

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 MICHAEL P. TIERNEY, LORA M. GREEN, JONI Y. CHANG,
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*
LORA M. GREEN.

Opinion Dissenting filed by *Administrative Patent Judge*
MICHAEL J. FITZPATRICK, in which *Administrative Patent Judges*
JENNIFER S. BISK and MITCHELL G. WEATHERLY join.

GREEN, *Administrative Patent Judge.*

DECISION
Granting Petitioner's Request for Rehearing
37 C.F.R. § 42.71

I. INTRODUCTION

Petitioner, Target Corporation (“Target”), requests reconsideration of our Decision Denying Joinder of the instant proceeding with IPR2013-00531 (Paper 18), as well as our Decision Denying Institution of *Inter Partes* Review (Paper 20). Paper 22 (“Request for Rehearing”). Patent Owner, Destination Maternity Corporation, was authorized to file an Opposition (Paper 24), to which Petitioner was authorized to file a Reply (Paper 25). For the reasons discussed below, we grant the Request for Rehearing.

II. BACKGROUND

Petitioner filed a Petition for *inter partes* review of U.S. Patent No. RE43,563 E (“the ’563 patent”) 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, Petitioner filed such a motion, limiting the claims challenged to two: claims 20 and 21.¹ Paper 7. In IPR2013-00531, the Board instituted a trial as to claim 20, but not claim 21. *Id.* at 1; *see* IPR2013-00531, Paper 10, 29. In its Motion to Limit the Petition in the current proceeding, Petitioner moved to limit the new grounds of challenge to five. Paper 7, 1–2. All but one of the

¹ Petitioner included also claim 1 in its motion, on the theory that as claims 20 and 21 are dependent on claim 1, any challenge of claims 20 and 21 would necessarily also apply to claim 1. Paper 7, 2 n.3.

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, and a bar under 35 U.S.C. § 315(b) arose. Paper 3, 2–3. Petitioner’s Motion for Joinder was filed, no later than one month after institution of the trial in IPR2013-00531, which is timely in accordance with 37 C.F.R. § 42.122(b).

III. ANALYSIS

When rehearing a decision on petition, the Board reviews the decision for an abuse of discretion. 37 C.F.R. § 42.71(c). An abuse of discretion occurs, *inter alia*, when a “decision . . . [was] based on an erroneous conclusion of law.” *Stevens v. Tamai*, 366 F.3d 1325, 1330 (Fed. Cir. 2004). A request for rehearing “must specifically identify all matters the party believes the Board misapprehended or overlooked.” 37 C.F.R. § 42.71(d).

A. *Whether the Board has the Authority to Expand the Panel*

As an initial matter, Patent Owner contends that there is no regulatory or statutory authority for the Board to expand the panel. Paper 24, 7. Patent Owner argues that the regulation that governs rehearing, 37 C.F.R. § 42.71(d), does not authorize rehearing by an expanded panel, but is instead directed to rehearing by the same panel, not a different panel. *Id.* at 8–9. According to Patent Owner, “the designation of an enlarged panel to try to change the current panel’s conclusion affects Destination Maternity’s substantive rights . . . since it is being done here to change the outcome of this inter partes proceeding, which is now not instituted.” *Id.* at 10 (citing *In re Alappat*, 33 F.3d 1526, 1575 n.6 (Fed. Cir. 1994), *overruled on other*

grounds by In re Bilski, 545 F.3d 943 (Fed. Cir. 2008)). Patent Owner contends also that the Board's Standard Operating Procedure 1 ("SOP1")² does not govern the proceedings before the Patent Trial and Appeal Board ("PTAB"), including the proceedings created under the America Invents Act³ ("AIA"), as it was issued by a Chief Administrative Patent Judge of the Board of Patent Appeals and Interferences ("BPAI"), which no longer exists. *Id.* at 11–12.

We are not persuaded by Patent Owner's arguments. Section 6(c) of Title 35 reads (in relevant part; emphasis added):

(c) 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, who shall be designated by the Director. Only the Patent Trial and Appeal Board may grant rehearings.

Thus, Congress did not limit the panel that may hear an *inter partes* review to a three member panel, but set only the minimum size of the panel. That is, the statute specifies that an *inter partes* review must be heard by *at least* three Administrative Patent Judges.

We have considered the decision of the Court of Appeals for the Federal Circuit in *In re Alappat*, but that decision also does not persuade us otherwise. An issue in that case was whether 35 U.S.C. § 7 (1988) granted the Commissioner of the Patent and Trademark Office the authority to

² See Standard Operating Procedure 1 (Rev. 13), *Assignment of judges to merits panels, motions panels, and expanded panels* (Feb. 12, 2009) (available at <http://www.uspto.gov/ip/boards/bpai/procedures/index.jsp>).

³ Leahy-Smith America Invents Act, Pub. L. No. 112-29, 125 Stat. 284 (2011).

designate the members of what was an expanded panel to consider a request for reconsideration of a BPAI decision. *Alappat*, 33 F.3d at 1531–32. The Federal Circuit held that it did. *Id.* at 1532. In particular, the Federal Circuit noted as to the expansion of the panel, that “[b]y use of the language ‘at least three,’ Congress expressly granted the Commissioner the authority to designate expanded Board panels made up of more than three Board members.” *Id.*

We acknowledge that the court, in passing, noted:

[T]he Commissioner’s authority to designate the members of a Board panel may or may not be constrained by principles of due process or by Title 5, the Administrative Procedure Act (APA). However, as noted herein, *Alappat* has not raised any such arguments in this appeal, and therefore we need not address such issues.

