



Designated: July 10, 2018

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

COLAS SOLUTIONS INC.,
Petitioner,

v.

BLACKLIDGE EMULSIONS, INC.,
Patent Owner.

Case IPR2018-00242
Patent 7,918,624 B2

Before MITCHELL G. WEATHERLY, JAMES A. TARTAL, and
TIMOTHY J. GOODSON, *Administrative Patent Judges*.

GOODSON, *Administrative Patent Judge*.

DECISION

Denying Institution of *Inter Partes* Review; Denying Joinder
35 U.S.C. § 315

I. INTRODUCTION

Petitioner Colas Solutions Inc. (“Colas”) filed a Petition (Paper 1, “Pet.”) to institute an *inter partes* review of claims 1–25 of U.S. Patent No. 7,918,624 B2 (Ex. 1001, “the ’624 patent”). Along with its Petition, Colas filed a Motion for Joinder requesting that we join Colas as a party to *Asphalt Products Unlimited, Inc. v. Blacklidge Emulsions, Inc.*, Case IPR2017-

01242. Paper 3 (“Mot.” or “Motion”). Blacklidge Emulsions, Inc. (“Patent Owner”) filed an Opposition to the Motion for Joinder (Paper 6, “Opp.”), and Colas filed a Reply (Paper 7, “Reply”). After receiving our authorization, Patent Owner filed a Sur-Reply. Paper 8 (“Sur-Reply”).

For the reasons discussed below, we deny both the Motion for Joinder and the Petition to institute an *inter partes* review.

II. PROCEDURAL BACKGROUND

A brief summary of how this case fits into the context of certain related proceedings is helpful to understand the issues relevant to this Decision.

On May 12, 2016, Colas filed a petition for *inter partes* review of the ’624 patent in Case IPR2016-01032 (“the -1032 IPR”). *See* Pet. 3. The next day, on May 13, 2016, Colas filed a Complaint for Declaratory Judgment of Invalidity and Unenforceability in district court, in which it challenged the validity of the ’624 patent. *See id.* at 4; Ex. 2001, 6–7, 17; *Colas Solutions, Inc. v. Blacklidge Emulsions, Inc.*, Case No. 1:16-cv-00548 (S.D. Ohio) (“the DJ Action”). Consistent with the automatic stay provision of 35 U.S.C. § 315(a)(2), the DJ Action was stayed and, according to Colas, it remains stayed. Pet. 4; Mot. 5; *see also* Sur-Reply 2 (Patent Owner asserting that the DJ Action “is still pending”). We instituted trial in the -1032 IPR on November 9, 2016. *See* -1032 IPR, Paper 9. On November 2, 2017, we issued a Final Decision in the -1032 IPR in which we determined that Colas did not show by a preponderance of the evidence that any claim of the ’624 patent is unpatentable. *See* -1032 IPR, Paper 40. Colas has appealed our Final Decision to the U.S. Court of Appeals for the

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Federal Circuit. *See* -1032 IPR, Paper 41; *Colas Solutions, Inc. v. Blacklidge Emulsions, Inc.*, Case No. 18-1359 (Fed. Cir.).

While Colas's -1032 IPR was running its course, the Board was presented with another challenge to the '624 patent. On April 4, 2017, Asphalt Products Unlimited ("APU") filed a petition for *inter partes* review of the '624 patent in IPR2017-01242 ("the -1242 IPR"). Pet. 4. Colas represents that it is unrelated to APU, and APU echoed that representation in its petition. *Id.*; -1242 IPR, Paper 1, 3. The petition in the -1242 IPR presented different challenges to the '624 patent than those presented in the -1032 IPR. *See* -1242 IPR, Paper 1, 3, 6–7. On October 24, 2017, we instituted trial in the -1242 IPR. *See* -1242 IPR, Paper 23. The -1242 IPR remains pending.

On November 24, 2017, Colas filed its Petition and Motion for Joinder in this case. Colas states that its Petition relies on the same alleged grounds of unpatentability as presented in APU's petition in the -1242 IPR. *See* Mot. 4.

III. LEGAL STANDARDS

Section 315 of Title 35 creates two bars to institution of *inter partes* review. The first bar, which is set forth in § 315(a)(1), applies if the petitioner filed a civil action challenging the patent's validity before filing the petition. *See* 35 U.S.C. § 315(a)(1) ("An *inter partes* review may not be instituted if, before the date on which the petition for such a review is filed, the petitioner or real party in interest filed a civil action challenging the validity of a claim of the patent."); *see also* 37 C.F.R. § 42.101(a). The second bar, set forth in § 315(b), applies if the petitioner was served with a complaint for patent infringement more than a year before the petition was

filed. *See* 35 U.S.C. § 315(b) (“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.”); *see also* 37 C.F.R. § 42.101(b).

Section 315 also conveys to the Director discretion to join a party to an existing proceeding as follows:

(c) 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.

