Precedential PTAB Panel Says Petitioners Can Join Their Own Earlier-Filed IPRs and Join New Issues in Limited Circumstance

Tuesday, March 19, 2019

In its first decision since its inception, the Precedential Opinion Panel ("POP") for the U.S. Patent Trial and Appeal Board ("Board"), in Proppant Express Investments, LLC v. Oren Technologies, LLC, IPR2018-00914, held that under 35 U.S.C. § 315(c) the Board has discretion to allow a party, in limited circumstances, to join its own earlier-filed inter partes review ("IPR") and join new issues, even if the party was otherwise time-barred under 35 U.S.C. § 315(b). Specifically, the Board may use this discretion only where fairness requires it and to avoid undue prejudice to a party. The POP nevertheless denied Proppant Express Investments LLC's ("Petitioner") motion for joinder as Petitioner's motion was "a result of Petitioner's errors," and therefore did not fall within the limited circumstances it envisioned.

In 2017, Petitioner requested an IPR on claims 1-7, 10, and 12-19 of the '929 patent. The Board instituted the IPR on all the challenged claims except claim 4 finding Petitioner's evidence to be insufficient. In 2018, Petitioner filed the IPR in question along with a motion to join its 2017 IPR under § 315(c) "to correct the error for claim 4." The original Panel denied Petitioner's motion for joinder finding that § 315(c) did not allow a party to join new issues to its own earlier-filed IPR. The Panel also denied Petitioner's IPR as time-barred under § 315(b) because it was filed more than a year after the Patent Owner served its complaint for patent infringement on Petitioner. Petitioner subsequently requested rehearing of this decision by the POP, which it agreed to hear the matter.

The POP reversed the original Panel holding that under § 315(c) the Board has discretion to allow a party to join its own earlier-filed IPR and raise new issues, but only in limited circumstances where fairness requires it and to avoid undue prejudice to a party. The POP also held that the existence of a time-bar under § 315(b) was not dispositive on the joinder issue but was one of several factors that may be considered when exercising discretion under § 315(c). The POP was unpersuaded that a per se rule prohibiting same-party joinder would promote gamesmanship instead opting for a discretionary standard, which will allow the Board to fairly consider this issue on a case-by-case basis.

The POP went on to enumerate several factors the Board should consider when exercising its narrow discretion under § 315(c), including: actions taken by a patent owner in a co-pending litigation—such as the late addition of newly-asserted claims, petitioner's mistakes or omissions in the first IPR, the conduct of the parties and attempts to game the system, the impact of the time-bar under § 315(b) may have on the petitioner, the stage and schedule of an existing IPR, events in other proceedings related to the patent at issue, and the factors set forth in General Plastic Industrial Co., Ltd. v. Canon Kabushiki Kaisha (see Slip Op., at 20, n. 4). "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." Slip Op., at 19.
The POP declined to exercise its discretion and denied Petitioner’s motion for joinder under § 315(c). Specifically, Petitioner acknowledged that it filed its present joinder motion to correct an error from the earlier IPR. The POP therefore reasoned that the motion was the result of Petitioner’s “own conduct [that] created a need for it to request joinder,” and did not involve one of the limited circumstances appropriate for joinder.

The POP has made clear that the Board has discretion to grant same-party and new-issue joinder in limited circumstances where fairness requires it and to avoid undue prejudice to a party. While the bounds of such discretion are left uncertain, depending on the particular facts of the case, joinder remains a viable option for petitioners to join earlier-filed proceedings and raise new issues when they would otherwise be time-barred under § 315(b).

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