Id. at 1532 n.4. Thus, while noting that due process considerations “may or may not” limit the ability of the Commissioner to expand a panel on rehearing, the Federal Circuit expressly declined to address that issue in *Alappat*.

Moreover, whether SOP1 governs AIA trial proceedings is irrelevant, because, as confirmed by the Federal Circuit in *Alappat*, the Director has the statutory authority to designate an expanded panel. Thus, the Chief Judge, acting on behalf of the Director, has the authority to designate an expanded panel in appropriate cases. *See, e.g.*, Rules of Practice for Trials Before the Patent Trial and Appeal Board and Judicial Review of Patent Trial and Appeal Board Decisions, 77 Fed. Reg. 48,612, 48,647 (Aug. 14, 2012) (“When rehearing a petition decision, the Office envisions that the decision will typically be reviewed by *a panel of at least three administrative patent judges.*”) (emphasis added).

As noted by the dissenting opinion in the Decision Denying Joinder, the Board consistently has allowed joinder of additional grounds by the same party. Paper 18, 2 (Green, dissenting) (citing *Ariosa Diagnostics v. Isis Innovation Ltd.*, Case IPR2012-00022 (PTAB Sept. 2, 2014) (Paper 166)(“*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)). The inconsistencies in the interpretation of the statute presented by the Decision Denying Joinder in the instant proceeding are a sufficient reason for expanding the panel. We, therefore, conclude that the Board has the discretion to expand the panel as provided for in 35 U.S.C. § 6(c).

B. Statutory Interpretation of 35 U.S.C. § 315(c)

Turning now to the merits of the Request for Rehearing, the contention at the heart of Petitioner’s request for rehearing is that the denial of its Motion for Joinder was “based on an erroneously narrow interpretation of 35 U.S.C. § 315(c).” Paper 22, 1. We agree with Petitioner.

Statutory interpretation begins with the language of the statute itself. *Ransom v. FIA Card Serv.*, 131 S. Ct. 716, 723–24 (2011). Terms that are not defined expressly 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 under § 311 is, therefore, a predicate to joinder.

As noted by Petitioner (Paper 22, 5–6), § 311(a) specifies who can file a petition for *inter partes* review. Under that section, “a person who is not the owner of a patent may file with the Office a petition to institute an inter partes review of the patent.” Thus, when “any person” is read in light of § 311(a), the only person excluded by the language is the owner of the patent at issue. More specifically, the statute does not exclude a person who is already a petitioner in an instituted review proceeding that is the subject of the joinder analysis. The choice of Congress to exclude only Patent Owners is telling. *See, e.g., Figueroa v. Sec’y of Health & Human Servs.*, 715 F.3d 1314, 1322 (Fed. Cir 2013) (“[T]he term left out must have been meant to be excluded.” (quoting *Chevron U.S.A. Inc. v. Echazabal*, 536 U.S. 73, 81 (2002))); *Gonzalez v. Dep’t of Transp.*, 551 F.3d 1372, 1375 (Fed. Cir. 2009) (“Where Congress explicitly enumerates certain exceptions to a general prohibition, additional exceptions are not to be implied in the absence of

evidence of a contrary legislative intent.” (quoting *Espenschied v. MSPB*, 804 F.2d 1233, 1237 (Fed. Cir. 1986))).

Moreover, the word “any” may be defined as “one or more without specification or identification.”⁴ If the legislature meant to exclude joining the same petitioner to an instituted *inter partes* review, it is unclear why it used the word “any” 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.” An interpretation that requires us to read “any party” as excluding a same petitioner, in essence, reads the word “any” out of the statute and ignores the statutory language of § 311(a).⁵

Central to the Decision Denying Joinder is the conclusion that the language of the statute is unambiguous. We, however, disagree. We acknowledge that, as written, there is some ambiguity in the statute. 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 and the legislative history, as well as the statutory purpose to aid us in resolving that ambiguity.

Section 315(c) specifies that a person seeking joinder need “properly file[] a petition under section 311.” According to the Decision Denying

⁴ Random House, Inc., *Any*, DICTIONARY.COM UNABRIDGED, <http://dictionary.reference.com/browse/any> (last visited September 22, 2014).

⁵ While the dissent reiterates the arguments made in Decision Denying Joinder (Dissenting Op. 5), it does not reconcile the language of § 315(c) with § 311, which, as discussed above, specifically defines who may file a petition, that is, “a person who is not the owner of a patent.”

Joinder, “the plain language of § 315(c) permits joinder of only a party to an instituted *inter partes* review,” and thus, under that construction, joinder of issues would not be permitted. Paper 18, 11. The Decision Denying Joinder accounted 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. *Id.* at 5–6. In our view, however, a careful reading of § 315(c), as well as statutory sections relating to the content of a petition, however, demonstrates that the Decision Denying Joinder, selectively read out portions of the statute.

Section 315(c) specifies that joinder may be granted only 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 presents the standard for instituting *inter partes* review on the merits of grounds presented in a petition. Specifically, subsection (a) states:

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.

35 U.S.C. § 314(a). 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(b) and 312 of the statute further supports our construction. Section 311(b) states that “[a] petitioner . . . may request to cancel 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 is evident from those sections of the statute, the primary purpose of the petition is to frame the issues for *inter partes* review. By requiring a properly filed petition, Congress has made it clear that § 315(c) contemplates the joinder of issues, as well as parties.

