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### PATENTS

The authors review court cases on joinder interpreting Section 299 of the America Invents Act and contend that the time is ripe for the Federal Circuit to provide guidance.

## Joinder Under the AIA: Limited Ramifications Despite Varied Interpretations of Section 299



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The passage of the Leahy-Smith America Invents Act (AIA) on Sept. 16, 2011, began the roll-out of many changes to the patent system in the United States. One such change—the joinder provision of the AIA, codified as 35 U.S.C. § 299—was intended to have a significant impact on patent litigation. Specifically, this provision imposed restrictions on the types of parties who could be joined in a single suit and was intended to limit the ability of non-practicing entities to join multiple unrelated defendants in a single lawsuit.<sup>1</sup>

While some in the legal community predicted that the joinder provision of the AIA would drastically change

the landscape of patent litigation initiated by non-practicing entities,<sup>2</sup> the actual ramifications of the AIA's joinder provision remain to be seen. Indeed, while the case law to date suggests that joinder of unrelated entities selling unrelated products is increasingly difficult and that the propriety of joining parties selling different products produced by the same manufacturer will depend upon the venue of the suit, most cases involving the same patent or patents continue to be consolidated at least for pre-trial purposes.

As the difference between having one action against multiple defendants and multiple actions which proceed on a consolidated schedule or nearly identical schedules will likely be minimal, it appears unlikely that the AIA's joinder provision will have a significant impact on patent litigation as a whole.

### I. Statutory Provisions on Joinder

#### A. Joinder Under Rule 20

Prior to the passage of the AIA, joinder in patent cases was governed solely by Fed. R. Civ. P. 20, which states in relevant part that:

Persons Who May Join or Be Joined

(2) *Defendants.* Persons . . . may be joined in one action as defendants if:

(A) any right to relief is asserted against them jointly, severally, or in the alternative with respect to or arising out of the same transaction, occurrence, or series of transactions or occurrences; and

<sup>2</sup> See Tracie L. Bryant, *The America Invents Act: Slaying Trolls, Limiting Joinder*, 25 HARV. J.L. & TECH. 687, 689-90 (2012).

<sup>1</sup> See 157 CONG. REC. H4426 (daily ed. June 22, 2011) (statement of Rep. Goodlatte).

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(B) any question of law or fact common to all defendants will arise in the action.<sup>3</sup>

Two distinct interpretations of Rule 20 resulted in a clear district court split on the issue of joinder.

The majority of jurisdictions, including the U.S. District Courts for the Northern District of California,<sup>4</sup> the Southern District of New York,<sup>5</sup> the District of Delaware,<sup>6</sup> the District of New Jersey<sup>7</sup> and the Northern District of Illinois<sup>8</sup> adopted a relatively restrictive view of Rule 20, noting, for example, that “[p]laintiffs cannot satisfy Rule 20(a)’s same transaction or occurrences requirement based on their allegations that Defendants’ alleged infringing [products] operate in a nearly identical manner as it relates to the asserted patents.”<sup>9</sup> In discussing the 12 unrelated defendants named in the *WiAV Networks* case, the Northern District of California noted that “[e]ach defendant has simply been thrown into a mass pit with others to suit plaintiff’s convenience.”<sup>10</sup> As a result, these courts held that the mere allegation of infringement of the same patents, even where the accused products operated in nearly identical manners, was not enough to warrant joinder.<sup>11</sup>

The Eastern District of Texas, however, adopted an expansive view of Rule 20. Chief Judge Leonard E. Davis of the Eastern District of Texas found in *MyMail v. America Online* that the existence of a “nucleus of operative facts or law in the claims against all the defendants,” such as the allegation of infringement of the same patent, sufficed to satisfy Rule 20.<sup>12</sup>

Courts following the ruling in *MyMail* likewise found that where defendants raised overlapping questions of scope and validity of the asserted patents, joinder was permissible.<sup>13</sup> This effectively allowed patent holders to

file one suit and name scores of unrelated parties as defendants in the same action.<sup>14</sup> Competitors who ended up on the same side of a patent litigation often had to both cooperate and share highly sensitive information during such cases.

