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PRECEDENTIAL OPINION PANEL RESOLVES CONFLICTS IN PTAB OPINIONS ON JOINDER: THE ROLE OF AMICUS BRIEFS

JIHONG LOU, MATTHEW W. JOHNSON, CHRIS Z. LIU*

INTRODUCTION

Since its inception through the Leahy-Smith America Invents Act (“AIA”), the proper role and function of the Patent Trial and Appeal Board (“PTAB”) of the U.S. Patent and Trademark Office (“PTO”) in adversarial post-grant proceedings has been continually under debate.¹ Different stakeholders tend to align differently on issues according to their perspective on the role of patents in today’s economy, leading to interesting debates on nearly every aspect of PTAB practice.² These debates at times take place within the PTAB itself, between different panels in deciding different cases.³ For a tribunal that has hundreds of administrative patent judges, hears thousands of cases, and issues three-judge-panel opinions that by default are not binding in subsequent cases, the PTAB has inevitably produced opinions that disagree on some of the recurring issues in post-grant AIA proceedings.⁴

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1. *See, e.g.*, *In re Cuozzo Speed Techs., LLC*, 793 F.3d 1268, 1284–91 (Fed. Cir. 2015) (Newman, J., dissenting).

2. *See, e.g.*, amicus briefs filed in *Oil States Energy Servs., LLC v. Greene’s Energy Grp., LLC*, 138 S. Ct. 1365 (2018); amicus briefs filed in *Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131 (2016).

3. *See* 35 U.S.C. § 6(c) (2011) (“3-MEMBER PANELS.—Each appeal, derivation proceeding, post-grant review, and inter partes review shall be heard by at least 3 members of the Patent Trial and Appeal Board . . .”).

4. Many PTAB panels have also declined to decide certain questions as beyond their authority to decide, such as constitutional questions. *See, e.g.*, *Askeladden LLC v. N5 Techs., LLC*, No. IPR2017-00083, Paper 36 at 25–26 (P.T.A.B. Apr. 18, 2018) (“Patent Owner argues that *inter partes* review proceedings are unconstitutional. We decline to consider the constitutional challenge as, generally,

Prior procedures for imbuing particular PTAB opinions with precedential value were limited in their ability to create binding authority to resolve panel conflicts.⁵

In September 2018, the PTAB revised its Standard Operating Procedure No. 2 (“SOP2”) to create a Precedential Opinion Panel (“POP”).⁶ Under the revised SOP2, the PTAB may convene a “POP” to rehear a PTAB decision on issues of exceptional importance, such as constitutional questions, important issues regarding statutes and regulations, and other issues of broad applicability to the PTAB, or to resolve conflicts between previous PTAB opinions.⁷ The revised SOP2 also provides that the POP may invite amicus briefs from interested stakeholders to gather their input into a single adjudicative proceeding, encouraging an airing of different perspectives on an important topic.⁸

The convening of the first ever POP in *Proppant Express Investments, LLC v. Oren Technologies, LLC* (“*PropX*”) in November 2018 provides a window into this new vehicle for centralized debate and resolution of PTAB topics of particular import.⁹ In *PropX*, the POP assumed jurisdiction over a case before a panel of the PTAB for the limited purposes of considering issues relating to same-party joinder under 35 U.S.C. § 315(c) and resolving conflicts in prior PTAB opinions on those issues.¹⁰ The POP solicited amicus briefs and received six briefs in which the amici took divergent positions on the issues identified by the POP.¹¹ After an oral hearing, the POP issued a precedential opinion in which it extensively addressed many arguments

‘administrative agencies do not have jurisdiction to decide the constitutionality of congressional enactments’ where consideration of the constitutional question would ‘require the agency to question its own statutory authority or to disregard any instructions Congress has given it.’” (quoting *Riggin v. Office of Senate Fair Emp’t Practices*, 61 F.3d 1563, 1569–70 (Fed. Cir. 1995) (internal citation omitted)); *Hulu, LLC v. Sound View Innovations, LLC*, No. IPR2018-00017, Paper 14 at 28 (P.T.A.B. Apr. 16, 2018) (same); *Telular Corp. v. PerDiemCo LLC*, No. IPR2017-01269, Paper 14 at 16 (P.T.A.B. Nov. 8, 2017) (same).

5. See *infra* Part I. For a list of precedential opinions, see *Alphabetic Listing of Precedential Opinions*, U.S. PATENT & TRADEMARK OFFICE, <https://www.uspto.gov/patents-application-process/appealing-patent-decisions/decisions-and-opinions/precedential>.

6. *Patent Trial & Appeal Board Standard Operating Procedure 2 (Revision 10)*, U.S. PATENT & TRADEMARK OFFICE (Sept. 20, 2018) [hereinafter SOP2 Rev. 10], <https://www.uspto.gov/sites/default/files/documents/SOP2%20R10%20FINAL.pdf>.

7. *Id.* at 4.

8. *Id.* at 4, 7.

9. *Proppant Express Invs., LLC v. Oren Techs., LLC*, No. IPR2018-00914, Paper 23 (P.T.A.B. Nov. 30, 2018) [hereinafter *PropX* Order Convening POP].