We conclude further that the legislative history of that section supports our view that allowing joinder of issues, and not just the joinder of parties, was intended. We acknowledge, as the dissent notes, that the Final Committee Report states, with respect to §§ 315(c) and 325(c), that “[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 expressly refer to “other petitioners,” it does not preclude joinder of a same petitioner. During the Senate’s March 2011 debates on the AIA, Senator Kyl explained that the USPTO expected to allow liberal joinder of reviews, including those having new arguments:

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 specifically referring to “new arguments,” Senator Kyl’s remarks contemplate not only the joinder of parties, but, in conflict with the dissent’s interpretation of the statute, specifically contemplate the joinder of additional issues to the pending proceeding. *See also* 154 Cong. Rec. S 9988 (daily ed. Sept. 27, 2008) (statement of Sen. Kyl) (“[A]dditional petitions can be joined only if, among other things, they are properly filed.”); *id.* (“[A] procedurally proper successive petition for . . . review may be joined to a pending proceeding at the discretion of the Director, even if the 329(b)(2) deadline has not been met, so long as the Director determines that the petition satisfies the threshold set in section 327(c).”)

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.” 157 Cong. Rec. S 1376 (daily ed. Mar. 8, 2011) (statement of Sen. Kyl). 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 id.* (stating that 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). Those 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 anything in its legislative history, that limits joinder to the joinder of parties only. In fact, joinder of issues was specifically envisioned by Congress.

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(b), 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 37 C.F.R. § 42.1(b): The rules “shall be construed so as to ensure the just, speedy, and inexpensive resolution of every proceeding.” *See also* Office Patent Trial Practice Guide, 77 Fed. Reg. 48,756, 48,758 (Aug. 14, 2012) (stating the same). Thus, even if some claims of the ’563 patent were to be found unpatentable in IPR2013-00531, by removing the discretion to join claim 21, as well as the new challenges presented in the instant proceeding, the case would necessarily have to go back to the district court for a separate determination as to those claims and challenges not at issue in IPR2013-

00531. That could result in a waste of judicial resources, 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 in the Decision Denying Joinder decided the issues that were briefed by the parties, and had reached the merits of those issues. Specifically, the overlap in issues and Petitioner’s agreement to limit the Petition to facilitate joinder are significant factors that should have been considered, but were precluded by the Decision Denying Joinder. *See, e.g., ABB Inc. v. Roy-G-Biv Corp.*, Case IPR2013-00286 (PTAB Aug. 9, 2013) (Paper 14) (permitting joinder of 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, permitting joinder in this case may well have served the statutory objective of decreasing litigation costs and conserving judicial resources. The statutory construction proposed by the Decision Denying Joinder, however, would deprive 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 Chevron, U.S.A., Inc. v. Natural Resources Defence Council*, 367 U.S. 837, 843 (1984) (noting that “considerable weight should be accorded to an executive department’s construction of a statutory scheme it is entrusted to administer.”); *see also 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.”).

Patent Owner agrees with the Decision Denying Joinder that 35 U.S.C. § 315(c) addresses joinder of parties, not issues. Paper 24, 1–2. According to Patent Owner, “where there are multiple proceedings involving the same patent, as here, Congress refers to ‘consolidation,’” which is addressed in § 315(d). *Id.*

We are not persuaded by Patent Owner’s argument. Section 315(d) discusses consolidation and states:

MULTIPLE PROCEEDINGS—Notwithstanding sections 135(a), 251, and 252, and chapter 30, during the pendency of an inter partes review, if another proceeding or matter involving the patent is before the Office, the Director may determine the manner in which the inter partes review or other proceeding or matter may proceed, including providing for stay, transfer, consolidation, or termination of any such matter or proceeding.

“Consolidation,” as used in § 315(d) is different from “joinder” as used in § 315(c), as § 315(d) allows consolidation of different types of proceedings before the Office. Although consolidation, like joinder, may include a second *inter partes* review of the same patent, other types of proceedings, such as post-grant reviews and reexaminations, are also eligible. *See* 157 Cong. Rec. S 9988 (daily ed. Sept. 27, 2008) (statement of Sen. Kyl) (“Section 325(c) gives the PTO broad discretion to consolidate, stay, or terminate any PTO proceeding involving a patent if that patent is the subject of a post-grant review proceeding. It is anticipated, for example, that if a . . . proceeding is instituted and reexam[ination] is sought, the Director would be inclined to stay the postgrant review during exhaustion of the reexam[ination]. On the other hand, if a postgrant review is near completion, the Director may consolidate or terminate any other PTO proceeding that is initiated with regard to that patent.”).

For joinder under § 315(c), the petition need not be filed within a year of receiving a complaint alleging infringement of the patent at issue, as required § 315(b). With consolidation under § 315(d), there is no waiver of that requirement. Thus, Congress provided two separate and distinct ways to manage parallel proceedings. As explained above, Patent Owner's proffered interpretation would deprive the Board of any opportunity to use either provision to move forward in 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.

