

# Joinder of Unrelated Infringers as Defendants in Patent Litigation Under the Jurisprudence of the United States District Court for the Eastern District of Texas - A Critical Review

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## Abstract

In 2011, the Leahy-Smith America Invents Act (“AIA”) was enacted. 35 U.S.C. § 299 was created to limit district court’s power to permit joinder of unrelated infringers as defendants in a single lawsuit. Before that, district courts apply Rule 20 of the Federal Civil Procedure. The Eastern District of Texas had permitted joinder only because the same patent was infringed. By introducing § 299, Congress intended to abrogate such approach. Later, the Federal Circuit in *In re EMC* limited the practice of Rule 20 and required a finding of “an actual link between the facts underlying each claim of infringement.” *EMC* also offered six factors for determination of joinder. However, this article demonstrates that the Eastern District of Texas still prefers joinder of unrelated defendants. The court has taken the “actual link” standard to a next level. The court primarily looks to common facts regarding the accused products or processes. Particularly when products are accused, the third *EMC* factor “the use of identically sourced components” becomes a dispositive factor. The only rebuttal may be to prove that the accused products are “independently developed products using differently sourced parts.”

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## I. Introduction

On September 16, 2011, the American patent system started a new era because of the enactment of the Leahy-Smith America Invents Act (“AIA”).<sup>1</sup> One of the breakthroughs was the creation of 35 U.S.C. § 299 that limits a district court’s power to permit joinder of independent infringers in one lawsuit.<sup>2</sup> § 299 went into force and applied to any civil action commenced on or after September 16, 2011.<sup>3</sup> § 299 imposes two basic requirements on permissive joinder of independent defendants in patent litigation.<sup>4</sup> First, § 299(a) provides that “parties that are accused infringers may be joined in one action as defendants or counterclaim defendants, or have their actions consolidated for trial, 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.”<sup>5</sup> Second, § 299(b) specifically excludes the joinder “based solely on allegations that [each defendant] have infringed the patent or patents in suit.”<sup>6</sup>

§ 299 was designed to stop a minority view of joinder under Rule 20 of the Federal Civil Procedure.<sup>7</sup> Before the enactment of § 299, district courts applied Rule 20 to decide whether to permit joinder.<sup>8</sup> Rule 20 is the mother of § 299.<sup>9</sup> Rule 20(a)(2) provides, “Persons—as well as a vessel, cargo, or other property subject to admiralty process in rem—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 (B) any question of law or fact common to all defendants will arise in the action.”<sup>10</sup> Rule 20(a)(2) is a two-prong test.<sup>11</sup> Rule 20(a)(2)(A) is the “same transaction or occurrence” requirement,<sup>12</sup> while Rule 20(a)(2)(B) is the requirement of common questions of law or fact.<sup>13</sup> Rule 20(a)(2) is similar to § 299(a), but the “same transaction or occurrence”

<sup>1</sup> See, e.g., Jared A. Smith & Nicholas R. Transier, *Trolling for an NPE Solution*, 7 HASTINGS SCI. & TECH. L.J. 215, 219 (2015); Tracie L. Bryant, Note, *The America Invents Act: Slaying Trolls, Limiting Joinder*, 25 HARV. J.L. & TECH. 673, 694 (2012).

<sup>2</sup> See Dongbiao Shen, *Misjoinder or Mishap? The Consequences of the AIA Joinder Provision*, 29 BERKELEY TECH. L.J. 545, 545 (2014).

<sup>3</sup> See Leahy-Smith America Invents Act § 19(e), 125 STAT 284, 333 (2011).

<sup>4</sup> See Edward D. Manzo, *THE AMERICA INVENTS ACT: A GUIDE TO PATENT LITIGATION AND PATENT PROCEDURE* 178-80 (2013).

<sup>5</sup> 35 U.S.C. § 299(a) (2012).

<sup>6</sup> 35 U.S.C. § 299(b).

<sup>7</sup> See Manzo, *supra* note 4, at 174-75.

<sup>8</sup> See Fabio E. Marino & Teri H.P. Nguyen, *Has Delaware Become the “New” Eastern District of Texas? The Unforeseen Consequences of the AIA*, 30 SANTA CLARA HIGH TECH. L.J. 527, 536-37 (2014).

<sup>9</sup> See Bryant, *supra* note 1, at 700.

<sup>10</sup> FED. R. CIV. P. 20(a)(2).

<sup>11</sup> See Bryant, *supra* note 1, at 700.

<sup>12</sup> See Shen, *supra* note 2, at 548.

<sup>13</sup> See Gregory S. Meece, Comment, *Class Actions, Typicality, and Rule 10b-5: Will the Typical Representative Please Stand Up*, 36 EMORY L.J. 649, 654 (1987).

requirement under § 299(a) is limited to patent infringement caused by “the same accused product or process.”

The minority view of Rule 20 originated from *MyMail, Ltd. v. America Online, Inc.*,<sup>14</sup> a 2004 decision where the Eastern District of Texas permitted joinder and held that “severance could be appropriate if the defendants’ methods or products were dramatically different.”<sup>15</sup> Since *MyMail*, the Eastern District of Texas had permitted joinder merely because the same patents were infringed.<sup>16</sup> The minority view was also followed by a few district courts.<sup>17</sup> Congress called this minority practice a problem because the joined “defendants (sometimes numbering in the dozens) who have tenuous connections to the underlying disputes in patent infringement suits.”<sup>18</sup> *MyMail* has been abrogated by the AIA.<sup>19</sup>

