

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

DELL INC.
Petitioner

v.

NETWORK-1 SECURITY SOLUTIONS, INC.
Patent Owner

Case IPR2013-00385
Patent 6,218,930

Before JAMESON LEE, JONI Y. CHANG, and JUSTIN T. ARBES,
Administrative Patent Judges.

ARBES, *Administrative Patent Judge.*

DECISION
Dell's Motion for Joinder
37 C.F.R. § 42.122

Introduction

Dell Inc. (“Dell”) filed a Petition (Paper 2) (“Pet.”) to institute an *inter partes* review of claims 6 and 9 of Patent 6,218,930 (the “’930 patent”) pursuant to 35 U.S.C. § 311 *et seq.* and a motion for joinder with Case IPR2013-00071 (Paper 4) (“Mot.”). Patent Owner Network-1 Security Solutions, Inc. (“Network-1”) filed a preliminary response to the Petition and an opposition to Dell’s motion. Paper 14 (“Prelim. Resp.”); IPR2013-00071, Paper 28 (“Network-1 Opp.”). Avaya Inc. (“Avaya”), the petitioner in Case IPR2013-00071, also filed an opposition to Dell’s motion. IPR2013-00071, Paper 30 (“Avaya Opp.”). For the reasons that follow, Dell’s motion for joinder is *granted*.¹

Analysis

The America Invents Act (AIA) created new administrative trial proceedings, including *inter partes* review, as an efficient, streamlined, and cost-effective alternative to district court litigation. The AIA permits the joinder of like proceedings. The Board, acting on behalf of the Director, has the discretion to join an *inter partes* review with another *inter partes* review. 35 U.S.C. § 315. Section 315(c) provides (emphasis added):

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.

¹ In a decision entered concurrently, Dell’s Petition is granted and a trial is instituted on the same grounds as in Case IPR2013-00071.

The AIA also establishes a one-year bar from the date of service of a complaint alleging infringement for requesting *inter partes* review, but specifies that the bar does not apply to a request for joinder under Section 315(c). Section 315(b) reads (emphasis added):

PATENT OWNER’S ACTION. – 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 time limitation set forth in the preceding sentence shall not apply to a request for joinder under subsection (c).*

Further, in the case of joinder, the Board has the discretion to adjust the time period for issuing a final determination in an *inter partes* review. 35 U.S.C. § 316(a)(11); 37 C.F.R. § 42.100(c).

Joinder may be authorized when warranted, but the decision to grant joinder is discretionary. 35 U.S.C. § 315(c); 37 C.F.R. § 42.122. 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* 157 CONG. REC. S1376 (daily ed. Mar. 8, 2011) (statement of Sen. Kyl) (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). When exercising its discretion, the Board is mindful that patent trial regulations, including the rules for joinder, must be construed to secure the just, speedy, and inexpensive resolution of every proceeding. *See* 35 U.S.C. § 316(b); 37 C.F.R. § 42.1(b).

As the moving party, Dell has the burden of proof in establishing entitlement to the requested relief. 37 C.F.R. §§ 42.20(c), 42.122(b).

A motion for joinder should: (1) set forth the reasons why joinder is appropriate; (2) identify any new grounds of unpatentability asserted in the petition; (3) explain what impact (if any) joinder would have on the trial schedule for the existing review; and (4) address specifically how briefing and discovery may be simplified. *See* Mot. 1; *see also* IPR2013-00004, Paper 15 at 4; Frequently Asked Question (“FAQ”) H5 on the Board’s website at <http://www.uspto.gov/ip/boards/bpai/prps.jsp>.