10. *Proppant Express Invs., LLC v. Oren Techs., LLC*, No. IPR2018-00914, Paper 24 (P.T.A.B. Dec. 3, 2018) [hereinafter *PropX* POP Order].

11. See *infra* Part IV.

raised in the amicus briefs, indicating that those briefs substantially shaped its decision.¹²

This article analyzes the positions that different amici took in their briefs in the POP proceeding to illuminate the practical implementation of the first POP and to illustrate the expanded opportunity for debate enabled by the newly implemented SOP2. Part I reviews the previous and current procedures for designating PTAB opinions precedential. Part II reviews the procedures for convening a POP under the revised SOP2. Part III summarizes the background of the *PropX* case and the joinder issues the case presents. Part IV analyzes the POP proceeding in *PropX* and the party and amicus briefs in that proceeding. Part V reviews the POP's opinion in *PropX*, in which it addressed many arguments raised by amici, demonstrating the substantial utility of the amicus briefs. The Conclusion explores the future of the POP procedure at the PTAB.

I. PRIOR AND CURRENT PROCEDURES FOR DESIGNATING PRECEDENTIAL DECISIONS

The PTAB designates its opinions as one of four categories: (1) precedential; (2) informative; (3) representative; and (4) routine.¹³ Among those, only precedential opinions are binding PTAB authority.¹⁴ Informative opinions, though not binding, also carry significant persuasive weight.¹⁵ By default, a PTAB opinion is a routine opinion unless designated otherwise.¹⁶

12. *Proppant Express Invs., LLC v. Oren Techs., LLC*, No. IPR2018-00914, Paper 38 (P.T.A.B. Mar. 13, 2019) [hereinafter *PropX POP Opinion*].

13. *Patent Trial & Appeal Board Standard Operating Procedure 2 (Revision 9)*, U.S. PATENT & TRADEMARK OFFICE 1–2 (Sept. 22, 2014), <https://www.uspto.gov/sites/default/files/documents/sop2-revision-9-dated-9-22-2014.pdf> [hereinafter *SOP2 Rev. 9*]; *PTAB's Designations for Opinions*, U.S. PATENT & TRADEMARK OFFICE 1 (Jan. 12, 2016), <https://www.uspto.gov/sites/default/files/documents/PTAB%20Designations%20for%20Opinions%201-12-2016.pdf>; *see also* *SOP2 Rev. 10*, *supra* note 6, at 3.

14. *SOP2 Rev. 9*, *supra* note 13, at 3–4 (“A precedential opinion is binding authority in subsequent matters involving similar facts or issues.”); *see also* *SOP2 Rev. 10*, *supra* note 6, at 11 (same). Such precedential opinions may, however, be “overcome by subsequent binding authority.” *SOP2 Rev. 9*, *supra* note 13, at 3; *see also* *SOP2 Rev. 10*, *supra* note 6, at 12 (same).

15. *SOP2 Rev. 9*, *supra* note 13, at 3 (“Considerations [for designating an opinion informative] include: [p]roviding Board norms on recurring issues, [p]roviding guidance on issues of first impression, and [p]roviding guidance on Board rules and practices.”); *see also* *SOP2 Rev. 10*, *supra* note 6, at 11 (“Informative decisions set forth Board norms that should be followed in most cases, absent justification, although an informative decision is not binding authority on the Board.”).

16. *SOP2 Rev. 9*, *supra* note 13, at 4; *see also* *SOP2 Rev. 10*, *supra* note 6, at 3.

Under prior versions of SOP2, an opinion could be designated precedential “for any reason, but particular emphasis [was] placed on opinions resolving conflicts or addressing novel questions.”¹⁷ Any member of the PTAB could recommend designating an opinion precedential, and a party to the PTAB proceeding or a member of the public could submit a request for precedential designation to the Chief Judge of the PTAB.¹⁸ If the Chief Judge considered a nominated opinion to be an appropriate candidate, each member of the PTAB was invited to vote within a preset period of time.¹⁹ The PTAB made an opinion precedential only if “a majority of the Board’s voting members agree that the opinion should be made precedential” and “the Director concurs that the opinion should be designated precedential.”²⁰ Under these procedures, however, only a small number of decisions were designated precedential.²¹

In addition, Standard Operating Procedure No. 1 (“SOP1”) allows the PTAB in rare circumstances to convene expanded panels consisting of more than three judges to decide issues of exceptional importance and to resolve conflicts in PTAB decisions.²² But an opinion of an expanded panel must go through the designation process to become precedential.

Since the enactment of the AIA in 2012, the PTAB has received over 9,700 petitions for AIA trials,²³ and “[t]he Board enters thousands of

17. SOP2 Rev. 9, *supra* note 13, at 2.

18. *Id.*

19. *Id.*

20. *Id.*

21. *See supra* note 5.