To join with Congress, the Federal Circuit in *In re EMC Corp.*,<sup>20</sup> a decision issued on May 4, 2012, held that “the mere fact that infringement of the same claims of the same patent is alleged does not support joinder” under Rule 20.<sup>21</sup> Rather, the Federal Circuit stated that “[j]oinder of independent defendants is *only* appropriate where the accused products or processes are *the same* in respects relevant to the patent.”<sup>22</sup> In addition, the application of Rule 20 under *EMC* focused on joinder of multiple defendants. Regarding defendants alleged to be jointly liable, the Federal Circuit held that they “may be joined under Rule 20 because the transaction-or-occurrence test is always satisfied.”<sup>23</sup> But, the Federal Circuit cautioned that “an allegation of joint liability is not required.”<sup>24</sup> Furthermore, the Federal Circuit clarified that joinder of independent defendants is possible under Rule 20<sup>25</sup> primarily because the phrase “series of transactions or occurrences” was used in Rule 20(a)(1)(A), which indicates that “a single transaction [or occurrence] is not required.”<sup>26</sup> Therefore, “as long as their actions are part of the ‘same transaction, occurrence, or series of transactions or occurrences,’”<sup>27</sup> independent actors may be joined.<sup>28</sup>

While Rule 20 allows joinder of independent defendants, the question is how far Rule 20 may reach. To answer this question, the Federal Circuit provided a “logical relationship” approach.<sup>29</sup> Specifically, the Federal Circuit required “the facts underlying the claim of infringement asserted against each

<sup>14</sup>*MyMail, Ltd. v. Am. Online, Inc.*, 223 F.R.D. 455 (E.D. Tex. 2004).

<sup>15</sup>*Id.* at 457.

<sup>16</sup>*See infra* Part II.

<sup>17</sup>*See* Bryant, *supra* note 1, at 698.

<sup>18</sup>*See* H.R. REP. NO. 112-98, pt.1, at 54 (2011).

<sup>19</sup>*See id.* at 55 n.61.

<sup>20</sup>*In re EMC Corp.*, 677 F.3d 1351 (Fed. Cir. 2012).

<sup>21</sup>*Id.* at 1357.

<sup>22</sup>*Id.* at 1359 (emphasis added).

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

<sup>24</sup>*Id.* (citation omitted).

<sup>25</sup>*See id.* at 1356-57 (stating several propositions that can be directly drawn from the language of Rule 20 and the legislative history).

<sup>26</sup>*Id.* at 1356.

<sup>27</sup>*Id.* (citation omitted).

<sup>28</sup>*See id.*

<sup>29</sup>*See id.* at 1357.

defendant share an aggregate of operative facts.”<sup>30</sup> Alternatively, the Federal Circuit required a finding of “an actual link between the facts underlying each claim of infringement.”<sup>31</sup> To help district courts determine “an actual link” or “an aggregate of operative facts,” the Federal Circuit provided six factors for factual consideration.<sup>32</sup> While *EMC* is within the case law governing Rule 20, district courts have incorporated *EMC* into their applications of § 299.<sup>33</sup>

After *EMC*, the Eastern District of Texas seems to retain its minority status because it continues to permit joinder under § 299.<sup>34</sup> The new approach adopted by the Eastern District of Texas is to focus primarily on the third *EMC* factor, “the use of identically sourced components.”<sup>35</sup> That is, “the use of identically sourced components” may establish “an actual link between the facts underlying each claim of infringement.”<sup>36</sup>

Actually, the Eastern District of Texas has been well-known for its patentee-friendly nature.<sup>37</sup> The court has more cases filed than other district courts because it is willing to hear patent cases rather than to transfer some cases to other district courts.<sup>38</sup> Moreover, patentees are often awarded with a better amount of damages because the jury is friendly to patentees.<sup>39</sup> As a result, patentees, specially non-practicing entities (“NPEs”), like to file a patent lawsuit there.<sup>40</sup> Before the enactment of § 299, the traditional practice of Rule 20 under the Eastern District of Texas’ jurisprudence had given to NPEs a great incentive to file only one case against independent infringers.<sup>41</sup>

This article demonstrates that § 299 does not completely prohibit the Eastern District of Texas from being friendly to patentees with respect to joinder of independent infringers. Joinder of unrelated defendants may still be easily permitted by the Eastern District of Texas. Part II explores the historic background of the minority view rooted from the court by analyzing the cases commenced before the enactment of § 299.<sup>42</sup> Part III analyzes the cases subject to the appli-

<sup>30</sup>*Id.* at 1359.

<sup>31</sup>*Id.*

<sup>32</sup>*See id.* at 1359-60.

<sup>33</sup>*See, e.g.,* *Summit 6 LLC v. HTC Corp.*, No. 7:14-cv-0014-O, 2014 WL 4449821 (N.D. Tex. Sept. 10, 2014); *Pipeline Techs. Inc. v. Telog Instruments Inc.*, No. CV-13-02104-PHX-SPL, 2014 WL 5241719 (D. Ariz. Oct. 15, 2014); *Potter Voice Techs. LLC v. Apple, Inc.*, No. 12-cv-01096-REB-CBS, 2013 WL 1333460 (D. Colo. Mar. 29, 2013).

<sup>34</sup>*See infra* Part III.

<sup>35</sup>*See infra* Part III.

<sup>36</sup>To some extent, the Eastern District of Texas has transformed the joinder based on the same patent involved into the joinder based on the same technology involved.

<sup>37</sup>*See, e.g.,* Jeanne C. Fromer, *Patentography*, 85 N.Y.U. L. REV. 1444, 1466 (2010); Teresa Lii, *Shopping for Reversals: How Accuracy Differs Across Patent Litigation Forums*, 12 CHL-KENT J. INTELL. PROP. 31, 35-38 (2013).

<sup>38</sup>*See, e.g.,* Jordan Klimek, *Patents as Regulations: How the America Invents Act and the Seminole Rock Doctrine Could Change Claim Construction After Teva v. Sandoz*, 97 J. PAT. & TRADEMARK OFF. SOC’y 307, 310 (2015) (“[B]y 2013, the number skyrocketed to 1,495, constituting nearly a quarter of all patent cases filed in the U.S.”); Ryan Hauer, *Another Attempt at Patent Reform: S.1013 the Patent Abuse Reduction Act of 2013*, 4 DEPAUL J. ART, TECH. & INTELL. PROP. L. 367, 376-77 (2013).