## B. Joinder Under the AIA

The AIA took aim at the permissive view of joinder adopted by the Eastern District of Texas and all other courts following *MyMail*.<sup>15</sup> Specifically, Section 299 provides that:

(a) Joinder of accused infringers. . . . [P]arties that are accused infringers may be joined in one action as defendants . . . only if –

(1) any right to relief is asserted against the parties jointly, severally, or in the alternative with respect to or arising out of the same transaction, occurrence, or series of transactions or occurrences relating to the making, using, importing into the United States, offering for sale, or selling of the same accused product or process; and

(2) questions of fact common to all defendants or counterclaim defendants will arise in the action.

(b) Allegations insufficient for joinder. For purposes of this subsection, accused infringers may not be joined in one action as defendants . . . based solely on allegations that they each have infringed the patent or patents in suit.<sup>16,17</sup>

In effect, Section 299 adds two primary restrictions to the existing framework for joinder: (1) the cause of action against joint parties must relate to “the same accused product or process”; and (2) common questions of law, such as the question of infringement of the same patent or group of patents, cannot suffice to warrant joinder of defendants.<sup>18</sup> In a floor discussion on the AIA, Rep. Robert W. Goodlatte (R-Va.) made clear that the AIA’s joinder provision was intended to “end[] the abusive practice of treating as codefendants parties who make completely different products and have no relation to each other.”<sup>19</sup>

The new joinder provision applies only to “any civil action commenced on or after the date of [] enactment,” i.e., Sept. 16, 2011.<sup>20</sup> Thus, all cases filed before this date continue to be governed by Rule 20.<sup>21</sup>

## II. Courts Initial Reactions to Section 299

### A. *In re EMC*: The Federal Circuit Frames the Issue

Soon after the enactment of the AIA, the U.S. Court of Appeals for the Federal Circuit addressed the issue of

(Feb. 8, 2013) (85 PTCJ 485, 2/8/13). The number of defendants per case in the Eastern District of 2012 is down, however, from 2010, when the average number of defendants per case was 13, and 2011 when the average number was 10. *Id.*

<sup>14</sup> *Id.*

<sup>15</sup> See H.R. Rep. No. 112-98, pt. 1, at 55 n.61 (2011), reprinted in 2011 U.S.C.C.A.N. 67, 85 n.61.

<sup>16</sup> 35 U.S.C. § 299.

<sup>17</sup> Section 299 creates an exception for cases arising under 35 U.S.C. § 271(e)(2). See 35 U.S.C. § 299.

<sup>18</sup> 35 U.S.C. § 299.

<sup>19</sup> 157 CONG. REC. H4426 (daily ed. June 22, 2011) (statement of Rep. Goodlatte).

<sup>20</sup> Leahy-Smith America Invents Act, Pub. L. No. 112-29, § 19(e), 125 Stat. 284, 333 (2011).

<sup>21</sup> See *Lowder v. Dep’t of Homeland Sec.*, 504 F.3d 1378, 1384, 2007 BL 126203 (Fed. Cir. 2007).

<sup>3</sup> Fed. R. Civ. P. 20(a)(2).

<sup>4</sup> See *WiAV Networks LLC v. 3COM Corp.*, No. C 10-03448, 2010 BL 321687, at \*3-4 (N.D. Cal. Oct. 1, 2010).

<sup>5</sup> See *Pergo, Inc. v. Alloc, Inc.*, 262 F. Supp. 2d 122, 128 (S.D.N.Y. 2003).

<sup>6</sup> See *Phillips Elecs. N. Am. Corp. v. Contec Corp.*, 220 F.R.D. 415, 417 (D. Del. 2004).

<sup>7</sup> See *N.J. Mach. Inc. v. Alford Indus. Inc.*, No. 89-1879, 21 U.S.P.Q.2d 2033, 2034 (D.N.J. 1991), *aff’d mem.*, 983 F.2d 1087 (Fed. Cir. 1992).

<sup>8</sup> See *Rudd v. Lux Prods. Corp., LLC*, No. 09-cv-6957, 2010 BL 321688, at \*3 (N.D. Ill. Jan. 12, 2010).

<sup>9</sup> *Id.*; see also *Androphy v. Smith & Nephew, Inc.*, 31 F. Supp. 2d 620, 623 (N.D. Ill. 1998); *Magnavox Co. v. APF Elecs., Inc.*, 496 F. Supp. 29, 34 (N.D. Ill. 1980).

<sup>10</sup> *WiAV Networks*, 2010 BL 321687, at \*2.

<sup>11</sup> See *id.* at \*3-4; see also *Pergom*, 62 F. Supp. 2d at 128; *Phillips Elecs. N. Am.*, 220 F.R.D. at 417-18; *N.J. Mach.*, 21 U.S.P.Q.2d at 2034; and *Rudd*, 2010 BL 321688, at \*3-4.

