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## PTAB issues precedential decision on joinder under 35 USC Section 315(c)

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### Co-published

In September 2018 the USPTO PTAB created a Precedential Opinion Panel. The panel has established binding agency authority concerning major policy, procedural issues and other issues of exceptional importance in adjudications before the PTAB. For example, the panel may be used to address constitutional questions, important issues regarding statutes, rules and regulations and important issues with regard to binding or precedential case law and issues of broad applicability to the PTAB. The panel also may be used to resolve conflicts between PTAB decisions, promote certainty and consistency and rehear any case that it determines warrants attention.

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The panel issued its first precedential decision on 13 March 2019, in an *inter partes* review in *Proppant Express Investments, LLC v Oren Technologies, LLC* (Inter Partes Review 2018-00914), to resolve conflicting PTAB decisions on the proper interpretation of 35 USC Section 315(c). The panel order instructed the PTAB to address three issues:

- Under Section 315(c) may a petitioner be joined to a proceeding in which it is already a party?
- Does Section 315(c) permit joinder of new issues into an existing proceeding?
- Does the existence of a time bar under Section 315(b), or any other relevant facts, have any impact on the first two questions?

### Background

Proppant filed a petition for an *inter partes* review that challenged the validity of a patent owned by Oren Technologies. In its decision to institute a trial, the PTAB declined to review one of the challenged claims. In response to the decision, Proppant filed a second

petition for an *inter partes* review to address the claim on which trial was not instituted. However, the second *inter partes* review was filed after the expiration of a one-year time bar under Section 315(b). Proppant also filed a motion for joinder to join the second petition to the first petition for which a trial was instituted. The motion for joinder was denied, whereupon Proppant requested a rehearing. The Precedential Opinion Panel then reviewed the denial of the motion for joinder.

## Decision

First, the PTAB ruled that a petitioner may be joined to a proceeding in which it is already a party, stating that the language of Section 315(c) and the phrase "any person" contains no limitations on which "persons", other than the patent owner, may be joined as a party. Second, the PTAB ruled that new issues may be joined into an existing petition under Section 315(c), stating that Section 311 sets forth the grounds that can be raised in a petition and nothing in Section 315(c) limits the issues that can be raised. Finally, the PTAB further ruled that the time bar under Section 315(b) (one year from service of civil action complaint alleging patent infringement) is one of the factors that it will consider when exercising its discretion under Section 315(c) for reasons of fairness and prejudice.

In rejecting arguments that the time bar should be an absolute prohibition against joinder, the panel seemed particularly concerned about the possibility of 'gamesmanship' by the plaintiff:

*Indeed, a per se prohibition of joinder for any petition filed after the one-year time limitation of § 315(b) could create undesirable incentives. For example, a district court plaintiff might strategically wait to alter or add late asserted claims in an attempt to wait out the one-year bar on filing an inter partes review petition. This could lead to inefficiencies because parties could game the system by delaying full disclosure of all of the claims in dispute to avoid full review of those claims in an inter partes review. It also may encourage a petitioner to hedge against the time bar and challenge more claims than the patent owner asserted, and thus more claims than are necessary to resolve the dispute, thereby increasing the costs and decreasing the efficiency of the entire system.*

However, despite the panel's stated concerns, it ultimately declined to exercise such limited discretion and it denied the motion for joinder. In this specific case, Proppant conceded that it filed the second petition to correct its errors as to one of the claims for which a trial was not instituted in the first petition. The panel reasoned that:

*On the other hand, the Board does not generally expect fairness and prejudice concerns to be implicated by, for example, a petitioner's mistakes or omissions. The conduct of the parties and attempts to game the system may also be considered. In this way, the Board can carefully balance the interest in preventing harassment against fairness and prejudice concerns on a case-by-case basis, based on the facts then before it.*

Therefore, if the petitioner uses a subsequently filed a petition for an *inter partes* review as a tactic to correct mistakes or omissions in a prior *inter partes* review, particularly if the

second *inter partes* review is filed outside of the one-year time bar, then a motion for joinder may not be granted. Likewise, if a patent owner waits to assert claims in the related litigation as a tactic to allow the one-year time bar to expire, such a factor may be considered in favour of joinder.

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