<sup>39</sup>*See Hauer, supra* note 38, at 377.

<sup>40</sup>*See* Ahmed J. Davis & Karolina Jesien, *The Balance of Power in Patent Law: Moving Towards Effectiveness in Addressing Patent Troll Concerns*, 22 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 835, 844 (2012).

<sup>41</sup>*See* David O. Taylor, *Patent Misjoinder*, 88 N.Y.U. L. REV. 652, 659-91 (2013).

<sup>42</sup>It is hard to examine whether the Eastern District of Texas in *MyMail* disobeyed the Fifth Circuit case law in 2004 because at that time the Fifth Circuit had not developed case law regarding Rule 20 for unrelated defendants.

cation of § 299 to understand the current jurisprudence adopted by the court. Part III is intended to show how *EMC* leaves a space for the Eastern District of Texas develop a new approach to easily permit joinder. Finally, Part IV shows the conflicts between the Eastern District of Texas and other district courts. The issue centers on the different views about the phrase “the same accused product or process” in § 299(a)(1). A new approach is proposed to resolve the issue.

## II. Pre-AIA Period

### A. *MyMail, Ltd. v. America Online, Inc.*

On April 27, 2004, MyMail, Ltd. initiated a patent infringement lawsuit against eight network service companies including America Online, Inc., AT&T Corp., Netzero, Inc., Juno Online Services, Inc., Netbrands, Inc., Earthlink, Inc., SBC Communications, Inc., and Verizon Communications, Inc.<sup>43</sup> The claim against Verizon Communications, Inc. was later withdrawn without prejudice.<sup>44</sup>

On July 7, 2004, Netzero, Inc., Juno Online Services, Inc., and Netbrands, Inc. filed a motion for severance and venue transfer.<sup>45</sup> The Eastern District of Texas referred to these three defendants as the UOL defendants because they were all subsidiaries of United Online, Inc.<sup>46</sup> The UOL defendants argued that “the claims against them do not arise out of the same transaction or occurrence or series of transactions or occurrences as the other defendants.”<sup>47</sup> The argument was based on a notion that they and the other defendants are separate defendants.<sup>48</sup> But, the plaintiff responded primarily that all defendants “have utilized shared resources, such as dial-up Internet access numbers.”<sup>49</sup>

The court only examined the “same transaction or occurrence” requirement because neither party disputed the requirement of common questions of law or fact.<sup>50</sup> The court held that the “same transaction or occurrence” requirement is satisfied because “there is some connection or logical relationship between the various transactions or occurrences.”<sup>51</sup> The court also held that “[a] logical relationship exists if there is some nucleus of operative facts or law.”<sup>52</sup>

Finally, the court found the joinder permissive primarily because the record did not show that “the products or methods at issue are so different” that it is

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See *Perez v. Grupo TMM, S.A.B.*, No. H-09-136, 2009 WL 926991, at \*4 (S.D. Tex. Apr.1, 2009) (“The Fifth Circuit has not endorsed a single test to determine when claims arise from the ‘same transaction or occurrence.’”).

<sup>43</sup> See Complaint at 1, *MyMail, Ltd. v. Am. Online, Inc.*, 223 F.R.D. 455 (E.D. Tex. 2004) (No. 4.04-CV-189STEGGER).

<sup>44</sup> See *MyMail*, 223 F.R.D. at 456.

<sup>45</sup> See Motion of Defendants Netzero, Inc., Juno Online Services, Inc. and Netbrands, Inc. to Sever and Transfer Venue and Brief in Support at 1, *MyMail*, 223 F.R.D. 455 (No. 4.04-CV-189STEGGER).

<sup>46</sup> See *MyMail*, 223 F.R.D. at 456.

<sup>47</sup> See *id.*

<sup>48</sup> See *id.*

<sup>49</sup> See *id.* at 457.

<sup>50</sup> See *id.* at 456 (“Neither side disputes that questions of law or fact common to all defendants will arise in this case.”).

<sup>51</sup> *Id.* (citing *Hanley v. First Investors Corp.*, 151 F.R.D. 76, 79 (E.D. Tex. 1993)).

<sup>52</sup> *Id.*

better to implement multiple proceedings.<sup>53</sup> The conclusion was based on the most-criticized proposition in *MyMail* which states that “[i]t is possible that severance could be appropriate if the defendants’ methods or products were dramatically different.”<sup>54</sup> *MyMail* has been characterized as a decision that allows “joinder of unrelated defendants who were alleged to have infringed the same patent.”<sup>55</sup>

## B. Cases After *MyMail*

After *MyMail*, the Eastern District of Texas had not issued any decisions related to Rule 20 for years. Since 2009, there had been several decisions related to joinder.<sup>56</sup> Among those cases issued prior to the enactment of the AIA are *Adrain v. Genetec Inc.*,<sup>57</sup> *Better Education Inc. v. Einstruction Corp.*,<sup>58</sup> and *Eolas Technologies, Inc. v. Adobe Systems, Inc.*,<sup>59</sup> three decisions which Congress has expressly overruled.<sup>60</sup> In this section, *Adrain*, *Better*, and *Eolas* are analyzed as a group. This section also reviews other pre-AIA cases to clarify their legal validity.

### 1. *Adrain*, *Better*, and *Eolas*

The court consecutively in *Adrain*, *Better*, and *Eolas* followed *MyMail* and permitted joinder.<sup>61</sup> *Adrain* and *Better* both looked to the similarity or difference between the accused products. In *Adrain*, the patent-in-suit related to “a system for monitoring a space, detecting images, and comparing the images to data.”<sup>62</sup>

<sup>53</sup> See *id.* at 457.

