Jan. 14, 2019

THE NAPLES ROUNDTABLE

Exploring Ways to Strengthen & Improve the Patent System

Proposal to Expedite Joinder in Inter Partes Review

Andrew S. Baluch and Teresa Stanek Rea

We propose a change to the procedures of the Patent Trial and Appeal Board (PTAB) to simplify and streamline requests for joinder under 35 U.S.C. § 315(c) and 37 C.F.R § 42.122(b). Under our proposal, a petitioner who quickly files a "me too" joinder petition that is substantively identical to an earlier petitioner's challenge, and who promises to play merely an "understudy" role, will have its joinder request considered under an accelerated timeframe. Under our proposal, a "me too" petitioner can be joined as a party to the inter partes review as early as the same day that the review is instituted (if the joinder request is filed more than 45 days prior to institution), or alternatively, can be joined approximately 45 days after the review is instituted (if the joinder request is filed no more than 10 days after institution).

Current Practice Causes Unnecessarily Delays

Under 35 U.S.C. § 315(c), if the Director institutes a petition for inter partes review ("first petition"), the Director may "join" as a party to that inter partes review any person who files its own petition ("second petition"), after giving the patent owner an opportunity to file a preliminary response to the second petition. The statute gives the Director the authority to set the time periods for both the request for joinder and the preliminary response.[1] By rule, the Director has set a 1-month deadline for filing any request for joinder after the institution decision and a 3-month deadline for filing any preliminary response.[2] After receiving a preliminary response, the statute sets a 3-month deadline on the Director to decide whether to institute inter partes review.[3] Thus, a total of 7 months may elapse before a person requesting joinder is finally joined as a party to the inter partes review (plus any Office delays in granting the second petition a filing date).

The problem with a 7-month waiting period is that the joinder requester is left out of the proceeding for the majority of the trial. At 7 months, the patent owner has already deposed the lead petitioner's expert(s), the patent owner has already filed its patent owner response, the lead petitioner has already deposed the patent owner's expert(s), and the lead petitioner has already filed its reply. At 7 months, the trial on the merits of patentability, on the paper record, is essentially complete.

The schematic below illustrates the typical timeline of a lead petitioner's inter partes review (dark circles), overlaid with the timeline for a request for joinder (white circles). A real-world example of this scenario is *Riverbed Technology, Inc. v. Real Time Data LLC*, IPR2018-00656, Paper 34 (PTAB Aug. 30, 2018), in which the Board granted Riverbed's joinder request more than 7 months

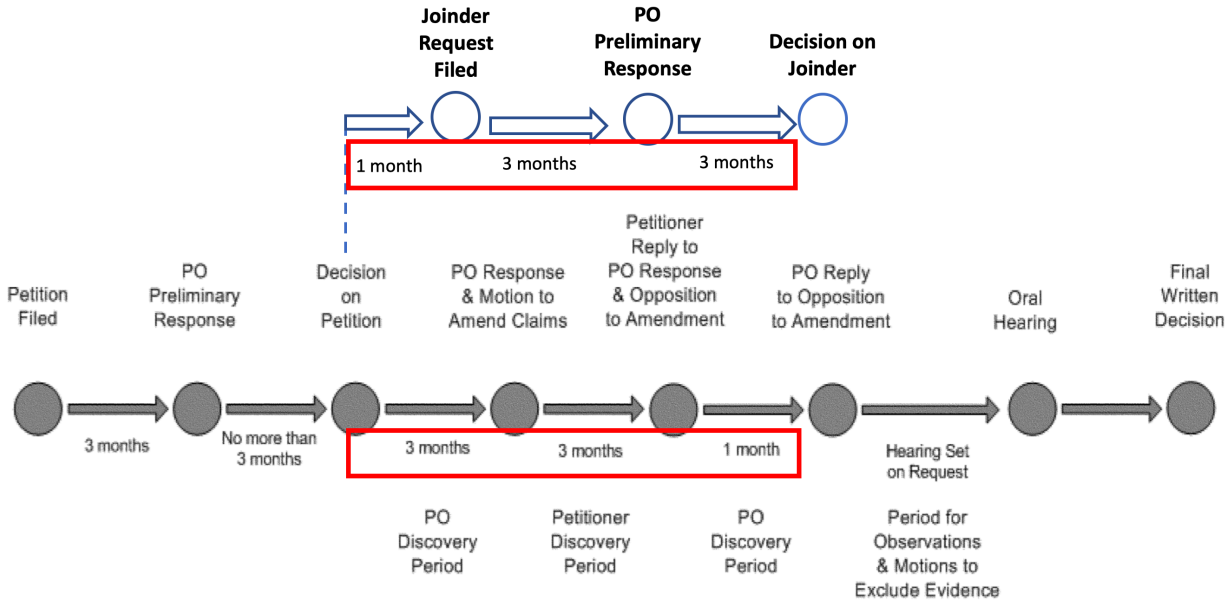
[1] 35 U.S.C. § 313, § 316(a)(12).