22. *See, e.g., Patent Trial & Appeal Board Standard Operating Procedure 1 (Revision 15)*, U.S. PATENT & TRADEMARK OFFICE 15–16 (Sept. 20, 2018) [hereinafter SOP1], <https://www.uspto.gov/sites/default/files/documents/SOP%20R15%20FINAL.pdf>; *Patent Trial & Appeal Board Standard Operating Procedure 1 (Revision 14)*, U.S. PATENT & TRADEMARK OFFICE 3–5 (May 8, 2015), <https://www.uspto.gov/sites/default/files/documents/SOP1%20Rev.%2014%202015-05-08.pdf>; *see also Chat With the Chief*, U.S. PATENT & TRADEMARK OFFICE (Mar. 13, 2018), https://www.uspto.gov/sites/default/files/documents/chat_with_the_chief_march_2018.pdf.

The use of expanded panels to rehear cases, particularly where the expanded panel reached an opposite decision from that of the initial panel, has been criticized as “panel stacking” and raised due process concerns. *See, e.g., Oil States Energy Servs., LLC v. Greene’s Energy Grp., LLC*, 138 S. Ct. 1365, 1380–81 (2018) (Gorsuch, J., dissenting); *Nidec Motor Corp. v. Zhongshan Broad Ocean Motor Co.*, 868 F.3d 1013, 1020 (Fed. Cir. 2017) (Dyk, J., concurring); Gene Quinn, *USPTO Admits To Stacking PTAB Panels To Achieve Desired Outcomes*, IP WATCHDOG (Aug. 23, 2017), <http://www.ipwatchdog.com/2017/08/23/uspto-admits-stacking-ptab-panels-achieve-desired-outcomes/id=87206/>.

23. *Trial Statistics*, U.S. PATENT & TRADEMARK OFFICE 3 (Jan. 2019), https://www.uspto.gov/sites/default/files/documents/trial_statistics_jan2019.pdf.

decisions every year.”²⁴ The large number of cases, typically decided by three-judge panels constituted from over 200 judges of the PTAB, have inevitably led to conflicts in panel decisions on certain recurring issues. Therefore, designating an opinion precedential can be an effective tool for resolving conflicts. But the previous procedures may not have effectively served this important objective.

In September 2018, the PTAB revised its SOP2, which sets forth a revised procedure for designating an opinion precedential.²⁵ Under the revised SOP2, “[a]ny person,” including “members of the public,” may nominate a PTAB opinion for precedential designation.²⁶ A Screening Committee considers the nominated opinions, and the screened nominations are then “further reviewed” by an Executive Judges Committee, which submits its recommendations to the Director.²⁷ No decision may be designated precedential without the Director’s approval.²⁸ Using this revised procedure, the PTAB recently designated ten decisions precedential over a period of two month (from March 7, 2019 to May 7, 2019), suggesting that the revised SOP2 may lead to more precedential designations.²⁹

24. See, e.g., SOP2 Rev. 10, *supra* note 6, at 3; see also SOP2 Rev. 9, *supra* note 13, at 1.

25. SOP2 Rev. 10, *supra* note 6, at 9–11.

26. *Id.* at 9.

27. *Id.* at 9–10. The Executive Judges Committee may solicit comments from all members of the Board to determine whether to recommend the nominated decision for designation. *Id.* at 1. The Director may consult with others, such as members of the POP and the Office of the General Counsel. *Id.* at 10–11.

28. *Id.* at 8, 11. Additionally, the Director may designate any PTAB decision by any panel as precedential in his or her sole discretion, even if it has not been nominated for such designation via the above procedures, and the Director has sole discretion in de-designating precedential decisions. *Id.* at 8, 11 n.4.

29. See *Lectrosionics, Inc. v. Zaxcom, Inc.*, No. IPR2018-01129, Paper 15 (P.T.A.B. Feb. 25, 2019) (designated Mar. 7, 2019) (requirements and burden for motion to amend under § 316(d)); *K-40 Elecs., LLC v. Escort, Inc.*, No. IPR2013-00203, Paper 34 (P.T.A.B. May 21, 2014) (designated Mar. 18, 2019) (live testimony at oral argument); *DePuy Synthes Prods., Inc. v. MedIdea, LLC*, No. IPR2018-00315, Paper 29 (P.T.A.B. Jan. 23, 2019) (designated Mar. 18, 2019) (live testimony at oral argument); *Amazon.com, Inc. v. Uniloc Lux. S.A.*, No. IPR2017-00948, Paper 34 (P.T.A.B. Jan. 18, 2019) (designated Mar. 18, 2019) (grounds of unpatentability that can be raised against substituted claims in motions to amend); *Huawei Device Co. v. Optis Cellular Tech., LLC*, No. IPR2018-00816, Paper 19 (P.T.A.B. Jan. 8, 2019) (designated Apr. 5, 2019) (procedure and standard for submitted new evidence on rehearing in AIA proceedings); *Ventex Co. v. Columbia Sportswear N. Am., Inc.*, No. IPR2017-00651, Paper 152 (P.T.A.B. Jan. 24, 2019) (designated Apr. 16, 2019) (terminating proceeding under §§ 312(a)(2) and 315(b) where the petition failed to name time-barred real-party-in-interest and privy); *Proppant Express Invs., LLC v. Oren Techs., LLC*, No. IPR2017-01917, Paper 86 (P.T.A.B. Feb. 13, 2019) (designated Apr. 16, 2019) (permitting post-institution update to mandatory notices to add real-party-in-interest under §§ 312(a)(2) and 315(b)); *Adello Biologics LLC v. Amgen Inc.*, No. PGR2019-00001, Paper 11 (P.T.A.B. Feb. 14, 2019) (designated Apr. 16, 2019) (permitting pre-institution update to mandatory notices to add real-party-in-interest under § 322(a)(2)); *NHK Spring Co. v. Intri-Plex Techs., Inc.*, No. IPR2018-00752, Paper 8 (P.T.A.B. Sept. 12, 2018) (designated May 7, 2019) (denying institution under §§ 314(a) and 325(d) because the PTO previously considered the prior art and co-