<sup>54</sup> *Id.*; see also Greg Reilly, *Aggregating Defendants*, 41 FLA. ST. U. L. REV. 1011, 1024 (2014); Shen, *supra* note 2, at 549-50; Peter J. Corcoran, III, *Strategies to Save Resources and Reduce E-Discovery Costs in Patent Litigation*, 21 TEX. INTELL. PROP. L.J. 103, 126 (2013).

<sup>55</sup> Shen, *supra* note 2, at 549; see also George D. Medlock Jr. & David Frist, *Joinder: Over a Year after the America Invents Act*, 5 LANDSLIDE, no. 2, 2012, at 44; Diane H. Crawley, *America Invents Act: Promoting Progress or Spurring Secrecy?*, 36 U. HAW. L. REV. 1, 13 (2014); Reilly, *supra* note 54, at 1024; Taylor, *supra* note 41, at 657; Bob McAughan, *Time to Justice: Seven Hours or Seven Days? Variations in Imposed Time Limits for Patent Jury Trials*, 4 LANDSLIDE, no. 3, 2012, at 45.

<sup>56</sup> See, e.g., *Centre One v. Vonage Holdings Corp.*, No. 6:08CV467, 2009 WL 2461003 (E.D. Tex. Aug. 10, 2009); *Adrain v. Genetec Inc.*, No. 2:08-CV-423, 2009 WL 3063414 (E.D. Tex. Sept. 22, 2009); *Innovative Global Sys. LLC v. Turnpike Global Techs. L.L.C.*, No. 6:09-cv-157, 2009 WL 3754886 (E.D. Tex. Oct. 20, 2009); *Better Educ. Inc. v. Einstruction Corp.*, No. 2-08-cv-446-TJW-CE, 2010 WL 918307 (E.D. Tex. Mar. 10, 2010); *Eolas Techs., Inc. v. Adobe Sys., Inc.*, No. 6:09-CV-446, 2010 WL 3835762 (E.D. Tex. Sept. 28, 2010); *Oasis Research, LLC v. Adrive, LLC (Oasis I)*, No. 4:10-CV-435, 2011 WL 3099885 (E.D. Tex. May 23, 2011), adopted by *Oasis Research, LLC v. Adrive, LLC (Oasis II)*, 2011 WL 3103972 (E.D. Tex. July 25, 2011); *MicroUnity Sys. Eng'g, Inc. v. Acer Inc.*, Nos. 2:10-CV-91-TJW-CE, 2:10-CV-185-TJW-CE, 2011 WL 4591917 (E.D. Tex. Sept. 30, 2011); *Imperium (IP) Holdings, Inc. v. Apple Inc.*, No. 4:11-CV-163, 2012 WL 461775 (E.D. Tex. Jan. 20, 2012); *Lodsys, LLC v. Brother Int'l Corp.*, No. 2:11-cv-90-JRG, 2012 WL 760729 (E.D. Tex. Mar. 8, 2012); *Innovative Automation, LLC v. Audio Video and Video Labs, Inc.*, Nos. 6:11-CV-234 LED-JDL, 6:11-CV-445 LED-JDL, 2012 WL 10816848 (E.D. Tex. May 30, 2012).

<sup>57</sup> *Adrain*, 2009 WL 3063414.

<sup>58</sup> *Better Educ.*, 2010 WL 918307.

<sup>59</sup> *Eolas Techs.*, 2010 WL 3835762.

<sup>60</sup> See H.R. REP. NO. 112-98, pt.1, at 55 n. 61 (2011).

<sup>61</sup> See, e.g., *Adrain*, 2009 WL 3063414, at \*2; *Better Educ.*, 2010 WL 918307, at \*1; *Eolas Techs.*, 2010 WL 3835762, at \*2.

<sup>62</sup> *Adrain's Response to Defendant Eltag North America LLC's Motion to Sever and to Transfer the Action to the Middle District of North Carolina at 1, Adrain*, 2009 WL 3063414 (No. 2:08-CV-423) [hereinafter, Plaintiff's

A motion for severance was filed by Elsag North America LLC which argued that all accused infringers are unrelated and the “same transaction or occurrence” requirement is not met.<sup>63</sup> On the other hand, the plaintiff alleged that “public materials show that the defendants’ infringing systems are substantially similar in their structure, design, and/or method of operation.”<sup>64</sup> The court sided with the plaintiff.<sup>65</sup> First, the accused license plate recognition systems sold by the defendants were alleged to infringe the same patent.<sup>66</sup> Second, “the similarity” of the accused systems sufficiently satisfied “the nucleus of fact or law test.”<sup>67</sup> Therefore, the court found that the “same transaction or occurrence” requirement is met.<sup>68</sup>

In *Eolas*, the patents-in-suit related to “[a] system allowing a user of a browser program on a computer connected to an open distributed hypermedia system to access and execute an embedded program object.”<sup>69</sup> The plaintiff sued twenty-three defendants from various industries.<sup>70</sup> All defendants moved for venue transfer and alternatively for severance.<sup>71</sup> The defendants’ misjoinder argument was based on the fact that they are unrelated.<sup>72</sup> However, the court disagreed primarily because of a concern of judicial economy.<sup>73</sup> The court considered that there are identical issues regarding the claim construction and patentability such that implementing multiple proceedings for the same issues would waste the judicial resources as well as parties’ resources.<sup>74</sup> In addition, the court did not find “the products or methods at issue are so different” that different lawsuits are required.<sup>75</sup> Thus, the court permitted joinder.<sup>76</sup>

*Better* was different from *Adrain* and *Eolas* because the ruling was too conclusory. In *Better*, the patent-in-suit related to “electronic classroom response systems that allow students to answer questions with student terminals.”<sup>77</sup> One defendant Qwizdom filed a motion to dismiss, and the motion asserted

Response].

<sup>63</sup> See Defendant Elsag North America LLC’s Reply Brief in Support of Its Motion to Sever and to Transfer the Action to the Middle District of North Carolina Pursuant to Fed. R. Civ. P. 21 and 28 U.S.C. § 1404 at 2, *Adrain*, 2009 WL 3063414 (No. 2:08–CV–423).