Statutory Authority to Join Dell

As an initial matter, Network-1 and Avaya both argue that the Board does not have the authority to join Dell as a party under 35 U.S.C. § 315. Network-1 Opp. 2-3; Prelim. Resp. 1-8; Avaya Opp. 1-5. Section 315(c) provides that the Director may join a party that “properly files a petition under section 311.” Network-1 and Avaya argue that because Dell’s Petition was filed more than one year after being served with a complaint in violation of Section 315(b), Dell did not “properly file[] a petition” and cannot be joined.² In other words, according to the opposing parties, filing a petition within one year is a “condition *precedent*” to joinder and a party that files beyond the one-year window can never be joined, without exception. *See* Network-1 Opp. 2-3; Avaya Opp. 2-3.

We disagree with Network-1 and Avaya that the Board lacks the authority to join Dell as a party under Section 315. While Dell filed its Petition more than one year after being served with a complaint, the second

² Network-1 contends that Dell was served with a complaint alleging infringement of the ’930 patent on December 14, 2011, and filed its Petition on June 24, 2013. Network-1 Opp. 3 (citing IPR2013-00071, Ex. 2009). Avaya asserts that Dell was served on December 16, 2011. Avaya Opp. 7.

sentence of Section 315(b) provides that the one-year bar “shall not apply to a request for joinder under subsection (c).” The one-year bar, therefore, does not apply to Dell because it filed a motion for joinder with its Petition. This is confirmed by the Board’s rules, which provide that a petition requesting *inter partes* review may not be “filed more than one year after the date on which the petitioner, the petitioner’s real party-in-interest, or a privy of the petitioner is served with a complaint alleging infringement of the patent,” but the one-year time limit “shall not apply when the petition is accompanied by a request for joinder.” 37 C.F.R. §§ 42.101(b), 42.122(b); *see also* IPR2013-00109, Paper 15 (permitting joinder of a party beyond the one-year window); IPR2013-00256, Paper 10 (same). The Board’s rules do not conflict with the language of the statute as Network-1 and Avaya suggest.

Network-1 and Avaya’s interpretation incorporates erroneously the one-year bar into the statutory language of Section 315(c), which permits joinder of “any person who properly files a petition *under section 311*” (emphasis added). Section 311 includes various requirements, such as a requirement that petitions may only raise grounds of unpatentability based on 35 U.S.C. §§ 102 or 103 and only on the basis of prior art patents and printed publications, but does not include the one-year bar, which is part of Section 315(b). Thus, “properly fil[ing] a petition under section 311” does not mean filing a petition within one year as required by Section 315(b). In its opposition, Network-1 argues that Section 311(a) provides that “[s]ubject to the provisions of this chapter, a person who is not the owner of a patent may file with the Office a petition to institute an inter partes review,” and Section 315(b) is a “provision[] of this chapter.” Network-1 Opp. 2. This

argument is not persuasive. Section 315(c) refers only to “section 311,” not to any other portions of the statute or portions of the statute referenced in Section 311.

We also note that the parties’ concerns over the potential implications of the Board’s rules permitting joinder are misplaced. *See* Prelim. Resp. 4-6; Avaya Opp. 5. Network-1, for example, argues that under the Board’s interpretation, one defendant in a multi-defendant lawsuit can file a petition, followed by another with a joinder request when the first petition is granted, followed by yet another each time another joining defendant’s petition is granted, resulting in a “continuous string of follow-on IPR petitions” that “could tie up a patent in IPR proceedings for years.” Prelim. Resp. 4. The fact that the Board has the *discretion* to join a party does not mean that joinder is automatic, particularly given the need to complete proceedings in a just, speedy, and inexpensive manner. *See* 35 U.S.C. § 316(b); 37 C.F.R. § 42.1(b); 157 CONG. REC. S1376 (daily ed. Mar. 8, 2011) (statement of Sen. Kyl) (“The Director is given discretion . . . over whether to allow joinder. This safety valve will allow the Office to avoid being overwhelmed if there happens to be a deluge of joinder petitions in a particular case.”).

The Board has the discretion under Section 315 to join Dell as a party to Case IPR2013-00071. We turn now to the question of whether that discretion should be exercised.

Substantive Issues

Dell argues that joinder with Case IPR2013-00071 will not impact the Board’s ability to complete the proceeding in one year because Dell’s Petition “does not raise any issues that are not already before the Board.”