II. PRECEDENTIAL DECISIONS BY POPS UNDER THE REVISED SOP2

The revised SOP2 not only changed the PTAB procedure for designating an opinion precedential but also created a new POP process for issuing precedential opinions directly.³⁰ SOP2 explains that the purpose of the POP review is for “creating binding norms for fair and efficient Board proceedings, and for establishing consistency across decision makers.”³¹ Thus, the POP may be used to decide issues of exceptional importance or to resolve conflicts in PTAB decisions.³²

The PTO Director selects the POP members, which by default consist of the Director, the Commissioner for Patents, and the PTAB Chief Judge.³³ The PTO initiates a POP review in one of three ways.³⁴ First, the Director may convene a POP in his or her discretion to review a PTAB decision and determine whether to order *sua sponte* rehearing.³⁵ Second, any party to a proceeding may recommend POP review of a decision in that proceeding.³⁶ Third, the Commissioner for Patents, the Chief Judge, or other members of the PTAB may recommend POP review.³⁷ For a review recommended by a party or a PTAB member other than the Director, a Screening Committee reviews the case and makes its recommendation to the Director.³⁸ The Director then decides whether to order POP review.³⁹ If the Director orders a POP review, the POP enters an order in the PTAB docket to notify the parties and the public and to identify the issues for review.⁴⁰ The POP may

pending district court litigation was near completion); *Valve Corp. v. Elec. Scripting Prods., Inc.*, No. IPR2019-00062, Paper 11 (P.T.A.B. Apr. 2, 2019) (designated May 7, 2019) (denying institution under § 314(a) and holding that *General Plastic* factors apply to later-filed petition by a different petitioner).

30. SOP2 Rev. 10, *supra* note 6, at 2–3.

31. *Id.* at 2.

32. *Id.* at 3–4 (explaining that the POP may be used to “address constitutional questions; important issues regarding statutes, rules, and regulations; important issues regarding binding or precedential case law; or issues of broad applicability to the Board” or to “resolve conflicts between Board decisions, to promote certainty and consistency, or to rehear any case it determines warrants the Panel’s attention”).

33. *Id.* at 4. One or more of the default members may be substituted, and the revised SOP2 details the process for substituting default members. *Id.* And the Director in appropriate cases may convene a POP of more than three members. *Id.*

34. *Id.* at 5–6.

35. *Id.* at 5.

36. *Id.* at 5–6.

37. *Id.* at 6. In *PropX*, the POP review was initiated by either the Director or a member of the PTAB, not by one of the parties, as the petition for rehearing did not request rehearing by the POP. *See infra* notes 57–58 and accompanying text.

38. SOP2 Rev. 10, *supra* note 6, at 6–7.

39. *Id.* at 7.

40. *Id.*

request additional briefing and, interestingly, may even authorize amicus briefs.⁴¹ This represents the first time that the PTAB has authorized amicus briefing in the agency's adjudicative proceedings through a formal procedure.⁴²

III. BACKGROUND OF *PROPX* AND SAME-PARTY JOINDER UNDER SECTION 315(C)

Two months after implementing the revised SOP2, the PTAB convened its first POP in *PropX* to review issues relating to same-party joinder.⁴³ The background of the *PropX* case is summarized as follows.

In September 2017, PropX petitioned for *inter partes* review (“IPR”) of a patent owned by Oren within the one year period of 35 U.S.C. § 315(b).⁴⁴ On March 16, 2018, the PTAB instituted review of all challenged claims except one because PropX's petition failed to address all limitations of that claim.⁴⁵ On April 16, 2018, PropX filed a second petition for IPR only challenging that denied claim but raising new issues of patentability relative to that claim, together with a motion for joinder seeking to join the instituted IPR (of which it is already a party) under 35 U.S.C. § 315(c).⁴⁶ The second

41. *Id.*

42. The revised SOP2 on its face appears to contemplate possible POP review of not only a PTAB decision in AIA trials but also a PTAB decision in *ex parte* appeals or reexamination appeals. *See, e.g., id.* at 2 (discussing both AIA trials and *ex parte* and reexamination appeals).

