

Tuesday,  
November 21st,  
2023  
4:00pm-  
5:00pm ET



Featured guest speaker:  
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**HAUG**  
PARTNERS



Co-chair of the PTAB Committee  
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*VirnetX v. Mangrove Partners*  
**CAN A TIME-BARRED  
PERSON JOIN AN  
INSTITUTED IPR?**

## ***VIRNETX V. MANGROVE PARTNERS – CAN A TIME-BARRED PERSON JOIN AN INSTITUTED IPR?***

**NYIPLA PTAB Committee**

**November 21, 2023**

Brian P. Murphy



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# VirnetX v. Mangrove Partners (Sup. Ct. No. 23-315)

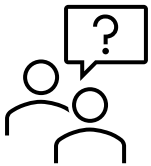
## WHAT DO WE KNOW?

1. **September 20, 2023**, VirnetX [petition for certiorari](#): challenges USPTO/Fed. Cir. statutory interpretation that joinder provision of 35 U.S.C. § 315(c) **permits a time-barred person** to join an instituted IPR proceeding.
2. **35 U.S.C. § 315(c)**, JOINDER: Director may join “as a party ... any person who **properly files** a petition **under section 311** that the Director ... determines warrants institution ... under section 314.”
3. **35 U.S.C. § 311 (a)**: “Subject to the **provisions of this chapter**, a person ... may file ... a petition to institute [IPR].”
4. **35 U.S.C. § 315(b)**: No IPR instituted if petition “**filed more than 1 year** after [petitioner/RPI/Privy] served with a [patent infringement] complaint.” **BUT** time bar “shall not apply to a **request for joinder under subsection (c)**.”
5. **VirnetX**: a “**properly file[d]**” petition must be **filed within 1 year**; only a “**request for joinder**” **can be filed later**.  
**BIO**: “request for joinder” refers to a “**motion that is distinct from a petition**.”
6. **October 27, 2023** Court requested response; Director Vidal response due December 27, 2023.

# STATUTORY CONSIDERATIONS: Is the IPR joinder statute a model of clarity?

- § 315(c) applies to “any person” – time-barred persons **not expressly excluded**
- **BUT** a “properly file[d]” petition under § 311 must be **timely** under § 315(b)
- **BUT** § 315(b) time bar does not apply to “a **request** for joinder **under subsection (c)**”
- **HOWEVER** § 315(c) provides for joinder by one who “properly files” a petition; **does not reference a “request”**
- So when does the § 315(b) time bar exception apply to a joinder request?
- **VirnetX:** only when a person **timely files** an IPR petition but **requests joinder after the one-year time bar** date.

■ **Hmmmm**



# CLE Code

# MORE QUESTIONS

- Is allowing a time-barred person to join an instituted IPR **consistent with the statutory scheme**?
- Is a “**request** for joinder under subsection (c)” effected by **filing** a petition?
  - If so, why does **§ 316(a)(12)** instruct the Director to prescribe regulations “setting a **time period for requesting joinder** under section 315(c),” which is done **by motion**? *See* 37 CFR 42.222(b).
- How can a petition be “properly file[d]” under § 311 if it’s time barred?
  - Does “properly files a petition under section 311” **have meaning** if a time-barred person can join an instituted IPR proceeding?
- What is the prejudice to PO of joining a time-barred **party** to an **instituted IPR**?
  - **Potential abuse**: Apple time-barred; RPX (Apple proxy) tried and failed; Apple joined Mangrove (**hedge fund**) IPR
  - **Waste**: “prevent[] time-barred parties from engaging patent holders in **virtually endless litigation**” (BIO amicus br.)

# LIMITATIONS OF A JOINDER PETITION

- Does VirnetX’s argument make sense if a joining party can’t raise new invalidity grounds in the IPR?
  - *Network-1 v. Hewlett-Packard*, 981 F.3d 1015, 1027 (Fed. Cir. 2020) (joining party “cannot bring with it grounds other than those already instituted”) (citing *Facebook v. Windy City*, 973 F.3d 1321, 1336 (Fed. Cir. 2020))
  - Why would a petitioner **timely file** a “me too” IPR petition and **limit the grounds of challenge** to an instituted IPR?
    - Assurance of institution
    - Keep a place holder in case of settlement
    - Limit cost
    - Generic pharmaceutical companies

# AIA LEGISLATIVE HISTORY CONCERNING JOINDER

- Didn't Congress explain all of this during the legislative debates?
  - Very little history regarding joinder, particularly regarding the joinder exception
- **Senator Kyl's Joinder Comments: Patent Reform Act of 2008 (S.3600).** 154 Cong. Rec. S9988 (Sept. 27, 2008):
  - “additional petitions can be joined **only if**, among other things they are **properly filed**.”
  - “properly filed” is a statutory “**term of art**” as explained in several Supreme Court cases
  - “a petition is properly filed when it is delivered and accepted in compliance with applicable rules ... and [] **time deadlines** for filing petitions **must be complied with in all cases**.”
  - “a petition [must] be **procedurally in order** if it is to be considered **for joinder**, but there is **no time deadline that applies to petitions for [IPR] proceedings**, other than that they not be filed before [PGR] proceedings are concluded.”
- **S.3600 § 322(b)(2) time bar:** no IPR instituted “if the petition requesting the proceeding is filed more than **3 months after** the date [petitioner/RPI/privy] is required to **respond to a civil action** alleging infringement of the patent.”)
- Patent Reform Act of 2008: **No time bar exception.** What weight will the Court give to Senator Kyl's commentary?



# THE SUPREME COURT'S *THRYV* DICTA

*Thryv v. Click-to-Call*, 140 S. Ct. 1367, 1374 (2020)

- Justice Ginsburg's majority opinion (III C., 5-4) observed that:
  - Other features of the statutory design confirm that **Congress prioritized patentability over § 315(b)'s timeliness requirement**. A petitioner's failure to satisfy § 315(b) does not prevent the agency from conducting inter partes review of the challenged patent claims; the agency can do so at another petitioner's request. § 311(a). Nor does failure to satisfy § 315(b) prevent the original initiator from participating on the merits; **the § 315(b)-barred party can join a proceeding initiated by another petitioner. § 315(b), (c)**.
- VirnetX (and BIO) both argue the *Thryv* **dicta was in error**
- Look for Director Vidal and respondents to emphasize the Court's *Thryv* decision
- *Thryv* supports the view that the time bar exception in § 315(b) prioritizes merits review of patentability, and **permits a time-barred person** to join an instituted IPR proceeding
- Will a majority of the **current members of the Court** take the same view?

**Questions?**