[2] 37 C.F.R. § 42.107(b), § 42.122(b).

[3] 35 U.S.C. § 314(b).

after the first petition was instituted, based on the same grounds, the same claims, and same evidence presented in Riverbed's petition, despite the fact that patent owner did not file any opposition to Riverbed's joinder motion or any preliminary response to Riverbed's petition.[4]

The Problem: The PTAB's slow joinder practice pushes out any decision on joinder long after institution, effectively blocking the joinder requester from becoming a party for most of the trial.



The Solution: Streamlining the Joinder Process

We propose a process of expedited joinder for any person ("movant") who certifies that its petition ("second petition") is substantively identical to a lead petitioner's earlier-filed petition ("first petition") as to both the asserted grounds of unpatentability and the challenged claims.[5] When

[4] The lead petition in IPR2017-01710 was instituted on January 18, 2018. Riverbed's joinder motion in IPR2018-00656 was filed on February 16, 2018, making any opposition to the motion due on March 16, 2018. Riverbed's petition in IPR2018-00656 challenged the "same claims" on the "same grounds while relying on the same prior art, arguments, and evidence" as the lead petition in IPR2017-01710. The Board mailed a notice according a filing date to Riverbed's petition on March 15, 2018, making any preliminary response due on June 15, 2018. No opposition and no preliminary response were filed in IPR2018-00656. The Board joined Riverbed to IPR2017-01710 on August 30, 2018. By that time, the lead petitioner in IPR2017-01710 had already filed, on August 24, 2018, both its reply to the patent owner's response and its opposition to the motion to amend.

[5] Obviously, because our proposal requires the petitioners to be different, and for the asserted grounds in the two petitions to be the same, our proposal would not apply to same-party issue-

requesting expedited joinder under this process, the movant must also certify that it will not file any papers of its own in the joined proceeding, without first obtaining Board approval, for so long as the lead petitioner remains a party to the inter partes review. Both the request for expedited joinder and the second petition must be filed on the same day, and no later than 10 days after the institution date of the first petition (rather than the current 1-month period for requesting joinder).

To protect the movant in the event that the lead petitioner settles and does not permit the movant to retain the lead petitioner's expert witness, the movant may file an affidavit signed by its own expert witness. However, to ensure accelerated joinder, the movant would need to certify that its expert affidavit is substantively identical to the lead petitioner's expert affidavit, and that the movant offers to withdraw its expert and rely solely on the lead petitioner's expert, in exchange for paying an equal share of the lead petitioner's expert fees and expenses incurred while the movant is a party to the inter partes review. The movant's offer to share fees and expenses would be limited to sharing the lead petitioner's expert fees and expenses equally among the movant, the lead petitioner, and any other parties joined as a party to the proceeding. The lead petitioner should want to accept this offer: the lead petitioner's costs would be reduced and, because the movant's expert would be withdrawn, any possible inconsistent testimony (elicited from deposing two different experts) would be eliminated. Nevertheless, the lead petitioner is not required to accept this offer; in such case, the Board would convene a conference call with the parties to ascertain why the offer was not accepted and to explore possible solutions. The lead petitioner and movant would be encouraged to negotiate any suitable agreement regarding how to share the lead petitioner's expert. Otherwise, if the lead petitioner does not agree to share its expert with the movant, there would still be ample time under the accelerated joinder schedule for the patent owner to depose both the lead petitioner's expert and the movant's expert, prior to the due date of the patent owner's response.

To ensure that the patent owner is immediately notified of the movant's expedited joinder request, the movant must serve its papers on patent owner's counsel of record in the inter partes review to which the movant is seeking to be joined. Service must be made electronically if the patent owner's mandatory notice includes an email address for electronic service.