<sup>12</sup> *MyMail, Ltd. v. Am. Online, Inc.*, 223 F.R.D. 455, 457 (E.D. Tex. 2004).

<sup>13</sup> See, e.g., *Eolas Techs., Inc. v. Adobe Sys., Inc.*, No. 6:09-CV-44C, 2010 BL 226020 (E.D. Tex. Sept. 28, 2010) (finding joinder of twenty-three unrelated defendants proper); *In re Google, Inc.*, 412 F. App’x 295, 296 (Fed. Cir. 2011) (finding joinder of twenty-two unrelated defendants proper; stating that “judicial economy plays a paramount role in trying to maintain an orderly, effective, administration of justice and having one trial court decide all of these claims clearly furthers that objective”). “[T]he Eastern District of Texas led the nation in patent infringement case filings in 2012 based on: (a) the number of cases; (b) the number of plaintiffs; and (c) the number of defendants.” James C. Pistorino, *2012 Trends in Patent Case Filings and Venue: Eastern District of Texas Most Popular for Plaintiffs (Again) But 11 Percent Fewer Defendants Named Nationwide*, 85 PAT., TRADEMARK & COPYRIGHT J. 485

joinder of unrelated competitors selling similar products in a single patent litigation in *In re EMC Corp.*<sup>22</sup> Although this case was filed before the AIA came into effect and thus was not actually decided under Section 299,<sup>23</sup> the Federal Circuit appears to have adopted the position espoused by Section 299.

Following a denial of a motion to sever and transfer by an Eastern District of Texas district court because “[c]laim validity, claim construction, and the scope of the four patents . . . are questions common to all Defendants in this case,”<sup>24</sup> the defendants in *In re EMC* petitioned the Federal Circuit for a writ of mandamus. In granting mandamus, the Federal Circuit first noted that this remedy “is available in extraordinary situations to ‘correct a clear abuse of discretion or usurpation of judicial power.’”<sup>25</sup> The court then analogized the “transaction or occurrence test” of Rule 20 to the “transaction or occurrence” test governing compulsory counterclaims under Fed. R. Civ. P. 13(a) which requires a “logical relationship” between claims.<sup>26</sup> The court also reasoned that the “logical relationship” test of the “transaction or occurrence” requirement of Rule 20 is satisfied in patent cases when “defendant[s] allegedly infringing acts, which give rise to the individual claims of infringement . . . share an aggregate of operative facts.”<sup>27</sup>

In addition, the court explicitly rejected the “not dramatically different” standard which had been espoused by the Eastern District of Texas in a previous case.<sup>28</sup> Indeed, the court held that “[t]he sameness of the accused products is not enough to establish that claims of infringement arise from the ‘same transaction.’”<sup>29</sup> Rather, “[u]nless there is an actual link between the facts underlying each claim of infringement, independently developed products using differently sourced parts are not part of the same transaction, even if they are otherwise coincidentally identical.”<sup>30</sup>

However, the court added further uncertainty by noting in a lengthy footnote that it “need not decide whether the sameness test in the new legislation is

<sup>22</sup> *In re EMC Corp.*, 677 F.3d 1351, 2012 BL 110191, 102 U.S.P.Q.2d 1539 (Fed. Cir. 2012) (84 PTCJ 54, 5/11/12).

<sup>23</sup> *Id.* at 1356.

<sup>24</sup> *Oasis Research, LLC v. Adrive, LLC*, No. 4:10-CV-435, slip op. at 6 (E.D. Tex. May 23, 2011).

<sup>25</sup> *In re EMC Corp.*, 677 F.3d at 1354 (quoting *In re Calmar, Inc.*, 854 F.2d 461, 464, 7 U.S.P.Q.2d 1713 (Fed. Cir. 1988)).

<sup>26</sup> *Id.* at 1357-58; see also Fed. R. Civ. P. 13(a).

<sup>27</sup> *In re EMC Corp.*, 677 F.3d at 1358.

<sup>28</sup> *Id.* at 1359 (finding that the rejected “not dramatically different” standard “seems to require little more than the existence of some similarity in the allegedly infringing products or processes, similarity which would exist simply because the same patent claims are alleged to be infringed”) (citing *Oasis Research*, slip op. at 4).

