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Paper 16
Entered: October 5, 2015

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

ZHONGSHAN BROAD OCEAN MOTOR CO., LTD.,
BROAD OCEAN MOTOR LLC, and
BROAD OCEAN TECHNOLOGIES, LLC,
Petitioner,

v.

NIDEC MOTOR CORPORATION,
Patent Owner.

Case IPR2015-00762
Patent 7,626,349 B2

Before SALLY C. MEDLEY, JUSTIN T. ARBES,
BENJAMIN D. M. WOOD, JAMES A. TARTAL, and
PATRICK M. BOUCHER, *Administrative Patent Judges*.

Opinion for the Board filed by *Administrative Patent Judge*
JAMES A. TARTAL.

Opinion Dissenting filed by *Administrative Patent Judge*
PATRICK M. BOUCHER, in which *Administrative Patent Judge*
BENJAMIN D. M. WOOD joins.

TARTAL, *Administrative Patent Judge*

DECISION

Granting Petitioner's Request for Rehearing,
Instituting *Inter Partes* Review, and Granting Motion for Joinder
37 C.F.R. §§ 42.71, 42.108, and 42.122(b)

Zhongshan Broad Ocean Motor Co., Ltd., Broad Ocean Motor LLC, and Broad Ocean Technologies, LLC, ("Petitioner") requests rehearing (Paper 13, "Req. Reh'g") of our Decision Denying Institution of *Inter Partes* Review (Paper 12, "Decision Denying Institution") based on a determination that 35 U.S.C. § 315(c) precludes joinder under the circumstances and that the Petition is otherwise time barred under 35 U.S.C. § 315(b). Patent Owner, Nidec Motor Corporation, filed an authorized Opposition (Paper 14, "PO Opp."), to which Petitioner filed an authorized Reply (Paper 15, "Pet. Reply"). For the reasons discussed below, we conclude the Decision Denying Institution was based on an erroneously narrow interpretation of § 315(c) and, therefore, grant the Request for Rehearing. We further institute *inter partes* review, and grant the motion for joinder with *Zhongshan Broad Ocean Motor Co., Ltd. v. Nidec Motor Corp.*, IPR2014-01121 ("IPR2014-01121").[1]

I. BACKGROUND

On February 20, 2015, Petitioner filed a Petition (Paper 3, "Pet.") pursuant to 35 U.S.C. § 311–319 to institute an *inter partes* review of claims 1–3, 8, 9, 12, 16, and 19 ("the challenged claims") of U.S. Patent No. 7,626,349 B2 ("the '349 patent"). Concurrent with the Petition, Petitioner filed a motion to join this proceeding with IPR2014-01121, which was instituted on January 21, 2015. Paper 4 ("Joinder Mot."); IPR2014-01121, Paper 20. Petitioner's Joinder Motion was filed no later than one month after institution of the trial in IPR2014-01121, which is timely in

[1] The Acting Chief Judge, acting on behalf of the Director, has designated an expanded panel in this proceeding as provided for in 35 U.S.C. § 6(c).

accordance with 37 C.F.R. § 42.122(b). Patent Owner filed a Preliminary Response (Paper 10, "Prelim. Resp.") to the Petition on April 21, 2015. Pursuant to our authorization, Petitioner filed a Reply (Paper 11) on April 28, 2015, limited to addressing the joinder issues. In our Decision Denying Institution, we determined that Petitioner established a reasonable likelihood of prevailing in showing the challenged claims as anticipated by Hideji,[2] but denied institution under 35 U.S.C. § 315(b). Paper 12, 7–15.

II. ANALYSIS

A. Request for Rehearing

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).

Petitioner contends that "the Board abused its discretion in declining to adopt the broader interpretation of the phrase 'join as a party' in 35 U.S.C. § 315(c), as set forth in *Target* [*Corp. v. Destiny Maternity Corp.*, Case IPR2014-00508 (PTAB Feb. 12, 2015) (Paper 28)]." Req. Reh'g 3. Petitioner further asserts that "the Board has frequently granted joinder of an additional petition or proceeding (as opposed to an additional person) to an instituted *inter partes* review." *Id*. at 4 (citing *Ariosa Diagnostics v. Isis Innovation Ltd.*, Case IPR2012-00022 (PTAB Sept. 2, 2014) (Paper 66);

[2] JP 2003-348885, published December 5, 2003 (Ex. 1003, "Hideji"). Petitioner provided an attested English translation of Hideji as Exhibit 1005.

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 IPR2013-00288 (PTAB Aug. 9, 2013) (Paper 14); *Sony Corp. v. Yissum Research Dev. Co.*, Case IPR2013-00327 (PTAB Sept. 24, 2013) (Paper 15)). Petitioner also states that in an Intervenor Brief, the Office argued to the Federal Circuit that "the Board has consistently held [that] it . . . has the discretion to join IPR proceedings, even if § 315(b) would otherwise bar the later-filed petition, and ***even if the petitions are filed by the same party."*** *Id*. at 2 (quoting Brief for Intervenor – Director of the United States Patent and Trademark Office, *Yissum Research Dev. Corp. v. Sony Corp.*, Appeal No. 2015-1342, Req. Reh'g, Attachment A, 18).[3]

Patent Owner argues that the Board's decision in this case "was not an abuse of discretion, but at most reflects a 'reasonable difference of opinion' amongst judges on the Board." PO Opp. 6. Patent Owner further states that the Board's decision in *Target* is not precedential, and that the Intervenor's Brief in *Yissum* "should not be construed as somehow limiting the discretion of judges on the Board." *Id*. at 2–3.

[3] The parties are reminded that separate documents must be filed as numbered exhibits, rather than as "attachments" to a paper. *See* 37 C.F.R. § 42.63.

> Section 315(c) provides:
>
> 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.

Upon consideration of the arguments asserted by Petitioner and Patent Owner, and for the reasons explained by several majority opinions in prior decisions of the Board, we conclude that § 315(c) permits the joinder of any person who properly files a petition under § 311, including a petitioner who is already a party to the earlier instituted *inter partes* review. *See Target Corp. v. Destination Maternity Corp.*, Case IPR2014-00508 (PTAB Feb. 12, 2015) (Paper 28); *see also Medtronic Inc. v. Troy R. Norred, M.D.*, Case IPR2014-00823 (PTAB December 8, 2014) (Paper 12). We also conclude that § 315(c) encompasses both party joinder and issue joinder, and, as such, permits joinder of issues, including new grounds of unpatentability, presented in the petition that accompanies the request for joinder. *See id*. We determine Petitioner properly filed a petition under § 311, including an affidavit attesting to the accuracy of the English translation of Hideji.

For the foregoing reasons, we conclude that the Decision Denying Institution was based on an improper construction of § 315(c), and thus, the denial of joinder constituted an abuse of discretion. Accordingly, Petitioner's Request for Rehearing is *granted.*

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