<sup>64</sup> Plaintiff’s Response at 2, *Adrain*, 2009 WL 3063414 (No. 2:08–CV–423), .

<sup>65</sup> See *Adrain*, 2009 WL 3063414, at \*2.

<sup>66</sup> See *id.*

<sup>67</sup> See *id.*

<sup>68</sup> See *id.*

<sup>69</sup> See, e.g., U.S. Patent No. 5,838,906 abstract (filed Oct. 17, 1994), U.S. Patent No. 7,599,985 abstract (filed Aug. 9, 2002); see also *Eolas Techs., Inc. v. Adobe Sys., Inc.*, No. 6:09–CV–446, 2010 WL 3835762, at \*1 (E.D. Tex. Sept. 28, 2010).

<sup>70</sup> See *Eolas Techs.*, 2010 WL 3835762, at \*1.

<sup>71</sup> See *id.*

<sup>72</sup> See Defendants Adobe Systems, Inc., Amazon.com, Inc., Apple Inc., Blockbuster Inc., Ebay Inc., the Go Daddy Group, Inc., Google Inc., New Frontier Media, Inc., Playboy Enterprises International, Inc., Sun Microsystems Inc., Yahoo! Inc., and Youtube, LLC’s Motion to Transfer to the U.S. District Court for the Northern District of California Pursuant to 28 U.S.C. § 1404(A) at 14–15, *Eolas Techs.*, 2010 WL 3835762 (No. 6:09–CV–446) (citing cases which indicate that unrelated defendants should be severed).

<sup>73</sup> See *Eolas Techs.*, 2010 WL 3835762, at \*1–2.

<sup>74</sup> See *id.* at \*1.

<sup>75</sup> See *id.*

<sup>76</sup> See *id.* at \*2.

<sup>77</sup> Plaintiff Better Education, Inc.’s Opposition to Defendant Qwizdom, Inc.’s Motion to Dismiss at 2, *Better Educ. Inc. v. Einstruction Corp.*, No. 2–08–cv–446–TJW–CE, 2010 WL 918307 (E.D. Tex. Mar. 10, 2010) [hereinafter, Plaintiff’s Opposition].

misjoinder.<sup>78</sup> Regarding misjoinder, Qwizdom primarily argued that “[e]ach of the Defendants has its own unique electronic learning systems, with each system having its own components and separate, distinct design.”<sup>79</sup> On the other hand, the plaintiff did not explain why a logical relationship exists between the claim against Qwizdom and the claims against other defendants.<sup>80</sup> Instead, the plaintiff emphasized that “[t]he Eastern District of Texas has long disagreed with a *per se* rule that infringement by different defendants does not satisfy Rule 20’s same transaction requirement.”<sup>81</sup> Eventually, without analyzing any relevant facts, the court cited *MyMail* and simply concluded that it “is not persuaded that joinder of Qwizdom is improper.”<sup>82</sup>

From *MyMail* to *Eolas*, the court gradually transformed the “same transaction or occurrence” requirement into the “dramatically different” standard and further into the “same patent” standard. *MyMail* recognized a joinder analysis as a two-prong test,<sup>83</sup> but it transformed the “same transaction or occurrence” requirement into the requirement of “a nucleus of operative facts or law.”<sup>84</sup> *MyMail* also required that severance is possibly appropriate if the infringing products or methods are “dramatically different.”<sup>85</sup> Next, *Adrain* recognized that the “same transaction or occurrence” requirement is satisfied when the products or methods at dispute are accused of infringing the same patent and when the similarity of the infringing products or methods is sufficient.<sup>86</sup> Then, *Better* implied that the “dramatically different” standard is not required to consider.<sup>87</sup> Finally, *Eolas* did not separate the “same transaction or occurrence” requirement from the analysis of permissive joinder.<sup>88</sup> Rather, *Eolas* considered the issues of claim construction and patent validity as substantially overlapping questions of law and fact, so the joinder was appropriate to prevent inconsistent results.<sup>89</sup> The “dramatically different” standard became a minor factor, which is very different from *MyMail*. Therefore, whether the same patent is infringed (the “same patent” standard) became a major factor for determining permissive joinder.

The evolution of the *MyMail*-based case law indicates two principles which Congress has abrogated. First, joinder is proper when the same patent is infringed. Second, the accused products or methods have to be similar or not dramatically different. The first principle is invalid because 35 U.S.C. § 299(b) provides, “[f]or purposes of this subsection, accused infringers may not be joined in one action as defendants or counterclaim defendants, or have their actions consolidated for trial, based solely on allegations that they each have

<sup>78</sup> See *Better Educ.*, 2010 WL 918307, at \*1.

<sup>79</sup> Qwizdom, Inc.’s Motion to Dismiss at 4, *Better Educ.*, 2010 WL 918307 (No. 2–08–cv–446–TJW–CE).

<sup>80</sup> See Plaintiff’s Opposition at 3, *Better Educ.*, 2010 WL 918307 (No. 2–08–cv–446–TJW–CE).

<sup>81</sup> See *id.*

<sup>82</sup> *Better Educ.*, 2010 WL 918307, at \*1.

<sup>83</sup> See *MyMail, Ltd. v. Am. Online, Inc.*, 223 F.R.D. 455, 456 (E.D. Tex. 2004).

<sup>84</sup> See *id.*

<sup>85</sup> See *id.* at 457.

<sup>86</sup> See *Adrain v. Genetec Inc.*, No. 2:08–CV–423, 2009 WL 3063414, at \*2 (E.D. Tex. Sept. 22, 2009).

<sup>87</sup> See *Better Educ.*, 2010 WL 918307, at \*1.