<sup>29</sup> *Id.*

<sup>30</sup> *Id.* The court also held that:

In addition to finding that the same product or process is involved, to determine whether the joinder test is satisfied, pertinent factual considerations include whether the alleged acts of infringement occurred during the same time period, the existence of some relationship among the defendants, the use of identically sourced components, licensing or technology agreements between the defendants, overlap of the products’ or processes’ development and manufacture, and whether the case involves a claim for lost profits.

*Id.* at 1359-60.

identical to the sameness test we adopt here for cases not covered by the new legislation.”<sup>31</sup> The court also reiterated its belief in the enduring discretion of the district courts to consolidate cases for discovery under Fed. R. Civ. P. 42 and in multidistrict litigation procedures under 28 U.S.C. § 1407.<sup>32</sup>

## B. District Court Split on the Definitions of “Same” Under Section 299

Although there have only been a handful of district court cases applying Section 299, the few cases that have applied the new joinder rule have reached differing conclusions on the meanings of “the same accused product or process” and the “same transaction or occurrence” under Section 299(a)(1).

### 1. *Omega Patents: Joinder Is Permissible.*

In *Omega Patents v. Skypatrol*, the district court in the Southern District of Florida deemed the joinder of two defendants, Enfora Inc. and Skypatrol LLC, permissible under Section 299 where Enfora “manufactures a product that allegedly infringes the patents in question and then provides the product to Skypatrol, who reconfigures, modifies and rebrands the same product—using information and documentation provided by Enfora.”<sup>33</sup> The district court distinguished *In re EMC*—even though *In re EMC* purportedly did not pertain to Section 299—because the “sameness” at issue in the *Omega Patents* case was not by chance or coincidence, but rather through an “established relationship between Defendants.”<sup>34</sup>

Thus, the district court found that the contractual relationship and resulting transactions between the defendants justified their being joined in one action.<sup>35</sup> However, in so ruling, the court declined to squarely address Skypatrol’s argument that Omega’s mere “[r]epackaging and branding [of Skypatrol] products for distribution outside the United States is irrelevant to the issues of patent infringement and validity.”<sup>36</sup> The court also noted that it would have been impermissible under Section 299 for the plaintiff to join a third party, which separately and independently provided products to Skypatrol.<sup>37</sup>

### 2. *Mednovus: Joinder Is Impermissible*

In *Mednovus v. QinetiQ Group*, the Central District of California district court deemed impermissible the joinder of four defendants allegedly infringing upon different sets of products, despite some overlap in the accused products.<sup>38</sup> Specifically, while defendants QinetiQ and ETS-Lindgren both sold the allegedly infringing Ferroguard Screener and defendants QinetiQ and In-vivo both sold the allegedly infringing Ferroguard Entry Control, the court found that the allegations were “fa-

<sup>31</sup> *Id.* at 1360 n.4.

<sup>32</sup> *Id.* at 1360.

<sup>33</sup> *Omega Patents, LLC v. Skypatrol, LLC*, No. 1:11-cv-24201-KMM, 2012 BL 343755, at \*2 (S.D. Fla. June 19, 2012).

<sup>34</sup> *Id.* at \*2 n.3.

<sup>35</sup> *Id.* at \*2.

<sup>36</sup> Defendant Enfora, Inc.’s Motion to Sever and Transfer and Memorandum of Law in Support at 5, *Omega Patents*, No. 1:11-cv-24201-KMM (S.D. Fla. Apr. 12, 2012), ECF No.52.

<sup>37</sup> *Omega Patents*, 2012 BL 343755, at \*2-3 & n.3.

<sup>38</sup> *Mednovus, Inc. v. QinetiQ Grp. PLC*, No. 2:12-cv-03487-ODW(JC), 2012 BL 343823, at \*2-3 (C.D. Cal. Oct. 1, 2012).



cially insufficient to meet § 299's heightened standard for joinder" since most of the products at issue were different for each defendant.<sup>39</sup>

Moreover, the court noted that even if the claims of infringement directed at each defendant had been based on the "same" products, joinder would still be impermissible because "the only related transactions between these entities are those transactions within the commerce stream . . . [which] do not constitute the same transaction or series of transactions."<sup>40</sup> In effect, the court held that the sale of accused products by one defendant (and its spinoff and licensee) to its distributors (who were also defendants) constituted separate transaction from the sales by these defendant distributors to end-users.<sup>41</sup> As a result, whereas the court in *Omega Patents* held that the stream of commerce relationships between defendants warranted joinder,<sup>42</sup> this court came to a diametrically opposed conclusion.<sup>43</sup>