Patent Owner contends further that § 315(d) limits the proceeding that may be consolidated with the *inter partes* review to one involving the same patent, whereas § 315(c) does not. Paper 24, 3; *see also* Paper 22, 9 n.3 (Petitioner agreeing that there is no language in § 315(c) that limits joinder to the same patent). Patent Owner argues also that there is nothing in the language of § 315(c) that limits the number of petitions that may be filed, and thus, Petitioner's construction "allows joinder of petitions including any arguments and concerning any patents, and allows multiple, successive petitions." Paper 24, 3. Patent Owner contends that this reading of § 315(c) creates an "untenable" result (*id.* at 2) and "ignores one of Congress's greatest concerns—expressed throughout the legislative history: 'harassment of patent owners who want to assume quiet title over their invention'" (*id.* at 4).

We agree with Petitioner (Paper 25, 1), however, that the remedy to the possible abuses of joinder, including those suggested by Patent Owner, is found in the language of § 315(c) itself. That is, § 315(c) specifies that joinder is at the discretion of the Director, and the Board has exercised that

discretion in situations that may have resulted otherwise, in Patent Owner's words, "untenable results." See, e.g., *Reloaded Games, Inc. v. Parallel Networks LLC*, Case IPR2014-00950, slip. op. at 4–5 (PTAB Oct. 22, 2014) (Paper 12) (denying joinder request by the same petitioner, concluding that the petitioner was seeking "a second bite of the apple" on grounds that could have been raised in the earlier petition); *Medtronic, Inc. v. Endotach LLC*, Case IPR2014-00695, slip. op. at 5 (PTAB Sept. 25, 2014) (Paper 18) (denying joinder request by the same petitioner based, in part, that Petitioner created its own § 315(b) bar situation); *Apple Inc. v. Virnetx, Inc.*, Case IPR2014-00485, slip. op. at 8 (PTAB Sept. 16, 2014) (Paper 18) (denying joinder request in which the proceedings involved different patents involving claims of different scope).

Moreover, even assuming Patent Owner is correct that one objective of the AIA is to prevent harassment of patent owners who want to enjoy quiet title to their patent, it is unclear how that goal would be met here by denying joinder. Petitioner has limited the Petition to claims 20 and 21, which both depend on claim 1. Paper 7, 2. Thus, if independent claim 1 were determined unpatentable in IPR2013-00531, that determination may possibly cast doubt on Patent Owner's entitlement to dependent claims 20 and 21.

Finally, Patent Owner argues that the Board could not have misapprehended or overlooked any matters, as Petitioner's Request for Rehearing merely "reiterates arguments made by the dissent in the Board's Decision Denying Motion for Joinder." Paper 24, 14. That is, according to Patent Owner, as Petitioner's Request for Rehearing only repeats the arguments made by the dissent, it cannot meet the "misapprehended or

overlooked” standard and, thus, must be rejected on that ground alone. *Id.* at 15.

We are not persuaded by this argument. A conclusion based on an erroneous interpretation of law constitutes an abuse of discretion. See *Stevens*, 366 F.3d at 1331. We conclude that Petitioner is correct in its contention that the Decision Denying Joinder was based on an erroneously narrow interpretation of 35 U.S.C. § 315(c). We, therefore, determine that Petitioner’s Request for Rehearing was proper.

IV. CONCLUSION

For the foregoing reasons, we conclude that the Decision Denying Joinder was based on an improper construction of 35 U.S.C. § 315(c), and thus, the denial of joinder on that basis alone constituted an abuse of discretion. Accordingly, Petitioner’s Request for Rehearing is *granted*.

Opinion Dissenting filed by *Administrative Patent Judge* FITZPATRICK, in which BISK and WEATHERLY, *Administrative Patent Judges*, join.

I. INTRODUCTION

Via expanded panel, the majority grants rehearing of the Decision Denying Joinder. To do so, it rewrites two subsections of 35 U.S.C. § 315; reads past the most relevant provision of the Final Committee Report; misinterprets ambiguous statements by a single Member of Congress, some of which were made in connection with a version of a bill that differed materially from the enacted legislation; relies on non-binding prior Board decisions that allowed joinder of issues without explicitly analyzing § 315(c); and relies on the Board’s Rules and Office Patent Trial Practice Guide, which cannot trump a federal statute. In doing so, the majority converts a statutory bar to *inter partes* review into a discretionary bar. We respectfully dissent.¹

II. BACKGROUND

The majority asserts that the Decision Denying Joinder “would deprive 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

¹ We recognize that in opposition to Petitioner’s Request for Rehearing, Patent Owner also makes procedural arguments related to the makeup of the panel. Paper 24, 7–13. Specifically, Patent Owner argues that creating a panel of seven to decide Petitioner’s Request for Rehearing would violate Due Process, the Administrative Procedures Act, and 35 U.S.C. § 2(b)(2). *Id.* Because we would not grant rehearing, we decline to address these additional arguments.

§ 315(b) bar.” Maj. Op. 14. To say that the Decision Denying Joinder would deprive the Board of discretion, however, presumes that the Board begins with the broad discretion resulting from the majority’s interpretation of § 315(c). The divergence in the two interpretations of § 315(c) stems from fundamentally different approaches to reading the statute. The majority reads § 315(c) as if it grants discretion for the Board to act in any way not expressly prohibited by the statute. By contrast, we interpret § 315(c) to grant discretion for the Board to act only in ways that are stated expressly in the statute. For reasons expressed more specifically below, we consider our interpretation also to be more consistent with the other portions of the statutory framework than the majority’s interpretation.