43. PropX POP Order, *supra* note 10, at 2.

44. *See, e.g.,* Proppant Express Invs., LLC v. Oren Techs., LLC, , No. IPR2018-00914, Paper 21 at 2 (P.T.A.B. Nov. 8, 2018) [hereinafter PropX Initial Panel Decision]. The petitioners are Proppant Express Investments, LLC and Proppant Express Solutions, LLC (collectively “PropX”), and Oren Technologies, LLC (“Oren”) is the owner of U.S. Patent 9,511,929 (“the ‘929 patent”), the patent subject to the IPR. *Id.* at 1–2. Oren sued PropX in February 2017 alleging infringement of the ‘929 patent. *Id.* at 2. 35 U.S.C. § 315(b) (2011) provides in part that: “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, real party in interest, or privy of the petitioner is served with a complaint alleging infringement of the patent.” The parties do not dispute that the September 2017 petition was filed within the one-year statutory period of § 315(b). PropX Initial Panel Decision at 2 n.1. After the March 2018 institution decision, the Supreme Court decided *SAS Institute Inc. v. Iancu*, 138 S. Ct. 1348 (2018), in which the Court held that after instituting an IPR, the PTAB must decide the patentability of all of the claims the petitioner has challenged. The PTAB in *PropX* revised its March 2018 institution decision to review all claims challenged in the September 2017 petition in the instituted IPR. *Id.*

45. PropX Initial Panel Decision, *supra* note 44, at 2–3.

46. *Id.* at 3; 35 U.S.C. § 315(c) (2011) (“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”) (emphases added). Moreover, 37 C.F.R. § 42.122(b) (2012) provides that: “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

petition was filed after the one-year period of § 315(b).⁴⁷ Thus, without a granted joinder motion, the second petition would have been time-barred.

A three-judge panel of the PTAB denied joinder. While recognizing that several prior non-precedential PTAB opinions have interpreted § 315(c) as permitting same-party joinder of new issues, a majority of the *PropX* panel expressly disagreed with those prior decisions and interpreted the “join as a party” language of § 315(c) as only permitting joinder of a new party to existing proceedings without introducing new issues of patentability.⁴⁸ Because *PropX* sought to join a proceeding in which it was already a party and to add new issues of patentability, the panel majority denied joinder.⁴⁹ The panel also denied institution on the second petition as time-barred because the denial of the joinder motion negated the joinder exception to the § 315(b) one-year time limit on petitions.⁵⁰

Administrative Patent Judge Cherry concurred in the result, disagreeing with the reasoning of the majority. He noted that the PTO has in many instances taken the position that same-party joinder of new issues is

§ 42.101(b) shall not apply when the petition is accompanied by a request for joinder.” Here, *PropX*’s request for joinder and second petition were filed no later than one month after the PTAB issued the institution decision in the first IPR, but outside the one-year statutory period of § 315(b).

47. *PropX* Initial Panel Decision, *supra* note 44, at 3, 6.

48. *Id.* at 4–6. The panel majority in *PropX* adopted the reasoning of the dissent in the expanded panel decision in *Target Corp. v. Destination Maternity Corp.*, No. IPR2014-00508, Paper 28 (P.T.A.B. Feb. 12, 2015) (Fitzpatrick, APJ., dissenting). *Id.* at 4. Acknowledging that its reasoning not only conflicts with the majority opinion in *Target*, *id.* at 7–12, but also the panel decision in *Nidec Motor Corp. v. Zhongshan Broad Ocean Motor, Co.*, No. IPR2015-00762, Paper 16 at 3–5 (P.T.A.B. Oct. 5, 2015), the *PropX* panel majority nevertheless noted that neither of those prior decisions has been designated as informative or precedential. *Id.* at 5. Notably, the *Target* decision was made by an expanded panel of seven judges with a four-three split, but the decision was never designated as informative or precedential. *Id.* at 4–5; *see supra* note 22 and accompanying text. In addition to *Target* and *Nidec*, several other PTAB panels have interpreted § 315(c) as permitting same-party joinder. *See, e.g.*, *Baker Hughes Inc. v. Parkers Plus Energy Servs., Inc.*, No. IPR2016-01496, Paper 30 (P.T.A.B. May 4, 2017); *Ariosa Diagnostics v. Isis Innovation Ltd.*, No. IPR2012-00022, Paper 166 at 18–22 (P.T.A.B. Sept. 2, 2014); *Samsung Elecs. Co. v. Va. Innovation Scis., Inc.*, No. IPR2014-00557, Paper 10 at 16–17 (P.T.A.B. June 13, 2014); *Microsoft Corp. v. Proxyconn, Inc.*, No. IPR2013-00109, Paper 15 (P.T.A.B. Feb. 25, 2013). *But see SkyHawke Techs., LLC v. L&H Concepts, LLC*, No. IPR2014-01485, Paper 13 (P.T.A.B. Mar. 20, 2015).

49. *PropX* Initial Panel Decision, *supra* note 44, at 6.

