

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

COLAS SOLUTIONS INC.,
Petitioner,

v.

BLACKLIDGE EMULSIONS, INC.,
Patent Owner.

Case IPR2018-00243
Patent 7,503,724 B2

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

WEATHERLY, *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 1–33 of U.S. Patent No. 7,503,724 B2 (Ex. 1001, “the ’724 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-

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01241. Paper 3 (“Mot.” or “Motion”). Blacklidge Emulsions, Inc. (“Patent Owner”) filed an Opposition to the Motion for Joinder (Paper 7, “Opp.”), and Colas filed a Reply (Paper 8, “Reply”). After receiving our authorization, Patent Owner filed a Sur-Reply. Paper 9 (“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 ’724 patent in Case IPR2016-01031 (“the -1031 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 ’724 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 -1031 IPR on November 9, 2016. *See* -1031 IPR, Paper 7. On November 2, 2017, we issued a Final Decision in the -1031 IPR in which we determined that Colas did not show by a preponderance of the evidence that any claim of the ’724 patent is unpatentable. *See* -1031 IPR, Paper 38. Colas has appealed our Final Decision to the U.S. Court of Appeals for the

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Federal Circuit. *See* -1031 IPR, Paper 39; *Colas Solutions, Inc. v. Blacklidge Emulsions, Inc.*, Case No. 18-1359xxx (Fed. Cir.).

While Colas's -1031 IPR was running its course, the Board was presented with another challenge to the '724 patent. On April 4, 2017, Asphalt Products Unlimited ("APU") filed a petition for *inter partes* review of the '724 patent in IPR2017-01241 ("the -1241 IPR"). Pet. 4. Colas represents that it is unrelated to APU, and APU echoed that representation in its petition. *Id.*; -1241 IPR, Paper 1, 3. The petition in the -1241 IPR presented different challenges to the '724 patent than those presented in the -1031 IPR. *See* -1241 IPR, Paper 1, 3, 6–7. On October 24, 2017, we instituted trial in the -1241 IPR. *See* -1241 IPR, Paper 23. The -1241 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 -1241 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 -1241 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 -1241 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

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