<sup>88</sup> See *Eolas Techs., Inc. v. Adobe Sys., Inc.*, No. 6:09–CV–446, 2010 WL 3835762, at \*1–2 (E.D. Tex. Sept. 28, 2010).

<sup>89</sup> See *id.* at \*2.

infringed the patent or patents in suit.”<sup>90</sup> The second principle is also invalid because § 299(a) limits the “same transaction or occurrence” requirement to what relates “to the making, using, importing into the United States, offering for sale, or selling of the same accused product or process.”<sup>91</sup> Thus, the “dramatically different” standard adopted by the *MyMail* case law is not endorsed by Congress. Rather, courts must follow the “same accused product or process” standard.

## 2. Other Pre-AIA Cases

Congress only abrogated four joinder-related decisions of the Eastern District of Texas. It seems that Congress left three other cases, *Centre One v. Vonage Holdings Corp.*,<sup>92</sup> *Innovative Global Systems LLC v. Turnpike Global Technologies L.L.C.*,<sup>93</sup> and *Oasis Research, LLC v. Adrive, LLC* (hereinafter, “*Oasis I*”),<sup>94</sup> without any comments.<sup>95</sup> A careful examining may show that those three decisions are all invalid under 35 U.S.C. § 299.

In *Centre One*, a decision prior to *Adrain*, two defendants, Vonage America, Inc. and Vonage Holdings Corp. (collectively, “Vonage”) moved for severance.<sup>96</sup> The court considered the issue of joinder in light of other venue-transfer motions<sup>97</sup> and denied the motion to sever.<sup>98</sup> On one hand, the court worried that severance “would impose a burden on both the federal court system and [the plaintiff] to maintain two suits with substantially the same issues in two different venues across the country.”<sup>99</sup> On the other hand, the court criticized that “Vonage’s convenience alone fails to outweigh the glaring inefficiency of prosecuting two, nearly identical, complex patent infringement cases in different fora.”<sup>100</sup> Because Vonage and other defendants were unrelated, the only identical feature of the claim against Vonage and claims against other defendants was the infringement of the same patent. Therefore, the court was primarily based on the fact that the same patent is infringed.

In *Innovative*, one defendant NetworkFleet filed a motion to sever and transfer venue.<sup>101</sup> The court denied the motion because of judicial economy.<sup>102</sup> The primary reason for finding permissive joinder was the existence of “signifi-

<sup>90</sup> See 35 U.S.C. § 299(b) (2012).

<sup>91</sup> See 35 U.S.C. § 299(a).

<sup>92</sup> *Centre One v. Vonage Holdings Corp.*, No. 6:08CV467, 2009 WL 2461003 (E.D. Tex. Aug. 10, 2009).

<sup>93</sup> *Innovative Global Sys. LLC v. Turnpike Global Techs. L.L.C.*, No. 6:09-cv-157, 2009 WL 3754886 (E.D. Tex. Oct. 20, 2009).

<sup>94</sup> *Oasis I*, No. 4:10-CV-435, 2011 WL 3099885 (E.D. Tex. May 23, 2011).

<sup>95</sup> *Tompkins v. Able Planet Inc.*, No. 6:10-cv-58, 2011 WL 7718756 (E.D. Tex. Feb. 17, 2011), is not discussed because it relates to false patent marking.

<sup>96</sup> See *Centre One*, 2009 WL 2461003, at \*1.

<sup>97</sup> See *id.* at \*4-7.

<sup>98</sup> See *id.* at \*7.

<sup>99</sup> *Id.*

<sup>100</sup> *Id.*

<sup>101</sup> See *Innovative Global Sys. LLC v. Turnpike Global Techs. L.L.C.*, No. 6:09-cv-157, 2009 WL 3754886, at \*1 (E.D. Tex. Oct. 20, 2009).

<sup>102</sup> See *id.* (“District courts have declined to sever patent infringement claims due to concerns about judicial economy.” (citing *Adrain v. Genetec Inc.*, No. 2:08-CV-423, 2009 U.S. Dist. LEXIS 86855, at \*8-\*10 (E.D. Tex. Sept. 22, 2009) and *Centre One*, 2009 U.S. Dist. LEXIS 69683, at \*22-\*24)).

cant overlap among the issues of claim validity, claim construction, and claim scope.”<sup>103</sup> That is, the court based its joinder ruling on the allegation that the same patent is infringed.

In *Oasis I*, almost all defendants moved for severance, but the court denied.<sup>104</sup> The court cited *Eolas*, *Adrain*, and *MyMail*<sup>105</sup> and stated that “[c]ourts in this District have consistently held that as long as the Defendants’ allegedly infringing products are *not dramatically different*, then determining Defendants’ liability will involve substantially overlapping questions of law and fact.”<sup>106</sup> Thus, the court primarily relied on the “dramatically different” standard to permit joinder.

Overall, *Centre One*, *Innovative*, and *Oasis I* all violate 35 U.S.C. § 299. *Centre One* and *Innovative* follow the “same patent” standard which has been abrogated by § 299(b), while *Oasis I* follows the “dramatically different” standard which has been overruled by § 299(a). Therefore, *Centre One*, *Innovative*, and *Oasis I* are no longer good law or persuasive authority even though Congress has not expressly ruled out these three cases.

### III. Post-AIA Period

#### A. Resistance

Even after the enactment of § 299, the Eastern District of Texas insisted on its traditional minority view consecutively in *MicroUnity Systems Engineering, Inc. v. Acer Inc.*,<sup>107</sup> *Ganas, LLC v. Sabre Holdings Corp.*,<sup>108</sup> *Imperium (IP) Holdings, Inc. v. Apple Inc.*,<sup>109</sup> and *Lodsys, LLC v. Brother International Corp.*,<sup>110</sup> all of which are decisions prior to *EMC*. In *Ganas* and *Apple*, the court specifically stated that § 299 is not applicable because the cases were initiated prior to the effective date of § 299.<sup>111</sup> Because Congress was unable to consider those cases, it is necessary to examine their legal validity under § 299.