50. *Id.*; *see also* 35 U.S.C. § 315(b) (2011) (“The time limitation set forth in the preceding sentence shall not apply to a request for joinder under subsection (c).”). Most Board decisions addressing this issue before *PropX* agreed that § 315(b)’s exception to the one-year time bar applied only if the motion for joinder was granted. *But see Sony Corp. of Am. v. Network-1 Security Sols., Inc.*, No. IPR2013-00386, Paper 16 at 5 (P.T.A.B. July 29, 2013) (denying joinder but holding that § 315(b)’s one-year bar nevertheless “d[id] not apply to Petitioners because they filed a motion for joinder with their Petition”); *accord Sony Corp. of Am. v. Network-1 Security Sols., Inc.*, No. IPR2013-00386, Paper 15 at 5 (P.T.A.B. July 29, 2013) (same). The *PropX* POP decision held that unless “the Director exercises discretion to join pursuant to § 315(c) . . . there is no exception to the [§ 315(b)] time limitation,” thus effectively resolving this conflict. *PropX* POP Opinion, *supra* note 12, at 21.

permitted by § 315(c), but the PTAB may exercise its discretion to deny joinder.⁵¹ He would have denied joinder because PropX merely sought to correct its own mistakes in the first petition and delayed in doing so.⁵² Alternatively, he would also have denied joinder on the basis that all the *General Plastic* factors favored denial of the second follow-on petition.⁵³

IV. FIRST POP CONVENED IN *PROPX* TO RESOLVE PTAB PANEL CONFLICTS

The majority and concurring opinions in *PropX* illustrate some of the differing views of different PTAB judges on same-party joinder under § 315(c).⁵⁴ On November 30, 2018, the first PTAB POP was convened in *PropX* to resolve these conflicts.⁵⁵ The POP authorized further briefing by the parties, as well as from interested amici, to address the following three questions:

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?⁵⁶

Notably, PropX did not request the POP review under SOP2, as it only sought rehearing by an expanded panel under SOP1 in its rehearing request.⁵⁷ The POP review was therefore either initiated by the Director himself or recommended by another member of the PTAB.⁵⁸ The POP order explained

51. PropX Initial Panel Decision, *supra* note 44, concurring op. at 1–2 (Cherry, APJ., concurring).

52. *Id.* at 3–4 (citing Amneal Pharm., LLC v. Endo Pharm., Inc., No. IPR2014-01365, Paper 13 (P.T.A.B. Feb. 4, 2015)).

53. *Id.* at 4–5 (applying the non-exclusive factors set forth in *Gen. Plastic Indus. Co. v. Canon Kabushiki Kaisha*, No. IPR2016-01357, Paper 19 (P.T.A.B. Sept. 6, 2017) (precedential)).

54. *See supra* note 48 (collecting cases).

55. PropX Order Convening POP, *supra* note 9. The *PropX* POP consisted of the default members as set forth in SOP2, namely, PTO Director Andrei Iancu, Commissioner for Patents Drew Hirshfeld, and PTAB then-Acting Chief Judge Scott Boalick.

56. PropX POP Order, *supra* note 10, at 2.

57. Proppant Express Invs., LLC v. Oren Techs., LLC, No. IPR2018-00914, Paper 22 at 2 (P.T.A.B. Nov. 27, 2018); *see also supra* note 22 and accompanying text.

58. *See* SOP2 Rev. 10, *supra* note 6, at 5–6.

that the POP review was appropriate because “Board decisions conflict on the proper interpretation of 35 U.S.C. § 315(c).”⁵⁹

The POP received six amicus briefs from a collection of entities: (1) the Naples Roundtable (“Naples”)⁶⁰; (2) IXI IP, LLC (“IXI”)⁶¹; (3) American Intellectual Property Law Association (“AIPLA”)⁶²; (4) David Boundy (“Boundy”)⁶³; (5) Biotechnology Innovation Organization (“BIO”)⁶⁴; and (6) Microsoft Corporation (“Microsoft”).⁶⁵ All the amicus briefs, except the brief by David Boundy, addressed the questions outlined in the POP order. As illustrated in the table below, the parties and amici took divergent positions on joinder and the impact of the one-year bar.⁶⁶

59. PropX POP Order, *supra* note 10, at 2 (*comparing* Target Corp. v. Destination Maternity Corp., No. IPR2014-00508, Paper 28 (P.T.A.B. Feb. 12, 2015), *with* SkyHawke Techs., LLC v. L&H Concepts, LLC, No. IPR2014-01485, Paper 13 (P.T.A.B. Mar. 20, 2015)).

60. Proppant Express Invs., LLC v. Oren Techs., LLC, No. IPR2018-00914, Paper 27 (P.T.A.B. Dec. 28, 2018) [hereinafter Naples Br.].

61. Proppant Express Invs., LLC v. Oren Techs., LLC, No. IPR2018-00914, Paper 28 (P.T.A.B. Dec. 28, 2018) [hereinafter IXI Br.].

62. Proppant Express Invs., LLC v. Oren Techs., LLC, No. IPR2018-00914, Paper 29 (P.T.A.B. Dec. 28, 2018) [hereinafter AIPLA Br.].

63. Proppant Express Invs., LLC v. Oren Techs., LLC, No. IPR2018-00914, Paper 30 (P.T.A.B. Dec. 28, 2018) [hereinafter Boundy Br.].