Mot. 6-7. We agree. Dell in its Petition asserts the same grounds of unpatentability as those on which a trial was instituted in Case IPR2013-00071. *See* Pet. 7; Paper 11; IPR2013-00071, Paper 18 at 29. Dell's arguments regarding the asserted prior art references also appear to be identical to those made by Avaya. *Compare* Pet. 17-35, with IPR2013-00071, Paper 1 at 17-26, 36-45. Further, Dell submitted a declaration from the same declarant as Avaya, Dr. George A. Zimmerman, with the only difference being that testimony regarding prior art references on which a trial was not instituted in Case IPR2013-00071 is removed. *Compare* Ex. 1011, with IPR2013-00071, Ex. 1011. Thus, Dell's Petition raises no new issues beyond what is already before the Board in the existing proceeding, which weighs in favor of granting the motion.

Procedural Issues

Dell argues that joinder will not prejudice Network-1 and Avaya. Mot. 7-11. Dell contends that "briefing and discovery in the joined proceeding can be simplified to minimize any impact to the schedule" and states that it agrees to similar procedures as those established in Case IPR2013-00256, such as "consolidated filings" with "separate filings, if any, of no more than seven pages directed only to points of disagreement with Avaya." *Id.* at 7-8 (citing IPR2013-00256, Paper 10). According to Dell, any additional costs incurred by the existing parties as a result of Dell's participation will be "minor" and do not outweigh the potential prejudice to Dell if the motion is denied. *Id.* at 9-10. For example, Dell asserts that if Network-1 and Avaya were to settle, the Board may terminate the existing proceeding and Dell would lose its opportunity to challenge the claims of the

'930 patent before the Office. *Id.*

Avaya argues that joinder will impose an “undue and unnecessary burden” on it because Dell makes no arguments that “cannot be raised by Avaya alone” and “Avaya will be required to consult with Dell and its counsel prior to every action taken, whether with respect to strategy, procedure, briefing or depositions.” Avaya Opp. 5-6. Avaya further asserts that briefing and depositions will become more complicated and more expensive as a result of Dell’s participation. *Id.*

Given the fact that Dell’s Petition raises no new issues and the fact that Dell consents to procedural protections that will retain Avaya’s control over the proceeding, the impact of joinder on the existing proceeding will be minimal. In a previous Order, the due dates for the existing proceeding were extended by only two weeks, allowing for the proceeding to still be completed within one year. IPR2013-00071, Paper 39. In permitting joinder, we will require that Avaya and Dell make consolidated filings in Case IPR2013-00071. Avaya will be responsible for the consolidated filings. Any separate filing by Dell will be limited to no more than seven pages directed only to points of disagreement with Avaya. Dell will not be permitted any arguments in furtherance of those advanced in Avaya’s consolidated filing. Network-1 will be allowed a corresponding number of pages to respond separately to Dell filings. This approach should avoid introducing delay that could arise from lengthy briefing by each party, while providing the parties an opportunity to address all issues that may arise. These limitations on additional filings by Dell also avoid placing an undue burden on Network-1.

In addition to these procedures, Avaya requests that the Board impose the following conditions to minimize the potential prejudice it will suffer from Dell's participation:

(4) Avaya shall be given control and responsibility for any depositions of any Network-1 witness, including any experts, where Dell will be able to ask questions only after Avaya has completed its questioning and within the remaining time allowed for such depositions;

(5) Avaya shall be given control and responsibility for any redirect depositions of Dr. Zimmerman, where Dell will be able to ask questions only after Avaya has completed its questioning and within the remaining time allowed for such depositions;

(6) all motions filed by petitioners must be authorized by Avaya; and

(7) Avaya is to be responsible for all oral arguments, where Dell will be able to present arguments only after Avaya has completed its arguments and within the remaining time allowed.