III. 35 U.S.C. § 315(c)

Petitioner filed a Motion for Joinder pursuant to § 315(c). Paper 3, 1. Specifically, Petitioner seeks to have the instant “Petition . . . joined with the instituted *inter partes* review, *Target Corp. v. Destination Maternity Corp.*, IPR2013-00531.” *Id.*

A. The Statutory Language

As our reviewing court has noted, “[a]s always, the ‘starting point in every case involving construction of a statute is the language itself.’” *Ethicon, Inc. v. Quigg*, 849 F.2d 1422, 1425 (Fed. Cir. 1988) (quoting *United States v. Hohri*, 482 U.S. 64, 69 (1987) and *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*, 479 U.S. at

43 (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 or new patentability challenges presented therein. 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.

The majority points out that the Board consistently has allowed joinder of additional grounds by the same party. *See, e.g.*, Maj. Op. 6. But, only the *Ariosa* panel explicitly construed § 315(c). *Compare Ariosa Diagnostics v. Isis Innovation Ltd.*, Case IPR2012-00022 (PTAB Sept. 2, 2014) (Paper 166) (explicitly interpreting § 315(c)) *with Samsung Elecs. Co. v. Virginia Innovation Scis., Inc.*, Case IPR2014-00557 (PTAB June 13, 2014) (Paper 10) (“*Samsung*”), *Sony Corp. v. Yisum Research Dev. Co. of the Hebrew Univ. of Jerusalem*, Case IPR2013-00327 (PTAB Sept. 24, 2013) (Paper 15), *ABB Inc. v. Roy-G-Biv Corp.*, Case IPR2013-00286 (PTAB Aug. 9, 2013) (Paper 14), *Microsoft Corp. v. Proxyconn, Inc.*, Case IPR2013-00109 (PTAB Feb. 25, 2013) (Paper 15). Given that the majority concludes that the statute is ambiguous, it should not place any weight on

such decisions, which are not binding and do not analyze the statute explicitly.

The *Ariosa* panel construed § 315(c) as authorizing joinder of issues presented in another petition. *Ariosa* at 18–21. In fact, *Ariosa* interpreted § 315(c) as authorizing joinder of issues presented in another petition *brought by the same petitioner*. *Id.* 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 issues presented in 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 any person who properly files a petition.” 35 U.S.C. § 315(c).

1. *“Re-Joining” an Existing Party*

Central to the majority’s opinion is its focus on the statutory language “any person” to the exclusion of other statutory language, in particular the phrase “join as a party.” The majority erroneously characterizes the Decision Denying Joinder as reading the word “any” out of § 315(c). It did not. The Decision Denying Joinder did not hold that Target was not “any person.” Rather, it held that Target cannot be joined as a party to IPR2013-00531 because it already is a party. More specifically, it stated:

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.^{[FN]2}

[FN]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.

Decision Denying Joinder 4–5 & n.2.

2. *Joining a Ground or an Issue*

Even if § 315(c) were to contemplate the *re*-joining, so to speak, of an existing party by virtue of the “any person” language, as the majority holds,

the statute never authorizes joining a ground or an issue (as opposed to a person) to the instituted *inter partes* review. See 35 U.S.C. § 315(c).

The majority asks, if our construction were correct, why then would § 315(c) require the person to be joined to properly file its own petition under § 311 and the Director to determine whether that petition warrants institution under § 314. The majority's question presupposes that the filing of such a petition would be redundant unless it permits the person to raise additional challenges to patentability *in* the previously-instituted *inter partes* review. But, that is not the case. The petition requirement of § 315(c) serves many purposes.

Foremost among these purposes is the initiation of a legal process in which a non-patent owner voluntarily subjects itself to the Board's jurisdiction by filing a petition. Without a requirement to file a petition, a person could be joined involuntarily as a party to someone else's *inter partes* review. For example, suppose a patent owner accuses two unrelated persons of infringing its patent: Person A and Person B. If Person A files a petition for an *inter partes* review and it is instituted, the patent owner may want to join Person B involuntarily to expand the number of persons subject to estoppel under 35 U.S.C. § 315(e)(1) and (2) upon a final written decision. See 37 C.F.R. § 42.122(b) ("Joinder may be requested *by a patent owner or petitioner.*") (emphasis added). But, the petition requirement in § 315(c) enables Person B to avoid being dragged into the *inter partes* review simply by not filing its own petition. See 35 U.S.C. § 315(c). The petition requirement of § 315(c) prevents involuntary joinder under such circumstances, and also prevents the potential estoppel that might result

from an involuntary joinder of a person who filed its own petition for an *inter partes* review but was not successful.

Still, it would be a mistake to focus exclusively on the merits of the petition in ascribing possible purposes for the petition requirement of § 315(c). Indeed, determining whether a petition warrants institution under § 314 involves far more than evaluating the merits of patentability challenges. Section 314 requires the Director to consider “any response filed under section 313.” The preliminary response under § 313 is a paper in which a patent owner may set forth “reasons why no *inter partes* review should be instituted based upon the failure of the petition to meet any requirement of this chapter.” 35 U.S.C. § 313. Thus, all requirements of Chapter 31 of Title 35 are relevant for determining whether a petition “warrants the institution of an *inter partes* review.”² For example, § 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 Those requirements are set forth in at least §§ 311(c), 312(a)(1), (2), (4), and (5), 315(a), (b), and (e)(1). These requirements do not include § 325(d), because it is not part of Chapter 31. The exclusion of § 325(d) is notable because it is § 325(d) that allows the Director to “take into account whether, and reject the petition or request because, the same or substantially the same prior art or arguments previously were presented to the Office.” 35 U.S.C. § 325(d). If § 325(d) were not excluded, it would provide an avenue for rejecting a request by a person seeking joinder as a party to an instituted *inter partes* review because he filed a petition that merely repeats the grounds involved in the instituted *inter partes* review.