Upon receiving a second petition that is accompanied by a request for expedited joinder, the Board's clerical staff will aim to issue a notice indicating whether the second petition has been granted a filing date within 5 days of receiving the second petition. This 5-day period helps ensure that any clerical delays in the Office do not hold up the joinder process. Unfortunately, today, it can sometimes take a month or more for the Board's staff to perform this clerical review, which

---

joinder. A same petitioner's request for issue joinder would proceed on a parallel path, if at all, separate and apart from the accelerated joinder path under our proposal.

causes a delay in the date when the preliminary response is due.[6] Nevertheless, it is relatively rare that a petition is denied a filing date, and it should be even more rare if the petition is a substantial copy of an earlier, successful petition. Therefore, under our proposal, the time for filing a patent owner's preliminary response to the second petition will initially start to run from the date the patent owner is served with the second petition (in which case the preliminary response will be due 15 days after service of the second petition); however, this start date will be extended in the event the Board notices an incomplete second petition (in which case the preliminary response will be due 15 days after service of a corrected second petition). Thus, in the vast majority of cases, the second petition will be accorded a filing date, and any delay in the Board's clerical review of the second petition will not delay the deadline for filing a preliminary response to the second petition.

The expedited joinder process is not intended to accelerate the second petition ahead of the first petition. Therefore, if the second petition is filed before the patent owner has filed a preliminary response to the first petition, then the preliminary response to the second petition will be due within 15 days of when the preliminary response to the first petition is filed or becomes due.

Regarding the content of the preliminary response, because the patentability challenge set forth in the second petition must be substantively identical to that in the first petition, it makes sense to require a patent owner to raise all of its patentability arguments in the preliminary response to the first petition, rather than waiting to raise such arguments only against the second petition. Any patentability arguments newly raised in the preliminary response to the second petition, which were not made against the first petition, will be deemed waived for purposes of institution. Of course, any arguments against the second petition under statutory requirements unrelated to patentability, such as a declaratory judgment bar under 35 U.S.C. § 315(a), may be freely raised in the preliminary response to the second petition.

The patent owner may also file, in addition to the preliminary response, an opposition to the request for joinder. The opposition is due at the same time as the preliminary response to the second petition (rather than 1 month from the joinder motion under existing rules). The opposition is limited to pointing out why the requirements of the rules have not been met. Thus, unless the movant has somehow violated a requirement of these rules, the patent owner should not file an opposition to the joinder request. Any reply to the opposition must be filed by the movant within 5 days of the opposition.

The Board, or the Director's designee, will decide whether to join the movant as a party to the inter partes review by the later of the institution date of the lead petitioner's inter partes review or 15 days after the date that briefing on the request has concluded. The reference to the "Director's designee" in the preceding sentence is intended to underscore the fact that these joinder requests

[6] *See, e.g., Riverbed Technology, Inc. v. Real Time Data LLC*, IPR2018-00656, Paper 34 (PTAB Mar. 15, 2018) (mailing a notice according filing date 1 month after the petition was filed on February 15, 2018).

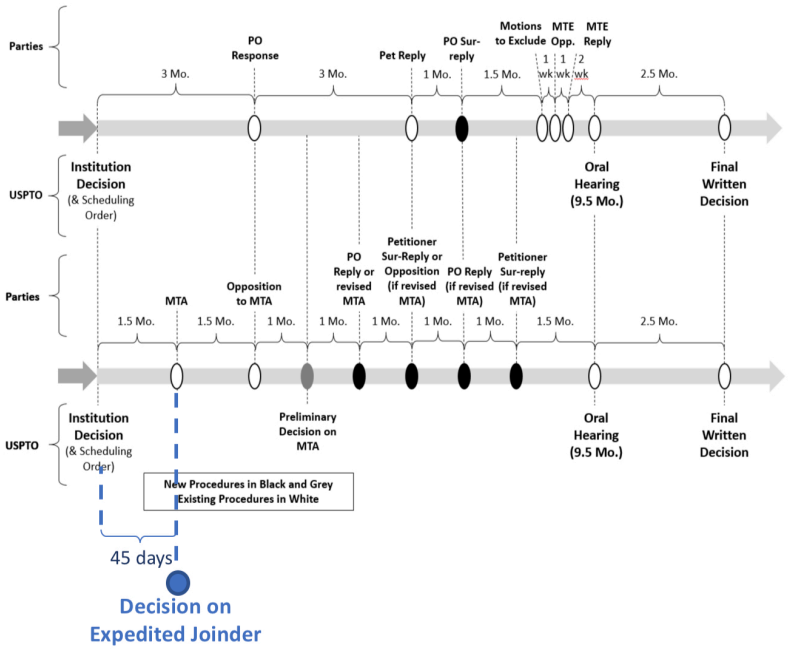
ought to be relatively straightforward to decide and probably should be delegated to Office employees other than administrative patent judges.