Avaya Opp. 8-9. We do not adopt these procedures in full, as they would unduly prejudice Dell. Avaya, however, will be permitted to ask questions before Dell at any deposition and present argument before Dell at any oral argument if Avaya so chooses. Avaya and Dell should work together to manage the time normally allotted for depositions. If the parties are unable to reach agreement, the parties should request a conference call.

Other Considerations

Network-1 and Avaya argue that if the Board concludes it has discretion to allow joinder, it should not exercise that discretion because doing so would encourage future parties to delay in seeking joinder.

Network-1 Opp. 3-7; Avaya Opp. 7-8. The opposing parties contend that Dell had ample time to file a petition and only delayed until after Avaya's petition was granted for strategic reasons. *Id.* Network-1 further argues that joinder is inappropriate because it will discourage settlement between the existing parties and because both of the existing parties object. Network-1 Opp. 6-7.

While we are mindful of the concerns raised by Network-1 and Avaya, we also take into account the policy preference for joining a party that does not present new issues that might complicate or delay an existing proceeding. *See* 157 CONG. REC. S1376 (daily ed. Mar. 8, 2011) (statement of Sen. 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.") (emphasis added). Dell has met its burden of demonstrating that joinder is warranted under the circumstances.

Order

In consideration of the foregoing, it is hereby:

ORDERED that Dell's motion for joinder with Case IPR2013-00071 is *granted*;

FURTHER ORDERED that this proceeding is joined with Case IPR2013-00071;

FURTHER ORDERED that the grounds on which a trial was instituted in Case IPR2013-00071 are unchanged;

FURTHER ORDERED that the Revised Scheduling Order entered in Case IPR2013-00071 (Paper 39) shall govern the schedule of the joined proceedings;

FURTHER ORDERED that Case IPR2013-00385 is instituted, joined, and terminated under 37 C.F.R. § 42.72 and all further filings in the joined proceedings shall be made in Case IPR2013-00071;

FURTHER ORDERED that throughout Case IPR2013-00071, Avaya and Dell will file papers, except for motions which do not involve the other party, as consolidated filings.³ Avaya will identify each such filing as a consolidated filing and will be responsible for completing all consolidated filings. Dell may file an additional paper, not to exceed seven pages, which may address only points of disagreement with points asserted in Avaya's consolidated filing. Any such filing by Dell must identify specifically and explain each point of disagreement. Dell may not file separate arguments in support of points made in Avaya's consolidated filing;

FURTHER ORDERED that, in addition to responding to any consolidated filing, Network-1 may respond separately to any separate Dell filing. Any such response by Network-1 to a Dell filing may not exceed the number of pages in the Dell filing and is limited to issues raised in the Dell filing;

FURTHER ORDERED that Network-1 will conduct the cross-examination of witnesses, as well as the redirect of any witness it produces, in the timeframe normally allotted by the rules;

³ Counsel for Avaya and Dell should refer to the Board's website, in particular FAQs C3, D5, and G8, for information regarding filings in the Patent Review Processing System (PRPS). See <http://www.uspto.gov/ip/boards/bpai/prps.jsp>.

FURTHER ORDERED that Avaya and Dell will designate attorneys to conduct the cross-examination of any witnesses produced by Network-1 and the redirect of any witnesses produced by Avaya or Dell within the timeframe normally allotted by the rules for one party. Avaya and Dell will not receive any separate cross-examination or redirect time. Avaya is permitted to ask questions before Dell at depositions if it so chooses;

FURTHER ORDERED that any requests by a party for additional deposition time must be brought before the Board;

FURTHER ORDERED that Avaya is permitted to present argument before Dell at any oral argument if it so chooses;

FURTHER ORDERED that the case caption in Case IPR2013-00071 shall be changed to reflect the joinder with this proceeding in accordance with the attached example; and

FURTHER ORDERED that a copy of this Decision be entered into the file of Case IPR2013-00071.

Case IPR2013-00385

Patent 6,218,930

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¹ Case IPR2013-00385 has been joined with this proceeding.