In *MicroUnity*, the court began to develop a “logical relationship” standard.<sup>112</sup> Specifically, the court addressed the requirement of “series of trans-

<sup>103</sup> *Id.* at \*2.

<sup>104</sup> See *Oasis I*, No. 4:10-CV-435, 2011 WL 3099885, at \*1 (E.D. Tex. May 23, 2011).

<sup>105</sup> See *id.* at \*2.

<sup>106</sup> *Id.* (emphasis added). *Oasis I* interpreted *Eolas* as a case affirmed by *In re Google Inc.*, 412 F. App’x 295 (Fed. Cir. 2011). See *Oasis I*, 2011 WL 3099885, at \*3. The Federal Circuit upheld the joinder because it recognized that “[c]ourts have consistently held 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.” *Google*, 412 F. App’x at 296. The Federal Circuit also considered the question before the district court as what “will involve substantially overlapping questions of law or fact.” *Id.* While Congress has not mentioned the legal validity of *Google*, it is clear that *Google* is not good law because Congress has ruled out *Eolas*. See H.R. REP. NO. 112-98, pt.1, at 55 n.61 (2011).

<sup>107</sup> *MicroUnity Sys. Eng’g, Inc. v. Acer Inc.*, Nos. 2:10-CV-91-TJW-CE, 2:10-CV-185-TJW-CE, 2011 WL 4591917 (E.D. Tex. Sept. 30, 2011).

<sup>108</sup> *Ganas, LLC v. Sabre Holdings Corp.*, No. 2:10-CV-320-DF, 2011 WL 8183246 (E.D. Tex. Oct. 19, 2011).

<sup>109</sup> *Imperium (IP) Holdings, Inc. v. Apple Inc.*, No. 4:11-CV-163, 2012 WL 461775 (E.D. Tex. Jan. 20, 2012).

<sup>110</sup> *Lodsys, LLC v. Brother Int’l Corp.*, No. 2:11-cv-90-JRG, 2012 WL 760729 (E.D. Tex. Mar. 8, 2012).

<sup>111</sup> See, e.g., *Ganas*, 2011 WL 8183246, at \*8; *Apple*, 2012 WL 461775, at \*3 n.3.

<sup>112</sup> See *MicroUnity Sys. Eng’g*, 2011 WL 4591917, at \*3.

actions or occurrences,”<sup>113</sup> and held that the requirement is satisfied “if there is some connection or logical relationship between the various transactions or occurrences.”<sup>114</sup> Moreover, the court held that “[a] logical relationship exists if there is some *nucleus of operative facts or law*.”<sup>115</sup>

The patents-in-suit in *MicroUnity* related to “processing different types of media data, including audio, video, and graphics data, at very high volume in real time.”<sup>116</sup> The defendants were divided into three categories: chip manufacturers, handset manufacturers, and carriers.<sup>117</sup> The court found that “a ‘logical relationship’ exists between all of the accused products and services because infringement for all products and services will involve to some extent their implementation and use of an ARM architecture and instruction set.”<sup>118</sup> ARM is “an acronym for Advanced RISC Machines.”<sup>119</sup> RISC standards for “reduced instruction set computer” that is another type of microprocessor architecture.<sup>120</sup> An ARM architecture is an integrated circuit design for a processor, and an ARM instruction set is an assembly language associated with the integrated circuit design.<sup>121</sup> Because all defendants used ARM technology in their products,<sup>122</sup> the court concluded that the accused “products are similar enough to satisfy the ‘nucleus of fact or law’ test.”<sup>123</sup> By using “similar,” the *MicroUnity* court seemed to apply the “dramatically different” standard.

Under *MicroUnity*, the existence of a logical relationship may be based on a finding of the same technology used by all accused products or services. *MicroUnity* could be embraced by *EMC* and then be incorporated into case law under § 299. First, the third *EMC* factor requires “the use of identically sourced components,”<sup>124</sup> while *MicroUnity* requires the use of ARM processors by different accused products or services.<sup>125</sup> Second, if the term “the same accused product or process” in § 299(a) could mean that different products or processes are the same because they use the same technology, then *MicroUnity* would not contradict § 299(a).

Although the *MicroUnity* court developed the “logical relationship” standard that deviates from the “same patent” standard, the *Ganas* court ignored such approach. In *Ganas*, the court encountered two sets of motions to sever.<sup>126</sup>

<sup>113</sup> See *id.*

<sup>114</sup> *Id.* (citing *Hanley v. First Investors Corp.*, 151 F.R.D. 76, 79 (E.D. Tex. 1993)).

<sup>115</sup> *Id.* (citing *Hanley*, 151 F.R.D. at 79) (emphasis added).

<sup>116</sup> *Id.* at \*2.

<sup>117</sup> See *id.* at \*3.

<sup>118</sup> *Id.*

<sup>119</sup> Kim Hazelwood & Artur Klauser, *A Dynamic Binary Instrumentation Engine for the ARM Architecture* § 2.1, in CASES’06 (Oct. 23-25, 2006), <http://www.cs.virginia.edu/kim/docs/cases06.pdf>.

<sup>120</sup> See *What is RISC?*, STANFORD U., <http://cs.stanford.edu/people/eroberts/courses/soco/projects/risc/whatis/index.html> (last visited July 31, 2015).

<sup>121</sup> See Hazelwood & Klauser, *supra* note 119.

<sup>122</sup> See *MicroUnity Sys. Eng’g*, 2011 WL 4591917, at \*3 (“[The plaintiff’s] infringement contentions will therefore have common questions of fact concerning ARM’s architecture and instruction set, which are featured in all of the accused products.”).

<sup>123</sup> *Id.*

<sup>124</sup> See *In re EMC Corp.*, 677 F.3d 1351, 1359-60 (Fed. Cir. 2012).

<sup>125</sup> See *MicroUnity Sys. Eng’g*, 2011 WL 4591917, at \*3.