The Board’s rules specify that “[a]ny request for joinder must be filed, as a motion under § 42.22, no later than one month after the institution date of any *inter partes* review for which joinder is requested.” 37 C.F.R.

§ 42.122(b). When a request for joinder is filed, the second of the two bars set forth in § 315, the one-year time bar of § 315(b), does not apply. *See* 35 U.S.C. § 315(b) (“The time limitation set forth in the preceding sentence shall not apply to a request for joinder under subsection (c).”); *see also* 37 C.F.R. § 42.122(b) (“The time period set forth in § 42.101(b)¹ shall not apply when the petition is accompanied by a request for joinder.”).

¹ The time period referenced in 37 C.F.R. § 42.101(b) parallels the one-year bar set forth in 35 U.S.C. § 315(b). *Compare* 37 C.F.R. § 42.101(b) *with* 35 U.S.C. § 315(b).

IV. ANALYSIS

The Petition and Motion present the issue of whether a party that is otherwise barred under 35 U.S.C. § 315(a)(1) may join an existing proceeding under 35 U.S.C. § 315(c). Colas did not address § 315(a)(1) in its Petition or its Motion for Joinder. The Petition states that it “is timely in view of Petitioner’s accompanying Motion for Joinder to [the -1242 IPR], which was instituted on October 24, 2017.” Pet. 6. Similarly, the Motion purports to be timely because it was filed within one month of the institution date of the -1242 IPR and “[f]urther, the one-year time bar does not apply to the present Motion for Joinder. 35 U.S.C. § 315(b) (last sentence); 37 C.F.R. § 42.122(b).” Mot. 2.

Patent Owner argues that the Petition and the Motion for Joinder should be denied “because the Petition is statutorily barred under 35 U.S.C. § 315(a)(1)” based on Colas’s filing of the DJ Action on May 13, 2016. Opp. 1. According to Patent Owner, “[u]nlike the exception for the one-year bar [of § 315(b)], no exception permits joinder where the declaratory judgment bar [of § 315(a)(1)] applies.” *Id.* at 2.

In Reply, Colas counters that Patent Owner’s argument regarding § 315(a)(1) “ignores prior decisions in which the Board declined to exercise such a rigid application of § 315(a)(1).” Reply 2 (citing *Clio USA, Inc. v. Procter & Gamble Co.*, Case IPR2013-00438, slip op. at 7 (PTAB Jan. 9, 2014) (Paper 9)). Colas interprets the language of § 315(c) to mean that “the Director is commanded by statute to consider only Sections 311 and 314 when deciding a request for joinder.” *Id.* at 2–3 (citing *Zhongshan Broad Ocean Motor Co. v. Nidec Motor Corp.*, Case IPR2015-00762, slip op. at 5 (PTAB Oct. 5, 2015) (Paper 16)). Colas argues that it met those

requirements because it paid the necessary fees and because our decision to institute trial in the -1242 IPR shows a reasonable likelihood that its challenges will prevail. *Id.* at 3. Colas’s understanding of § 315(a)(1) is that it “prohibits, at most, the *institution* of a *new* IPR. Joinder to an *already-instituted* IPR, on the other hand, falls squarely within § 315(c), under which the Director has broad discretion to permit joinder.” *Id.*

Patent Owner responds that in *Clio*, the Board “did not rely on an exception to the statutory bar or its discretion under Section 314” but instead “determined that dismissal without prejudice meant that the declaratory judgment action was ‘something that *de jure* never existed.’” Sur-Reply 1 (quoting *Clio*, slip op. at 7). Here, because “Petitioner’s declaratory judgment action is still pending,” *Clio* does not apply and the Petition is barred. *Id.* at 2.

We agree with Patent Owner that § 315(a)(1) bars institution of *inter partes* review in this case because Colas filed its DJ Action challenging the ’624 patent before it filed its Petition. Colas’s argument to the contrary based on *Clio* is unpersuasive. *See* Reply 2. In *Clio*, the petitioner filed a declaratory judgment action for invalidity and voluntarily dismissed that suit without prejudice a few months later. *Clio*, slip op. at 2–3. Six months after the dismissal of the declaratory judgment action, the petitioner filed its petition for *inter partes* review. *Id.* at 2. The Board determined that § 315(a)(1) did not bar institution because case law from the Federal Circuit and other courts treat a civil action dismissed without prejudice as “a

nullity” that leaves the parties “in the same legal position as if the civil action had never been filed.” *Id.* at 7–8 (citations omitted).²

We note that the Board’s application of that case law in the § 315(b) context is currently being reviewed by the Federal Circuit. *See Oracle Corp. v. Click-to-Call Tech. LP*, 2013 WL 11311788, at *6–7 (PTAB Oct. 30, 2013); *Click-to-Call Tech. LP v. Oracle Corp.*, 2018 WL 480499, at *1 (Fed. Cir. 2018) (granting rehearing to consider § 315(b) issues). Regardless of the Federal Circuit’s ultimate decision in *Click-to-Call*, that case law plainly has no applicability here because Colas’s DJ Action has not been dismissed.