### 3. Motorola Mobility: Joinder and Judicial Economy

In *Motorola Mobility v. TiVo*, the court decided the issue of joinder solely on the basis of the "sameness" of the products at issue.<sup>44</sup> In this case, TiVo Inc. brought infringement claims against Motorola Mobility, Inc. and Time Warner Cable Inc. (TWC), alleging that Motorola infringed TiVo patents through its sale of Motorola DVR boxes and that TWC infringed TiVo patents through its sale of certain Motorola DVR boxes as well as Cisco DVR boxes.<sup>45</sup> Because of the overlap in accused Motorola DVR boxes, the court found that the "same accused product" requirement of Section 299 was satisfied and thus that joinder of Motorola and TWC was permissible.<sup>46</sup> The court also declined to find that existence of additional, non-overlapping accused products rendered joinder inappropriate, noting that "complete commonality of all claims is not required as long as at least one claim overlaps among all of the defendants."<sup>47</sup>

In its decision, the court did not include an analysis of the relationship between Motorola and TWC or discuss the "transaction or occurrence" requirement of § 299(a)(1).<sup>48</sup> However, after finding joinder permis-

sible, the court used its powers to manage its docket under Fed. R. Civ. P. 21 to sever TiVo's claims against TWC relating to the Cisco DVR boxes, joining those claims with a separately pending case by TiVo against Cisco concerning the alleged infringement of these same DVR boxes.<sup>49</sup>

### 4. The Need for Federal Circuit Guidance on the Definitions of "Same" Under Section 299

In the wake of the inconsistent district court decisions interpreting Section 299(a)(1), the distinct bounds of Section 299 remain in flux. As a result, there is a need for the Federal Circuit to weigh in on the definitions of the requisite "same accused product" and "same transaction and occurrence" for joinder under the AIA. While *In re EMC* shed some light on the Federal Circuit's narrow view of joinder in general, the Federal Circuit sidestepped the issue of interpreting Section 299 in this decision.

The definition of "transaction or occurrence" is now ripe for input by the Federal Circuit because the existing "transaction or occurrence" test is not distinct from the test for the "same accused product or process" requirement of Section 299(a)(1). In *In re EMC*, the court held that "[u]nless there is an actual link between the facts underlying each claim of infringement, independently developed products using differently sourced parts are not part of the same transaction, even if they are otherwise coincidentally identical,"<sup>50</sup> thus combining (or conflating) the requirements for "transaction or occurrence" and sameness of products.

This confusion is readily apparent in the conflicting decisions subsequently rendered in the *Omega Patents* and *Mednovus* cases.<sup>51</sup> However, regardless of the breadth of the "transaction or occurrence" definition, so long as the requirement that co-defendants sell the "same product or process" is enforced, the underlying purpose of Section 299, i.e., putting an end to "the abusive practice of treating as codefendants parties who make completely different products and have no relation to each other,"<sup>52</sup> could be maintained.

The Federal Circuit should likewise provide guidance as to what constitutes the "same accused product or process" required under Section 299(a)(1). It is currently unclear whether the "sameness" required by Section 299 should be measured by product name, product attribute, product manufacturer or otherwise. While Section 299(b) makes clear that mere allegations of infringing the same patent(s) are insufficient to render joinder permissible, if "sameness" is assessed based upon the presence or absence of asserted claim limitations, such an inquiry would be quite close to an infringement-style analysis.

As the "sameness" of products and processes will likely require highly factual and case-specific determinations, the Federal Circuit might wish to consider a list of possible factors, including: "the use of identically sourced components" and the "overlap of the products"

<sup>39</sup> *Id.* at \*2.

<sup>40</sup> *Id.*

<sup>41</sup> *See id.* at \*3.

<sup>42</sup> *Omega Patents*, 2012 BL 343755, at \*2.