64. Proppant Express Invs., LLC v. Oren Techs., LLC, No. IPR2018-00914, Paper 31 (P.T.A.B. Dec. 28, 2018) [hereinafter BIO Br.].

65. Proppant Express Invs., LLC v. Oren Techs., LLC, No. IPR2018-00914, Paper 32 (P.T.A.B. Dec. 28, 2018) [hereinafter Microsoft Br.].

66. *See* Proppant Express Invs., LLC v. Oren Techs., LLC, No. IPR2018-00914, Papers 25–34 (the parties’ briefs and amicus briefs). The POP also conducted an oral hearing on January 31, 2019. Proppant Express Invs., LLC v. Oren Techs., LLC, No. IPR2018-00914, Paper 37 (P.T.A.B. Jan. 31, 2019) [hereinafter Hearing Transcript].

	Under § 315(c) may a petitioner be joined to a proceeding in which it is already a party?	Does § 315(c) permit joinder of new issues into an existing proceeding?	Does the existence of a time bar under § 315(b), or any other relevant facts, have any impact on the first two questions?
Petitioner (PropX)	Yes. ⁶⁷	Yes. ⁶⁸	No, § 315(c) expressly permits same-party joinder and joinder of new issues. ⁶⁹
Patent Owner (Oren)	No. ⁷⁰	No. ⁷¹	Yes, the time-bar further supports Oren's position on the two questions. ⁷²
Naples	Yes. ⁷³	Yes. ⁷⁴	No, the Director should exercise discretion in granting or denying joinder to prevent abuse, while taking into account the time-bar as a factor. ⁷⁵
IXI	No. ⁷⁶	Yes, a timely joinder petition by a new party may add new issues. ⁷⁷	Yes, the one-year time bar is absolute, and it prohibits the use of a late-filed petition as the basis for joinder. ⁷⁸

67. Proppant Express Invs., LLC v. Oren Techs., LLC, No. IPR2018-00914, Paper 26 at 9 (P.T.A.B. Dec. 28, 2018).

68. *Id.* at 1–9.

69. *Id.* at 9–14.

70. Proppant Express Invs., LLC v. Oren Techs., LLC, No. IPR2018-00914, Paper 25 at 4–7 (P.T.A.B. Dec. 28, 2018).

71. *Id.* at 7–10.

72. *Id.* at 10–14.

73. Naples Br., *supra* note 60, at 3–6.

74. *Id.* at 6–10.

75. *Id.* at 10–12.

76. IXI Br., *supra* note 61, at 6–9.

77. *Id.* at 9–10.

78. *Id.* at 11–14.

	Under § 315(c) may a petitioner be joined to a proceeding in which it is already a party?	Does § 315(c) permit joinder of new issues into an existing proceeding?	Does the existence of a time bar under § 315(b), or any other relevant facts, have any impact on the first two questions?
AIPLA	AIPLA did not answer these questions and, for purposes of answering the third question, assumed that same-party joinder and joinder of new issues were appropriate. ⁷⁹		Yes, the one-year time bar does not apply to a petition filed with a joinder motion; but the Director should exercise discretion to grant same-party joinder in only limited cases to prevent abuse. ⁸⁰
BIO	No. ⁸¹	Yes, a timely joinder petition by a new party may add new issues in a limited manner. ⁸²	No, the one-year time bar is not directly relevant, because same-party joinder is prohibited in all circumstances, and because a late petitioner may not add any issue to an instituted IPR. ⁸³
Microsoft	Section 315(c) is ambiguous; the PTO should promulgate regulations through notice-and-comment rulemaking and adopt regulations that allow same-party joinder and joinder of new issues consistent with the intent of the AIA. ⁸⁴		Yes, the one-year time bar does not apply to a petition filed with a joinder motion; but it may inform the Director in exercising discretion to decide whether to grant joinder. ⁸⁵

79. AIPLA Br., *supra* note 62, at 2.

80. *Id.* at 4–13.

81. BIO Br., *supra* note 64, at 4–10.

82. *Id.* at 10–13.

83. *Id.* at 13–15.

84. Microsoft Br., *supra* note 65, at 3–8, 9–15.

85. *Id.* at 8–9.

	Under § 315(c) may a petitioner be joined to a proceeding in which it is already a party?	Does § 315(c) permit joinder of new issues into an existing proceeding?	Does the existence of a time bar under § 315(b), or any other relevant facts, have any impact on the first two questions?
Boundy	The POP is conducting improper rulemaking-by-adjudication in violation of the Administrative Procedure Act. ⁸⁶ For example, the POP did not provide sufficient public notice and time for interested amici to prepare their briefs. ⁸⁷		

V. PRECEDENTIAL OPINION IN *PROPX* RESOLVING CONFLICTS ON JOINDER

On March 13, 2019, three and half months after the POP convened, it issued a precedential decision addressing all three questions and reaffirming the denial of PropX’s joinder motion.⁸⁸ The POP held that § 315(c) provides the Director discretion to allow joinder of not only a petitioner to a proceeding in which it is already a party but also new issues of patentability.⁸⁹ The POP also held that the § 315(b) time bar is one of several factors that may be considered when exercising the discretion under § 315(c).⁹⁰ The POP emphasized that in exercising this discretion, joinder of otherwise time-barred parties will be allowed only in limited circumstances, “namely, where fairness requires it and to avoid undue prejudice to a party.”⁹¹ For example, a patent owner asserting new claims after the one-year bar in a co-pending litigation may justify joinder.⁹² In contrast, the mistakes or omissions of a petitioner very likely will not raise fairness or prejudice concerns to warrant joinder.⁹³ As applied in this case, the POP denied joinder because PropX requested joinder to correct its own mistakes, there were no

86. Boundy Br., *supra* note 63, at 1–15.

87. *Id.* at 5–6.