- (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 requires that petitions 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 because the original petitioner paid a fee to create the proceeding and the second fee helps cover the costs of the added complexity to the 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) or § 315(b) and so that the estoppel provisions of § 315(e)(1) and (2) have the intended effect against the appropriate persons. Similarly, the second petitioner must identify the basis of each challenge so that the Board can determine whether the second petitioner’s participation in a prior *inter partes* review results in estoppel. The second petitioner must identify related matters to aid the Board in determining the presence of a bar under § 315(a) or (b) or estoppel under § 315(e)(1). 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.

Thus, many more reasons exist for requiring the filing of a petition that the Director determines “warrants institution of an *inter partes* review” than determining whether the patentability challenges presented in the petition are meritorious. The majority, however, posits that § 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.” Maj. Op. 9–10 (emphasis added). The majority's conclusion is not dictated by the stated premise. The majority implies that, if a second petitioner's petition warrants institution, it must be joined to a first *inter partes* review in order for the grounds therein to be heard. But, the statutorily-prescribed manner for the second petitioner's grounds to be heard is through institution of an *inter partes* review. 35 U.S.C. § 314. Section 315(c) does not contemplate, let alone authorize, joining the second petition to a first petitioner's *inter partes* review. Section 315(d), however, expressly authorizes the consolidation of a second *inter partes* review with a first *inter partes* review of the same patent.

In overemphasizing the merits of new patentability challenges presented in a second petition, the majority ignores the fundamentally stated character of joinder under § 315(c), namely to permit joinder of a person as a party to an instituted *inter partes* review. In our view, § 315(c) is not

ambiguous as to whether it permits joinder of grounds or issues. It unambiguously does not. It states that a person “may join as a party” and, despite referring to “a petition,”³ nowhere refers to the joining of that petition. 35 U.S.C. § 315(c).

B. The Legislative History

Because the majority perceives ambiguity in § 315(c), it reviews the legislative history for guidance in resolving the perceived ambiguity. While we consider § 315(c) to be unambiguous, we respond to the majority’s analysis of the legislative history.

The Final Committee Report states, 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 majority acknowledges this statement but discounts its plain reference to “other petitioners” as those who may seek joinder. Instead, the majority notes that the statement does not, on its face, prohibit same petitioner joinder. But, the statement was meant to “represen[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 discern no reason why the drafters intentionally would describe only part

³ Whatever the reason for the petition requirement of § 315(c), the merits aspect of the requirement does not present much of an obstacle to a person seeking to join an instituted *inter partes* review. That person can satisfy the merits aspect of the requirement, regardless of whether it wishes to pursue new patentability challenges, merely by repeating the grounds upon which the *inter partes* review was instituted.

of their understanding of what the statute provides, for example, by referring to joinder of “other petitioners,” if, in fact, they understood the statute to provide for joinder also of same petitioners.

The majority relies heavily on comments from a single legislator and concludes that “joinder of issues was specifically envisioned by Congress.” Maj. Op. 12. The Supreme Court, however, 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 “represen[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 & n.3 (1984) (parallel citations omitted).

Instead of relying upon the clear intent set forth in the Final Committee Report as directed by the Supreme Court, the majority 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 statement, whether every word relates 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 under § 315(c). Regardless, under Supreme Court precedent, they are far less authoritative than the Final Committee Report, which expressly refers to those who the Director may join to an *inter partes* review as “other petitioners.”

The majority also quotes the following remarks by Senator Kyl as justifying its interpretation of § 315(c) as permitting joinder of issues: “[A] procedurally proper successive petition for second-period review may be joined to a pending proceeding at the discretion of the Director, even if the 329(b)(2) deadline has not been met, so long as the Director determines that the petition satisfies the threshold set in section 327(c).” 154 Cong. Rec. S 9988 (daily ed. Sept. 27, 2008) (statement of Sen. Kyl); Maj. Op. 11. Senator Kyl’s 2008 remarks relate to a statutory framework that materially differs from the AIA as enacted in 2011 and, in particular, from Chapter 31, which covers *inter partes* reviews. His remarks relate to S. 3600, a bill that was never considered in committee or presented to the Senate for a vote. That bill included the following provision, which states in pertinent part:

§ 322. Relation to other proceedings or actions

* * *

(c) **DUPLICATIVE PROCEEDINGS.**—A post-grant review^[4] or reexamination proceeding may not be instituted if—

(1) the petition requesting the proceeding identifies the same petitioner or real party in interest and the same patent as a previous petition requesting a post-grant review proceeding;

Patent Reform Act of 2008, S. 3600, 110th Congress § 5 (2008) (proposing 35 U.S.C. § 322 titled “Relation to other proceedings or actions” and including § 322(c) quoted above). Senator Kyl’s comments relate to a framework in which, once a party filed a first petition seeking review of a patent, the Board would be prohibited from instituting review on any subsequent petition filed by that party on the same patent. Thus, while the majority-quoted statement from Senator Kyl might support a view that he envisioned his 2008 bill would have permitted joinder of issues had it been enacted, it expressly barred institution based on subsequent petitions by the *same* petitioner.

