

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

UNIFIED PATENTS, INC.,
Petitioner,

v.

PERSONALWEB TECHNOLOGIES, LLC and
LEVEL 3 COMMUNICATIONS, LLC,
Patent Owners.

Case IPR2014-00702
Patent 5,978,791

Before KEVIN F. TURNER, JONI Y. CHANG, and
MICHAEL R. ZECHER, *Administrative Patent Judges*.

ZECHER, *Administrative Patent Judge*.

DECISION
Unified's Motion for Joinder
37 C.F.R. § 42.122(b)

I. INTRODUCTION

Unified Patents, Inc. (“Unified”) filed a Petition (Paper 1, “Pet.”) requesting an *inter partes* review of claims 1–4, 29–33, 35, and 41 of U.S. Patent No. 5,978,791 (the “’791patent”) pursuant to 35 U.S.C. § 311 *et seq.*, as well as a Motion for Joinder with *Rackspace US, Inc. v. PersonalWeb Techs. LLC*, IPR2014-00057 (Paper 3, “Mot.”). Patent Owners, PersonalWeb Technologies, LLC and Level 3 Communications, LLC (collectively, “PersonalWeb”), filed a Patent Owner Preliminary Response (Paper 8, “Prelim. Resp.”), along with an opposition to Unified’s Motion for Joinder (Paper 9, “Opp.”). Shortly thereafter, Unified filed a reply to PersonalWeb’s opposition to its Motion for Joinder (Paper 10, “Reply”). For the reasons discussed below, Unified’s Motion for Joinder is denied.¹

II. 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. Based on authority delegated to us by the Director, we have 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*

¹ In a decision entered concurrently, Unified’s Petition is denied.

time for filing such a response, determines warrants the institution of an *inter partes* review under section 314.

In the case of joinder, we have 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. We 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 our discretion, we are 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, Unified has the burden of proof to establish that it is entitled to the requested relief. 37 C.F.R. §§ 42.20(c), 42.122(b). When determining whether to grant a Motion for Joinder, we consider many factors, including: (1) time and cost considerations, including the impact joinder would have on the trial schedule; and (2) how briefing and discovery may be simplified. *See* Order Authorizing Motion for Joinder (Paper 15, 4), *Kyocera Corp. v. SoftView, LLC*, IPR2013-00004 (PTAB Apr. 24, 2013); Frequently Asked Question H5 on the Board’s website at <http://www.uspto.gov/ip/boards/bpai/prps.jsp>.

1. *Where two parties file nearly identical petitions in separate proceedings, joinder is not granted “as a matter of right”*

As an initial matter, we are not persuaded by Unified’s argument that, if there are two proceedings with nearly identical petitions, the legislative history provides that joinder should be granted “as a matter of right.” Mot. 6; Reply 1. As we explained above, Section 315(c) clearly states that we have discretion to join a party. Unified fails to recognize that joinder is not 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.”). Therefore, contrary to Unified’s argument, we have discretion under Section 315(c) to join Unified as a party to IPR2014-00057. We turn now to the question of whether that discretion should be exercised based on the particular circumstances of this case.

2. *Substantive Issues*

Unified contends that joinder with IPR2014-00057 is appropriate because its Motion for Joinder is timely, the Petition filed in this proceeding raises no new issues because it is nearly identical to the Petition filed by Rackspace in IPR2014-00057, granting joinder would lead to efficiencies and consistent results, and neither Rackspace nor PersonalWeb would be prejudiced. Mot. 4-6. In response, PersonalWeb contends that joinder with IPR2014-00057 would complicate and delay that proceeding. Opp. 1-3. In particular, PersonalWeb alleges that Unified is an organization that was

formed by Google Inc. and NetApp Inc., amongst others. *Id.* at 2. PersonalWeb then asserts that, because the Petition filed in this proceeding fails to identify all the real parties-in-interest pursuant to 35 U.S.C. § 312(a)(2), it will seek additional discovery regarding whether there are other parties that fund and control Unified. *Id.* at 2–3. In reply, Unified contends that PersonalWeb’s argument regarding the real parties-in-interest lacks merit because Unified is an independent company that controls and finances each *inter partes* review that it files without coordinating with its members. Reply 1–2.

Although the grounds of unpatentability, claim construction, and supporting evidence in this proceeding are nearly identical to the grounds of unpatentability, claim construction, and supporting evidence in IPR2014-00057 (*compare* Pet. 8, 21–58 *with* IPR2014-00057, Paper 9, 7–23, 26), Unified fails to appreciate that this proceeding includes at least one new substantive issue that is not before us in IPR2014-00057. In its Motion for Joinder, Unified states that its organization “*was founded by intellectual property professionals over concerns with the increasing risk of non-practicing entities (NPEs) asserting poor quality patents against strategic technologies and industries.*” Mot. 2 (emphasis added). According to Unified, “the founders [] created *a first-of-its-kind company* whose sole purpose is to deter NPE litigation by protecting technology sectors, like cloud storage.” *Id.* (emphasis added). Based on those statements, it is not unreasonable for PersonalWeb to seek authorization for additional discovery in order to determine what companies, if any, fund and control Unified. This potential for additional discovery presents a new substantive issue

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