

# THE FEDERAL CIRCUIT REJECTS SAME PARTY JOINDER IN IPRS AND CHALLENGES PTO AND PTAB PROCEDURES

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On Friday, September 4, 2020, the Federal Circuit issued its much-anticipated decision in *Facebook, Inc. v. Windy City Innovations, LLC*, No. 2018-1400 et al., slip op. (Fed. Cir. Sept. 4, 2020) (“Windy City Rehearing Opinion”).

The panel decision was modified to address the impact of *Thryv, Inc. v. Click to Call Techs., LLP*, 140 S. Ct. 1367 (2020) on the prior panel decision, *Facebook v. Windy City Innovations, LLC*, 953 F.3d 1313 (Fed. Cir. 2020). In addition to revising the original decision, the new panel decision included additional views on the Precedential Opinion Panel (“POP panel”) of the Patent Trial and Appeal Board (“PTAB”), and the full court in a separate order denied the pending petition for rehearing en banc.

The current case comes out of a series of inter partes review (“IPR”) petitions that were filed by Facebook against Windy City involving hundreds of claims of multiple patents being asserted in litigation. Because of the peculiar procedural history in those litigations, Facebook filed two rounds of IPRs. The first round of IPRs, which Facebook waited until the last day possible to file, were directed to a subset of the claims in the patents-in-suit. Thereafter, Windy City asserted additional claims, which resulted in Facebook filing additional IPRs which Facebook sought to have “joined” with its prior, previously instituted, IPRs.

In the proceedings below, the PTAB allowed Facebook to “join” the new (otherwise time-barred) IPRs with the already-instituted prior IPRs (not time barred), and challenge new claims not in the already-instituted prior IPR proceedings.

In the Windy City Rehearing Opinion, the Court (per Judge Prost) held:

1. “[T]he Board erred in its joinder decision in allowing Facebook to join itself to a proceeding in which it was already a party” (i.e., there is no such thing as “self-joinder” under the AIA). Windy City Rehearing Opinion, slip op. at 3.
2. The Board “also erred in allowing Facebook to add new claims to the IPRs through that joinder” (i.e., joinder under 315(c) is only of “parties” not “proceedings”). Id.
3. Under *Thryv*, the Federal Circuit lacked authority to review whether the PTAB could institute the otherwise time-barred, later-filed proceeding, and remanded to the Board “to consider whether the termination of those proceedings finally resolve them.” Id.

In reaching these determinations, the Federal Circuit provided further clarification on various other and important related issues, including:

1. The scope of what is not appealable under 35 U.S.C. § 314(d). Significantly, in view of *Cuozzo*, *SAS* and *Thryv*, the Windy City Rehearing Opinion found joinder determinations, which can only be made after an institution determination, were subject to appellate review, and such review was not precluded under § 314(d).
2. The difference between “joinder” of parties under § 315(c) and consolidation of proceedings under § 315(d). The Windy City Rehearing Opinion recognized that joinder under § 315(c) is only of new party to a proceeding (and not an existing party) and does not include joinder of new claims. Rather, issues of joinder of proceedings are addressed under § 315(d).

3. The deference, or lack of deference, the Federal Circuit will apply to the PTO's interpretation either through regulation or POP panel proceedings to the Patent Act, and § 314(c) in particular. Significantly, the Windy City Rehearing Opinion rejected as wrong, and due no deference, as such, the POP panel in *Proppant Express Investments, LLC v. Oren Techs., LLC*, No. IPR2018-00914, Paper 38 (P.T.A.B. Mar. 13, 2019) (resolving prior conflicting panel decisions and authorizing same party joinder). In a separate "additional views" authored by all three Judges of the panel, the panel makes clear its view that the POP panel procedure is, itself, a violation of the Administrative Procedures Act and without statutory authority.

Finally, while perhaps less impactful, the Windy City Rehearing Opinion also provided some insight on obviousness determinations at the PTAB:

1. The Board correctly rejected an obviousness challenge where the Petitioner failed to explain "why a skilled artisan would have incorporated" the feature into the prior art.
2. The Board correctly rejected an argument where the party "cites no evidence supporting this position".
3. The Board correctly rejected an argument "which is based on attorney argument rather than evidence"; and
4. An obviousness argument that is based on an argument that it "would be a straightforward and predictable choice" was appropriate even if the combination would not be bodily incorporated into the prior art: "[t]he test for obviousness is not whether the features of a secondary reference may be bodily incorporated into the structure of the primary reference." Windy City Rehearing Opinion, slip op. at 34 (quoting *Allied Erecting & Dismantling Co. v. Genesis Attachments, LLC*, 825 F.3d 1373, 1381 (Fed. Cir. 2016) (quoting *In re Keller*, 642 F.2d 413, 425 (C.C.P.A. 1981))).

#### Conclusion

Windy City Rehearing Opinion offers multiple insights into PTAB practice and appeals at the Federal Circuit. Should you have any questions or would like more information, feel free to contact Charley Macedo. In the meantime, we will continue to monitor and report on PTAB developments.