The majority quotes a prediction by another Member that the AIA “will establish a more efficient and streamlined patent system that will

⁴ Senator Kyl’s bill, S. 3600, referred to two types of post-grant proceedings, a first-period proceeding and a second-period proceeding. Of these two types, the second-period proceeding is akin to an *inter partes* review. See Patent Reform Act of 2008, S. 3600, 110th Congress § 5 (2008) (proposing 35 U.S.C. § 321(c) titled “Second-Period Proceeding” describing a review of a patent based on prior art that includes only patents and printed publications for which a petition may be filed no sooner than 9 months after grant of the patent).

improve patent quality and limit unnecessary and counterproductive litigation costs, while making sure no party's access to court is denied." 157 Cong. Rec. S1349 (daily ed. Mar. 8, 2011) (statement of Sen. Leahy); Maj. Op. 12. Additionally, the majority quotes Rule 42.1(b) and the Office Patent Trial Practice Guide as stating: "The rules are to be construed so as to ensure the just, speedy, and inexpensive resolution of a proceeding." Maj. Op. 12 (citing 37 C.F.R. § 42.1(b); 77 Fed. Reg. 48,756, 48,758) (Aug. 14, 2012)). Upon citation of these sources, the majority concludes:

Thus, even if some claims of the '563 patent 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, increase the litigation costs to both parties, and be contrary to the purpose of ensuring a "just, speedy, and inexpensive resolution."

Maj. Op. 12. We do not find this reasoning persuasive.

First, Rule 42.1(b) directs the Board with regard to the manner in which our Rules should be interpreted. It does not provide a broad mandate for the Board to supplant U.S. District Courts as a venue for resolving disputes relating to patentability. Rule 42.1(b) also cannot permit the Board to act contrary to any statutory requirement. *See Santa Fe Indus., Inc. v. Green*, 430 U.S. 462, 472–73 (1977) ("The rulemaking power granted to an administrative agency charged with the administration of a federal statute is not the power to make law. Rather, it is 'the power to adopt regulations to carry into effect the will of Congress as expressed by the statute.' . . . (The scope of the Rule) cannot exceed the power granted the Commission by Congress under §10(b).") (quoting *Ernst & Ernst v. Hochfelder*, 425 U.S.

185, 212–14 (1976)); *Belkin Int’l., Inc. v. Kappos*, 696 F.3d 1379, 1384 (Fed. Cir. 2012) (“Statutes rank higher than regulations . . .”). We also note that U.S. District Courts are similarly directed to interpret the Federal Rules of Civil Procedure to “secure the just, speedy, and inexpensive determination of every action and proceeding.” FED. R. CIV. P. 1. While each venue has its own benefits and drawbacks from the perspective of potential parties, it is not a foregone conclusion that the Board automatically is preferred.

Second, although it might be more efficient and less costly to these parties for the Board to resolve the patentability challenges to claim 21 along with the challenges to other claims of the ’563 patent, we must be careful not to substitute our judgment for that of Congress. It is clear from the AIA that Congress did not give the Board a mandate to resolve all perceived clouds on a challenged patent. For example, a “petitioner in an inter partes review may request to cancel as unpatentable 1 or more claims of a patent *only* on a ground that could be raised under section 102 or 103 *and only* on the basis of prior art consisting of patents or printed publications.” 35 U.S.C. § 311(b) (emphasis added). Additionally, an “inter partes review may not be instituted if, before the date on which the petition for such a review is filed, the petitioner or real party in interest filed a civil action challenging the validity of a claim of the patent.” 35 U.S.C. § 315(a)(1); *see also* 35 U.S.C. § 315(b) (barring 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”). We may not discard any of these limitations in a quest to be speedy or efficient.

The plain language of § 315(c) permits the Director to join a “person” and only “as a party.” 35 U.S.C. § 315(c). The majority reads the words “join as a party” out of § 315(c) to permit an existing party to “re-join” an *inter partes* review to which it already is a party. The majority further rewrites § 315(c) by ignoring the word “person” to also permit joinder of grounds or issues. We respectfully dissent from the majority’s interpretation of § 315(c).

IV. OTHER RELEVANT PORTIONS OF THE STATUTORY FRAMEWORK

“In 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*, 479 U.S. at 43 (quoting *Offshore Logistics*, 477 U.S. at 222). We therefore look to other provisions in Chapter 31 of Title 35 for guidance regarding the meaning of § 315(c).

A. 35 U.S.C. § 315(b)

Section 315(b) is at issue in this proceeding because it provides a time bar to the Petition, which was filed more than one year after Petitioner was served with a complaint alleging infringement of the ’563 patent.⁵

Section 315(b) states:

(b) PATENT OWNER’S ACTION.—An *inter partes* review may not be instituted if the petition requesting the proceeding is

⁵ The Petition was accorded a filing date of March 14, 2014. Paper 5. Petitioner was served with a complaint alleging infringement of the ’563 patent on October 4, 2012. *Destination Maternity Corp. v. Target Corp.*, Case No. 2:12-cv-05680-AB (E.D. Pa.) (Dkt. No. 5).

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).

35 U.S.C. § 315(b). 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 the time limitation applies only to petitions and “shall not apply *to a request for joinder* under subsection (c).” 35 U.S.C. § 315(b) (emphasis added).