<sup>43</sup> *See Mednovus*, 2012 BL 343823, at \*2-3; *see also Digitech Image Techs., LLC v. Agfaphoto Holding, GmbH*, No. 8:12-cv-1153-ODW(MRWx), 2012 BL 256999, at \*3, 104 U.S.P.Q.2d 1534, 1537 (C.D. Cal. Oct. 1, 2012) (granting motion to sever or dismiss for misjoinder under 35 U.S.C. § 299 where defendants were different retailers selling identical products, stating: "the only instances involving the 'same accused product' are the transactions for an individual camera (or camera model) within the commerce stream. But these transactions within the commerce stream do not constitute the same transaction or series of transactions"); *see also MGT Gaming, Inc. v. WMS Gaming, Inc.*, No. 3:12-cv-741-CWR-FKB, 2013 BL 293683, at \*20 (S.D. Miss. Oct. 23, 2013) ("Direct competitors may not be joined in the same action because their acts do not arise out of the same transaction or occurrence and they do not share an 'aggregate of operative facts.'").

<sup>44</sup> *Motorola Mobility, Inc. v. TiVo Inc.*, No. 5:11-CV-53-JRG, 2012 BL 181107 (E.D. Tex. July 18, 2012).

<sup>45</sup> *Id.* at \*1.

<sup>46</sup> *Id.* at \*2-3.

<sup>47</sup> *Id.* at \*2.

<sup>48</sup> *Id.* at \*1-4.

<sup>49</sup> *See id.* at \*3.

<sup>50</sup> *In re EMC Corp.*, 677 F.3d 1351, 1359 (Fed. Cir. 2012).

<sup>51</sup> *Omega Patents*, No. 1:11-cv-24201-KMM, 2012 BL 343755, at \*2 (S.D. Fla. June 19, 2012); *Mednovus*, No. 2:12-cv-03487-ODW(JCx), 2012 BL 343823, at \*2 (C.D. Cal. Oct. 1, 2012).

<sup>52</sup> 157 CONG. REC. H4426 (daily ed. June 22, 2011) (statement of Rep. Goodlatte).

or processes' development," manufacturing and/or function.<sup>53</sup> Such factors could provide the courts with both certainty and flexibility in assessing "the sameness" of accused products and processes under Section 299(a)(1).

### III. Limited Ramifications of Section 299

While the distinct bounds of Section 299 remain in flux, it remains to be seen whether the heightened restrictions on joinder under Section 299 will have any real effect on the landscape of patent litigations in the United States. In theory, Section 299 should be efficacious in curbing the practice of lumping unrelated competitors into a single patent infringement action.<sup>54</sup>

Specifically, the severance of a single case against multiple, unrelated purveyors of different products into several distinct cases should be helpful in preventing competitors from having to share highly confidential information during discovery or motion practice and could help limit the escalating costs of having to collaborate with many different parties in the same case. In addition, those defendants whose cases go to trial after the first trial on the patent(s) at issue stand to benefit as any previous findings of invalidity against the patent owner are binding, but any previous findings of validity can be challenged anew.<sup>55</sup> Indeed, certain patent owners must have been concerned about the effects of Section 299 since Sept. 15, 2011, the day before Section 299 went into effect, marked a record number of patent filings against a multitude of defendants.<sup>56</sup>

However, in reality, it is unlikely that the AIA's heightened requirements for joinder will discourage patent holders from filing suit against multiple alleged infringers. Rather, patent holders now appear to be filing a series of individual lawsuits asserting the same patents in the same districts against different entities or groups of entities.

As this influx in filings can be increasingly taxing on judicial resources, many courts have begun to consolidate these separate cases for pre-trial purposes. For example, in the Eastern District of Texas, Judge Davis severed infringement actions against several different defendants due to improper joinder and then ordered the pre-trial consolidation of all such cases in the very same opinion.<sup>57</sup> In so ruling, the court noted that the post-AIA scenario of serially-filed cases involving the same patents results in "administrative challenges for the Court and, left unchecked, wastes judicial re-

sources."<sup>58</sup> In fact, this court found that even if transfer of any of the severed cases were appropriate, any such transfer would take place only after *Markman* was complete.<sup>59</sup>

Judge Davis similarly ordered the consolidation of another series of cases involving a common patent for pre-trial purposes sua sponte,<sup>60</sup> as did a Southern District of California district court.<sup>61</sup> The Delaware district court also consolidated severed cases remaining in the same venue for pre-trial purposes.<sup>62</sup> Likewise, in *In re Bear Creek Technologies*, the Judicial Panel on Multi-district Litigation held that the AIA "does not alter our authority to order pretrial centralization" of litigation for pretrial proceedings.<sup>63</sup> As a result, 14 different actions pending in three different districts but involving the same patent were centralized for coordinated pre-trial proceedings under Section 1407.<sup>64</sup>