Nor does *Clio* stand for the broad proposition, as Colas contends, that the Board has discretion or flexibility as to whether to apply the statutory prohibition in § 315(a)(1). *See* Reply 2. *Clio* represents a determination that, under governing case law, a civil action that was dismissed without prejudice is not subject to the statutory bar of § 315(a)(1). That determination was not an exercise of discretion; it was based on an analysis of the legal effect of a voluntary dismissal without prejudice.

We also find unpersuasive Colas’s argument that its Motion for Joinder exempts the Petition from the statutory bar of § 315(a)(1). *See* Reply 2–3. The language of the statute does not support Colas’s interpretation. In contrast to the time bar of § 315(b), which expressly states

² The Federal Circuit denied a petition for mandamus relief challenging the Board’s ruling in *Clio*. *See In re Procter & Gamble Co.*, 749 F.3d 1376, 1377–78 (Fed. Cir. 2014); *see also In re Board of Trustees of the University of Illinois*, 561 F. App’x 1021 (Fed. Cir. 2014) (denying a similar mandamus petition). *Procter & Gamble* and *University of Illinois* appear to be the only cases in which the Federal Circuit has been presented with a challenge to the Board’s application of the post-AIA version of § 315(a)(1).

that it “shall not apply to a request for joinder under subsection (c),” the prohibition set forth in § 315(a)(1) makes no reference to requests for joinder. This difference in the language of consecutive subsections of the same statute indicates that in cases requesting joinder under § 315(c), § 315(b) is not applicable, but § 315(a)(1) is applicable.

Colas cites the Board’s decision in *Zhongshan* to support its argument that “the Director is commanded by statute to consider only Sections 311 and 314 when deciding a request for joinder.” Reply 2–3. Colas’s reliance on *Zhongshan* is misplaced. *Zhongshan* addressed joinder when the petition would be “otherwise time barred under 35 U.S.C. § 315(b).” *Zhongshan*, slip op. at 2. There was no § 315(a)(1) bar at issue in *Zhongshan*. This distinction is significant because, as discussed above, § 315(b) does not apply in cases requesting joinder but § 315(a)(1) does. Further, the central issue in *Zhongshan* was whether § 315(c) permits same-party joinder—that is, joinder of a party that is also a party in the proceeding sought to be joined. *Id.* at 5. In the majority opinion, the panel “conclude[d] 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.” *Id.* No same-party joinder issue is presented here because Colas is not a party in the -1242 IPR it seeks to join.

Moreover, under § 315(c), “joinder is only permissible if the Director determines that a petition ‘warrants the institution of an inter partes review.’” *Nidec Motor Corp. v. Zhongshan Broad Ocean Motor Co.*, 868 F.3d 1013, 1019 (Fed. Cir. 2017) (Dyk, J., concurring) (quoting 35 U.S.C. § 315(c)). Here, Colas’s Petition does not warrant institution because it is barred by § 315(a)(1), which sets forth a limit on the Director’s authority to

institute *inter partes* review. See *Wi-Fi One, LLC v. Broadcom Corp.*, 878 F.3d 1364, 1374 (Fed. Cir. 2018) (en banc). (“The timely filing of a petition under § 315(b) is a condition precedent to the Director’s authority to act. It sets limits on the Director’s statutory authority to institute, balancing various public interests. And like § 315 as a whole, it governs the relation of IPRs to other proceedings. . . .”); see also *id.* at 1377 (O’Malley, J., concurring) (concluding that introductory phrase of § 315(b), “[a]n [IPR] *may not be instituted* if . . .”, which is also present in § 315(a)(1), limits the PTO’s authority to institute IPRs).

Colas argues that the only institution requirements applicable in a case requesting joinder are those set forth in §§ 311 and 314, but if that were the case, there would be no need for the sentence in § 315(b) stating that the time bar does not apply to a request for joinder. The canon against superfluity counsels against Colas’s interpretation. See *Nielson v. Shinseki*, 607 F.3d 802, 806–07 (Fed. Cir. 2010) (“[O]ne of the most basic interpretive canons [is] that [a] statute should be construed so that effect is given to all its provisions, so that no part will be inoperative or superfluous, void, or insignificant”) (quoting *Corley v. United States*, 556 U.S. 303, 314 (2009)).

For the foregoing reasons, we conclude that Colas’s Petition does not warrant institution because it is barred under § 315(a)(1). Because, under § 315(c), the Director may only join a party that files a petition that “warrants institution,” we also deny Colas’s Motion for Joinder.

V. ORDER

For the reasons given, it is:

ORDERED that the Petition to institute *inter partes* review is *denied*;

and

FURTHER ORDERED that the Motion for Joinder is *denied*.

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