If an inter partes review on the first petition has been instituted and no opposition to the joinder request was filed, then joinder should ordinarily be granted. If the Board has instituted inter partes review on the first petition and has received a timely request for expedited joinder, the Board will not terminate the inter partes review based on any settlement agreement between the lead petitioner and the patent owner, prior to deciding the request for expedited joinder. Finally, in light of the accelerated timeline, and the fact that the movant cannot raise any new patentability challenges of its own, there should be no reason for the Board panel to adjust the 12-month pendency of the trial, absent some unforeseen development, in which case approval by the Chief Judge should be required (similar to obtaining an extension for good cause from the Chief Judge in cases not involving joinder).

Taken together, the filing deadlines under our proposal add up to **45 days** (10 days for the request, 15 days for the opposition, 5 days for the reply, and 15 days for the decision), plus any weekends and holidays on which any of those deadlines fall. Thus, if a request for expedited joinder is filed more than 45 days before institution (excluding weekends and holidays), then the movant will likely be joined on the same day as the lead petitioner's inter partes review is instituted. Otherwise, if the request for expedited joinder is filed after the lead petitioner's inter partes review is instituted, then the movant will likely be joined approximately 45 days after institution (excluding weekends and holidays). At 45 days, the the inter partes review to which the movant is joined as a party will, at that time, be inside the patent owner's discovery period—likely just prior to the depositions of the lead petitioner's experts, thereby enabling the movant to attend those depositions.

The added benefit of our proposal is that our 45-day joinder window fits nicely within the Office's motion to amend pilot proposal (published in 83 Fed. Reg. 54319). Although the Office's pilot proposal might not ultimately be adopted in its proposed form, nevertheless, the movant under our proposal (blue circle) would be joining the inter partes review around the same time as the patent owner would be filing its motion to amend ("MTA") under the Office's pilot proposal (white, gray and black circles). Accordingly, the movant would be joining the proceeding sufficiently early in the proceeding to be able to assist the lead petition in preparing an opposition to the MTA.

Solution: A decision on an expedited joinder request would make the requester a party to the trial around 45 days after institution, well within the patent owner's discovery period and around the same time the patent owner files its motion to amend under the Office's proposed pilot program (83 FR 54319).



Rulemaking Changes to Implement Expedited Joinder

Sections 42.107(b) and 42.122(b) of 37 CFR are revised to read as follows:

§42.107 Preliminary response to petition.

* * *

(b) *Due date.* The preliminary response must be filed no later than three months after the date of a notice indicating that the request to institute an *inter partes* review has been granted a filing date. A patent owner may expedite the proceeding by filing an election to waive the patent owner preliminary response. The time period set forth in this section shall not apply to a preliminary response to a petition filed by a person requesting expedited joinder under §42.122(b)(2).

* * *

§42.122 Multiple proceedings and Joinder.

* * *

(b) *Request for joinder.*

(1) *Generally.* Joinder may be requested by a patent owner or petitioner. Any request for joinder (other than a request for expedited joinder under paragraph (b)(2) of this section) 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.

(2) *Expedited Joinder.*

(A) *Movant's request.* (i) *Who may request.* Expedited joinder may be requested by a person ("movant") that files a petition for *inter partes* review ("second petition") of the same patent claims on the same grounds of unpatentability that were raised in a petition for *inter partes* review ("first petition") previously filed by a different person ("lead petitioner").

(ii) *How and when to file.* The request for expedited joinder must be filed, as a motion under §42.22, on the same day as the second petition, and no later than 10 days after the institution date of any *inter partes* review for which expedited joinder is requested.

(iii) *Service.* In addition to the requirements of §42.105, the movant must serve the second petition and the request for expedited joinder, along with any other documents filed therewith, on the patent owner's counsel of record listed in any mandatory notices under §42.8 in the *inter partes*

review for which expedited joinder is requested. Service must be made electronically if any such mandatory notices provide an electronic mail address.