The majority holds that the second sentence of § 315(b) excludes petitions for *inter partes* reviews, rather than (or in addition to) requests for joinder, from the one-year bar set forth in the first sentence of § 315(b). *See* Maj. Op. 14 (“Under § 315(c), the *petition* need not be filed within a year of receiving a complaint alleging infringement of the patent at issue, as required § 315(b).”) (emphasis added); *see also* Paper 18, *dissent* at 11 (“[I]n 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.”). In doing so, the majority effectively rewrites the second sentence of § 315(b) as follows, with added material underlined: The time limitation set forth in the preceding sentence shall not apply to a petition accompanied by a request for joinder under subsection (c) if that request is granted.

The decision whether to grant joinder is discretionary. 35 U.S.C. § 315(c). Thus, the majority’s interpretation of § 315(b) converts the statutory bar set forth therein into a discretionary bar in certain circumstances, including those present in this proceeding. That is an

untenable result to us. We would enforce the statutory time bar against the Petition.

Under our interpretation, once a petitioner is time-barred under § 315(b) with respect to a particular patent, it is always time-barred. A time-barred petitioner cannot petition successfully for an *inter partes* review of the patent, regardless of whether it requests joinder under subsection (c). If an *inter partes* review of the 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. 35 U.S.C. § 315(c). 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, but § 315(c) does not provide for joining the requester's petition to the previously-instituted *inter partes* review.⁶

B. 35 U.S.C. § 315(d)

Section 315(d) is relevant to the construction of § 315(c) because the former, unlike the latter, expressly refers to the merging (termed “consolidation”) of two proceedings, such as two *inter partes* reviews.

Section 315(d) states:

MULTIPLE PROCEEDINGS.—Notwithstanding sections 135(a), 251, and 252, and chapter 30, during the pendency of an

⁶ Note, however, that the previously-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.

inter partes review, if another proceeding or matter involving the patent is before the Office, the Director may determine the manner in which the inter partes review or other proceeding or matter may proceed, including providing for stay, transfer, consolidation, or termination of any such matter or proceeding.

35 U.S.C. § 315(d). Thus, a clear distinction exists between § 315(c) and § 315(d) in that § 315(c) refers to the joinder of persons as parties, whereas § 315(d) refers to the consolidation of proceedings. This distinction undermines the majority's interpretation of § 315(c), which lacks language providing for joinder of proceedings.

The majority attempts to distinguish joinder under § 315(c) from consolidation under § 315(d) by stating that joinder is limited to the merging of two like proceedings (e.g., two *inter partes* reviews) whereas consolidation includes the merger of like proceedings as well as the merger of different proceedings (e.g., an *inter partes* review and a reexamination). Maj. Op. 14. But, this purported distinction is contradicted by Congress's use of the term "consolidate" to describe, specifically, the merger of two like proceedings. *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.").

When Congress wanted to provide for the merger of multiple proceedings, it used language to that effect. *See* 35 U.S.C. § 315(d). It did not do so in § 315(c).

V. REHEARING STANDARD

Our rule on rehearing requires a request for rehearing to “identify all matters the party believes the Board misapprehended or overlooked, and the place where each matter was previously addressed in a motion, an opposition, or a reply.” 37 C.F.R. § 42.71(d). Petitioner has not done this, *see generally* Reh’g Req., and Patent Owner has pointed out the omission. *See* PO Opp. 14. The majority states that it is not persuaded that the Request for Rehearing fails to meet the requirement set forth in Rule 42.71(d), but does not explain why. Instead, the majority implies that the requirement set forth in Rule 42.71(d) is met whenever legal error is present. The legal error that the majority imputes to the Decision Denying Joinder, however, cannot be described fairly as based on misapprehending or overlooking anything presented in the record.

Under the standard applied by the majority, any decision based on legal error is amenable to rehearing regardless of whether the decision misapprehended or overlooked anything in the record. This would include, for example, all decisions that turn on claim construction or include a conclusion of obviousness or non-obviousness. *See, e.g., Teva Pharms. v. Sandoz, Inc.*, 135 S. Ct. 831, 842 (2015) (claim construction is a question of law); *Bristol-Myers Squibb Co. v. Teva Pharms. USA, Inc.*, 769 F.3d 1339, 1341 (Fed. Cir. 2014) (obviousness is a question of law). We disagree that the standard is so broad. We believe that the explicit requirement for the requester to identify something that was misapprehended or overlooked implicitly requires that something, in fact, was misapprehended or overlooked. *See* 37 C.F.R. § 42.71(d); *see also* 77 Fed. Reg. at 48,757 (“A party dissatisfied with the Board’s determination to institute a trial may

request rehearing as to points believed to have been overlooked or misapprehended. *See* § 42.71(d) and (c).”).

Petitioner has not identified any matter it believes the prior panel misapprehended or overlooked in the Decision Denying Joinder, or the place where Petitioner previously addressed that matter. *See* 37 C.F.R. § 42.71(d). For that reason alone, we would deny rehearing.

VI. CONCLUSION

We would deny rehearing because 35 U.S.C. § 315(c) does not provide for the relief requested by Petitioner and because its Petition is barred by 35 U.S.C. § 315(b). Additionally, we would deny rehearing because Petitioner has not identified any matter it believes the Decision Denying Joinder misapprehended or overlooked, or how that matter was previously addressed. *See* 37 C.F.R. § 42.71(d).

IPR2014-00508
Patent RE43,563 E

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