings, which were prescribed as mandated by 35 U.S.C. § 316, is expressed in the Office Patent

Trial Practice Guide, 77 Fed. Reg. 48,756, 48,758 (Aug. 14, 2012): “The rules are to be construed so as to ensure the just, speedy, and inexpensive resolution of a proceeding.” *See also* 37 C.F.R. § 42.1(b) (stating the same). Thus, even if claims were to be found unpatentable in IPR2013-00531, by removing the discretion to join claim 21, as well as the new challenges, the case would necessarily have to go back to the district court for a separate determination as to those claims and challenges. That could result in a waste of judicial resources, an increase the litigation costs to both parties, and be contrary to the purpose of ensuring a “just, speedy, and inexpensive resolution.”

A review of the facts as presented in Target’s Petition for Joinder suggests that joinder may well have been appropriate had the majority decided the issues that were briefed by the parties and reached their merits. The overlap in issues, and Patent Owner’s agreement to limit the Petition to facilitate joinder, are significant factors that should have been considered, but were precluded by the majority’s decision. *See, e.g. ABB Inc. v. Roy-G-Biv Corp.*, Case IPR2013-00286 (PTAB Aug. 9, 2013) (Paper 14) (permitting joinder of a issues presented by the same petitioner to an already instituted trial after the petitioner agreed to limit the issues presented by the second filed petition). That is, joinder in this case may well have served the statutory objective of decreasing litigation costs and conserving judicial resources. The majority opinion, however, deprives the Board of any discretion to move forward in such circumstances, where a petitioner in a prior *inter partes* proceeding seeks joinder of an issue to that proceeding, and may not bring a separate petition because of a § 315(b) bar. *See Heckler v. Chaney*, 470 U.S. 821, 832 (1985) (noting that “courts generally will defer

to an agency's construction of the statute it is charged with implementing, and to the procedures it adopts for implementing that statute.”)

Finally, we do not think it was necessary under the majority's analysis also to have construed § 315(b) of the statute. We do feel compelled to note, however, that we do not agree with the majority opinion's construction of that subsection of the statute. Section 315(b) states:

An inter partes review may not be instituted if the petition requesting the proceeding is filed more than 1 year after the date on which the petitioner . . . is served with a complaint alleging infringement of the patent. The time limitation set forth in the preceding sentence shall not apply to a request for joinder under subsection (c).

The majority construes that subsection as requiring only that a second party seeking joinder file a request for joinder, and not as requiring that joinder in fact be granted, in order for the time bar under § 315(b) not to apply. The majority opinion does not explain how that interpretation harmonizes with § 316(a)(11), which requires “that the final determination . . . be issued not later than 1 year after the date on which the director notices the institution of a review . . . except that the Director may . . . adjust the time periods in this paragraph in the case of joinder under section 315(c).” Thus, in our view, § 315(b) of the statute only allows waiver of the time bar if joinder is granted, and not by the mere filing of a motion requesting joinder.

III. CONCLUSION

We dissent from the majority's decision to deny this motion without addressing the merits on the basis that the Board does not have discretion to grant joinder in this situation.

Case IPR2014-00508
Patent RE43,563 E

For PETITIONER:

Norman Hedges
norman.hedges@faegrebd.com

Trevor Carter
trevor.carter@faegrebd.com

Daniel Lechleiter
daniel.lechleiter.ptab@faegrebd.com

For PATENT OWNER:

Paul Taufer
paul.taufer@dlapiper.com

Michael Burns
Michael.Burns@dlapiper.com

Stuart Pollack
stuart.pollack@dlapiper.com