(iv) *Certifications.* The request for expedited joinder must contain a certification that (I) the second petition is substantively identical to the first petition with respect to each ground of unpatentability and each claim challenged, and (II) the movant will not, absent Board authorization, file any papers of its own in the joined proceeding so long as the lead petitioner remains a party to the *inter partes* review for which joinder is requested. The second petition may rely on an affidavit signed by a different witness than any earlier witness whose affidavit was relied upon in the first petition, provided that the movant further certifies that (III) the affidavits are substantively identical with respect to each ground of unpatentability and each claim challenged, and (IV) the movant offers to withdraw its affidavit and to pay an equal share (divided equally among the movant, the lead petitioner, and any other person joined as a party to the *inter partes* review) of the earlier witness' fees and expenses incurred while the movant is a party to the *inter partes* review.

(v) *Defective petition*. The Board will endeavor to issue a notice indicating whether a second petition has been granted a filing date within 5 days of receiving the second petition accompanied by a request for expedited joinder. Where the second petition is incomplete, no filing date will be accorded, and the Office will dismiss the second petition if the deficiency in the second petition is not corrected within 3 business days from the notice of an incomplete petition.

(B) *Patent owner's opposition*. The patent owner may file (i) an opposition to the request for expedited joinder and (ii) a preliminary response to the second petition. The opposition must be filed as an opposition under §42.23 and is limited to setting forth the reasons why any requirement of paragraph (b)(2)(A) of this section is not met. The preliminary response is limited to setting forth the reasons why no *inter partes* review should be instituted under 35 U.S.C. 314. Any arguments regarding patentability that were not raised in a preliminary response to the first petition shall be deemed waived for purposes of institution. Any opposition to the request for expedited joinder and any preliminary response to the second petition must be filed within 15 days of the later of:

(i) the date a preliminary response to the first petition was filed or, if no such response was filed, the date when the time for filing such response under §42.107 has expired;

(ii) the date of service of the second petition and request for expedited joinder as required by paragraph (b)(2)(a)(iii) of this section; or

(iii) the date of service of a corrected second petition under paragraph (b)(2)(a)(v) of this section.

(C) *Movant's reply*. Any reply to a patent owner's opposition under paragraph (b)(2)(B) of this section must be filed as a reply under §42.23 within 5 days of the opposition. In addition to the requirements of §42.105, the movant must serve the reply on the patent owner's counsel of

record listed in any mandatory notices under §42.8 in the *inter partes* review for which expedited joinder is requested. Service must be made electronically if any such mandatory notices provide an electronic mail address.

(D) *Decision on request*. (i) *When decided.* If the first petition has not been withdrawn prior to institution, the Board or the Director's designee will decide both the request for expedited joinder and the second petition by the later of:

(I) the institution date of an *inter partes* review on the first petition;

(II) if no opposition to the request is filed, 15 days after the request is filed; or

(III) if an opposition is filed, 15 days after any reply is filed or the time for filing such reply under paragraph (b)(2)(C) has expired.

(ii) *Unopposed request.* If an *inter partes* review is instituted on the first petition and no opposition to the request for expedited joinder is filed within the time period under paragraph (b)(2)(B) of this section, then the request for expedited joinder will be granted, unless the Board or the Director's designee determines that any differences between the first petition and second petition results in the second petition failing to meet any applicable statutory requirement.

(iii) *Effect of settlement.* If an *inter partes* review on the first petition has been instituted and a timely request for expedited joinder has been filed, the Board shall not, prior to a decision on the request, terminate the *inter partes* review on the basis of any settlement agreement between the patent owner and the lead petitioner.

(iv) *Pendency.* If a request for expedited joinder has been granted, the time period set forth in §42.100(c) may be adjusted only by the Chief Administrative Patent Judge.

Andrew S. Baluch is a partner at Smith Baluch LLP in Washington, D.C. He is a former special adviser to the director of the USPTO and a former director in the White House Office of the Intellectual Property Enforcement Coordinator.

Teresa Stanek Rea is a partner at Crowell & Moring LLP in Washington, D.C. She is a former Deputy Director of the USPTO and Deputy Undersecretary of Commerce for Intellectual Property.

The opinions expressed are those of the authors and do not necessarily reflect the views of their firms or any of the firms' clients