Next, while the court in *C.R. Bard v. Medical Components* declined to consolidate for pre-trial purposes three cases involving three separate defendants, the court entered identical scheduling orders in these cases and reserved final judgment on whether to consolidate for claim construction.<sup>65</sup> The court also confirmed that nothing in Section 299 affected the court's authority to order the pre-trial consolidation of related patent cases.<sup>66</sup> Judge Michael H. Schneider of the Eastern District of Texas similarly severed 54 defendants for misjoinder and then proceeded to issue a single scheduling and discovery order with plans for a combined claim construction hearing even though the severed cases were never formally consolidated.<sup>67</sup>

While the maintenance of separate cases might help protect the defendants from having to share competitive information, that the cases will proceed on a consolidated or on identical paths pre-trial negates one of the main benefits of separating out the cases—namely, providing the defendants with multiple, successive opportunities to challenge validity.

While this opportunity may still present itself at the trial stage, it remains to be seen how courts will structure such trials. In addition, as all of the consolidated defendants will likely have had to exchange invalidity contentions and expert reports prior to the first trial, any subsequent trials will be still be constrained to the

<sup>58</sup> *Norman IP Holdings*, slip op. at 6.

<sup>59</sup> *Id.* at \*17.

<sup>60</sup> Status Conference and Consolidation Order, *IPVX Patent Holdings, Inc. v. Hewlett-Packard Co.*, No. 6:11-cv-00564-LED (E.D. Tex. Oct. 23, 2012), ECF No. 35.

<sup>61</sup> Order Setting Briefing Schedule at 1, *Ameranth, Inc. v. Pizza Hut, Inc.*, No. 3-11-cv-01810 (S.D. Cal. June 27, 2012), ECF No. 218 (consolidating briefing schedule on motions to sever or dismiss).

<sup>62</sup> *IpVenture, Inc. v. Acer, Inc.*, 879 F. Supp. 2d 426, 437-438, 2012 BL 184831 (D. Del. 2012).

<sup>63</sup> *In re Bear Creek Techs., Inc.* ('722) Patent Litig., 858 F. Supp. 2d 1375, 1378 (J.P.M.L. 2012) (noting that "[s]ection 299 itself is silent as to the conduct of pretrial proceedings, nor does it mention Section 1407").

<sup>64</sup> *Id.* at 1380.

<sup>65</sup> *C.R. Bard, Inc. v. Med. Components, Inc.*, No. 2:12-cv-00032-TS-EJF, 2012 BL 188495, at \*1-2 (D. Utah July 25, 2012).

<sup>66</sup> *Id.* at \*1.

<sup>67</sup> First Amended Scheduling and Discovery Order at 16, *GeoTag, Inc. v. Abercrombie & Fitch Co.*, No. 2:12-cv-00437 (E.D. Tex. Aug. 31, 2012), ECF No. 14 (setting single discovery schedule covering one hundred and eight separate actions).

<sup>53</sup> *In re EMC*, 677 F.3d at 1359-60 (listing factors).

<sup>54</sup> 157 CONG. REC. H4426 (daily ed. June 22, 2011) (statement of Rep. Goodlatte).

<sup>55</sup> Donald S. Chisum, 6 CHISUM ON PATENTS § 19.02[2] (2011).

<sup>56</sup> Tracie L. Bryant, *The America Invents Act: Slaying Trolls, Limiting Joinder*, 25 HARV. J.L. & TECH. 687, 687 & n.1 (2011-2012) (citing Dennis Crouch & Jason Rantanen, *Rush to Judgment: New Dis-Joinder Rules and Non-Practicing Entities*, PATENTLY-O (Sept. 20, 2011), available at <http://www.patentlyo.com/patent/2011/09/rush-to-judgment-new-dis-joinder-rules-and-non-practicing-entities.html>) (noting that over 50 patent infringement cases were filed against more than 800 defendants).

<sup>57</sup> *Norman IP Holdings LLC, v. Lexmark Int'l, Inc.*, No. 6:11-CV-495, slip op. at 8-9 (E.D. Tex. Aug. 10, 2012); see also *Oasis Research, LLC v. Carbonite, Inc.*, No. 4:10-CV-435, 2012 BL 216444, at \*1 (E.D. Tex. Aug. 15, 2012).

invalidity defenses and prior art disclosed prior to this initial trial.

As a result, the benefits of having separate trials or dockets for the defendants in these actions seems marginal, at best.