88. PropX POP Opinion, *supra* note 12, at 3–4.

89. *Id.* at 4.

90. *Id.*

91. *Id.*

92. *Id.*

93. *Id.*

fairness or prejudice concerns, and the second petition was otherwise time-barred under § 315(b).⁹⁴

As to the first question identified in the POP order (joinder of the same party), the POP relied on the language of § 315(c) that “any person who properly files a petition” may request joinder. The POP reasoned that “by using the expansive phrase ‘any person,’” Congress provided the Director discretion to join a person who is already a petitioner in a proceeding.⁹⁵ The POP also explained that § 315(c) allows exercising this discretion to guard against gamesmanship of either side of the parties.⁹⁶

As to the third question (effect of the time bar), the POP interpreted the second sentence of § 315(b) as exempting a petition accompanied by a joinder request from the one-year bar.⁹⁷ But the POP also acknowledged the importance of the time bar.⁹⁸ It emphasized that “when an otherwise time-barred petitioner requests same party and/or issue joinder, the Board will exercise this discretion only in limited circumstances—namely, where fairness requires it and to avoid undue prejudice to a party.”⁹⁹ The POP suggested that when considering a joinder motion, the *General Plastic* factors may support exercise of discretion to deny institution under § 314(a).¹⁰⁰

The POP in its decision addressed many arguments made by amici.¹⁰¹ For example, the POP emphasized the importance of exercising discretion under § 315(c) to guard against gamesmanship by any of the parties and to address fairness and prejudice concerns.¹⁰² This is an issue that several amici raised in their briefs.¹⁰³ Some amici argued that the PTAB should guard against harassment and unfairness to patent owners. For example, instances where (1) a petitioner files serial petitions to challenge the same patent using earlier institution decisions as a roadmap for the later petitions, (2) a petitioner attempts to use joinder to correct deficiencies in prior petitions, and (3) a petitioner seeks to circumvent the one-year time bar, were cited as

94. *Id.*

95. *Id.* at 5–6, 9.

96. *Id.* at 11.

97. *Id.* at 17.

98. *Id.* at 18.

99. *Id.* at 19.

100. *Id.*

101. *Id.* at 5–19.

102. *See, e.g., id.* at 4, 10–11, 16, 18–19.

103. *See, e.g.,* BIO Br., *supra* note 64, at 4–5, 9–10; AIPLA Br., *supra* note 62, at 4, 9–11, 13–14; Microsoft Br., *supra* note 65, at 3, 10–14.

problematic.¹⁰⁴ In other cases, however, as some amici also argued, a patent owner may attempt to use the time bar to prevent a petitioner from challenging claims that are asserted in co-pending litigation after a PTAB petition is filed, and if so, discretion to grant joinder may be exercised to guard against prejudice and gamesmanship.¹⁰⁵ The POP appeared to be moved by those arguments, as demonstrated by the questions it asked during the oral hearing and the analysis in its precedential opinion.¹⁰⁶

The POP also repeatedly cited the amicus briefs in its opinion: it cited the BIO brief 13 times, the IXI brief seven times, each of the Naples and Microsoft briefs three times, and the AIPLA brief once.¹⁰⁷ This suggests that the arguments of amici helped shape the POP decision.

CONCLUSION

The *PropX* POP was a successful vehicle for providing a central hearing for interested views on an issue over which PTAB panels had disagreed in the past. The parties and amici were allowed to brief the three questions identified by the POP order, and the POP appeared to seriously consider each of those viewpoints in crafting its decision. Certain aspects of this first POP may be considered sub-optimal by some, such as the manner that notice of dissemination of the POP notice and the amount of time provided to amici for briefing. It is likely that the PTAB will improve on these issues going forward. Generally, based on a robust briefing of the issues, the POP permitted the setting of PTAB policy and resolution of PTAB conflicts on a number of questions where clarity was lacking, providing a successful exercise for both the PTAB and the bar.

104. See, e.g., AIPLA Br., *supra* note 62, at 9–10, 13; Microsoft Br., *supra* note 65, at 11–14.

105. See, e.g., BIO Br., *supra* note 64, at 9–10; AIPLA Br., *supra* note 62, at 10–11.

106. See, e.g., Hearing Transcript, *supra* note 66, at 10–11, 17, 19, 22–23, 25; PropX POP Opinion, *supra* note 12, at 4, 10–11, 16, 18–19.

107. *Id.* at 5–19.