<sup>126</sup> See *Ganas, LLC v. Sabre Holdings Corp.*, No. 2:10-CV-320-DF, 2011 WL 8183246, at \*1 (E.D. Tex. Oct. 19, 2011).

Three defendants filed a motion to sever and transfer, while one defendant filed a motion to dismiss for improper joinder or alternatively to sever.<sup>127</sup> Regarding the first set of motions, the court considered the misjoinder issue in light of the issue of venue transfer and found the joinder permissive merely because of judicial economy.<sup>128</sup> Regarding the second set of motions, the court denied severance because “the nucleus of operative facts or law in the claims against all the defendants” existed.<sup>129</sup> Therefore, the infringement of the same patent was the original reason causing all defendants to be sued jointly.<sup>130</sup> By permitting joinder, *Ganas* simply followed the “same patent” standard, which violates § 299(b).

In *Lodsys*, one defendant filed a motion to dismiss or, alternatively, to sever and transfer venue.<sup>131</sup> To support its misjoinder argument, the defendant asserted that “the accused products are dramatically different.”<sup>132</sup> But, the court disagreed.<sup>133</sup> When analyzing the “same transaction or occurrence” requirement, the court adopted the “logical relationship” standard again by repeating the propositions mentioned in *MicroUnity*.<sup>134</sup> The court held that a logical relationship exists between the claims against all defendants.<sup>135</sup> First, the court found that “[t]he inventions detailed in the various claims of the patents-in-suit were developed by the same inventor and all originate from a common application.”<sup>136</sup> The court also found that “the alleged infringement involves the implementation and use of the patented inventions.”<sup>137</sup> Furthermore, after finding that the patented inventions was implemented and used to “probe users for information related to a product or service, regardless of whether the accused product is a printer, personal computer, cell phone, or website,”<sup>138</sup> the court concluded that “the accused products at issue are sufficiently related to satisfy the ‘same nucleus of operative fact or law’ text.”<sup>139</sup> By saying that the patented inventions were used in different accused products, the court actually found that the patented inventions were infringed by different accused products. So, the court simply rephrased the “same patent” standard, which still violates § 299(b).

*Apple* took a different approach to the “logical relationship” standard<sup>140</sup> and

<sup>127</sup> *See id.*

<sup>128</sup> *See id.* at \*9 (“On balance, the convenience and local interest factors do not outweigh the judicial economy of avoiding creation of five separate actions spread across four judicial districts. The motions of TDAI, Scotttrade, and National Financial to sever and transfer should therefore be DENIED.”).

<sup>129</sup> *See id.* (quoting *MyMail, Ltd. v. Am. Online, Inc.*, 223 F.R.D. 455, 457 (E.D. Tex. 2004)) (internal quotation marks omitted).

<sup>130</sup> *See id.*

<sup>131</sup> *See Lodsys, LLC v. Brother Int’l Corp.*, No. 2:11-cv-90-JRG, 2012 WL 760729, at \*1 (E.D. Tex. Mar. 8, 2012).

<sup>132</sup> *Id.* at \*5.

<sup>133</sup> *See id.*

<sup>134</sup> *See id.*

<sup>135</sup> *See id.* (“A logical relationship exists between all of the accused products”).

<sup>136</sup> *Id.*

<sup>137</sup> *Id.*

<sup>138</sup> *Id.*

<sup>139</sup> *Id.*

<sup>140</sup> *See Imperium (IP) Holdings, Inc. v. Apple Inc.*, No. 4:11-CV-163, 2012 WL 461775, at \*2 (E.D. Tex. Jan. 20, 2012) (reciting *MicroUnity Sys. Eng’g, Inc. v. Acer Inc.*, Nos. 2:10-CV-91-TJW-CE, 2:10-CV-185-TJW-CE, 2011 WL 4591917, at \*3 (E.D. Tex. Sept. 30, 2011)).

permitted joinder.<sup>141</sup> The patents-in-suit in *Apple* related to image sensor technology.<sup>142</sup> The accused products were cell phones or other devices with image sensors.<sup>143</sup> One defendant Apple in its motion to sever argued that the sale of accused products by unrelated defendants does not meet the “same transaction or occurrence” requirement.<sup>144</sup> But, the court disagreed.<sup>145</sup>

When discussing the “same transaction or occurrence” requirement, the court recited the propositions mentioned in *MicroUnity* to present the “logical relationship” standard.<sup>146</sup> The court further stated that “[c]ourts have also found joinder proper where Defendants’ allegedly infringing products are not dramatically different and determining Defendants’ liability will involve substantially overlapping questions of law and fact.”<sup>147</sup> So, the court simply embraced *Oasis I* and the “dramatically different” standard.<sup>148</sup> The court even reaffirmed *Eolas*.<sup>149</sup> Eventually, the court held that the “same transaction or occurrence” requirement is satisfied because of “the similarity of the component image sensors and image processors used by” all defendants.<sup>150</sup> In footnote 3 of the *Apple* decision, the court also made a comment on how § 299 will apply to the present case.<sup>151</sup> The court stated that the “same transaction or occurrence” requirement is still met because “an identical image sensor or processor [is used] in different products,”<sup>152</sup> or alternatively because “the technology at issue is the same.”<sup>153</sup>

Because *Apple* applied the “dramatically different” standard, *Apple* should not be good law under *EMC* or § 299. But, while the court found that “[t]he accused devices all rely on the same technology for image sensors and image processors, which Defendants purchase and integrate into their products,”<sup>154</sup> the court did rely on the plaintiff’s allegation that the accused products “use the same MT9D112 image sensor manufactured by Aptina, a third-party supplier.”<sup>155</sup> So, the *Apple* standard could be considered the third *EMC* factor “the use of identically sourced components” rather than the “dramatically different” standard.

## B. *In re EMC* and Joinder of Independent Defendants

On May 4, 2012, the Federal Circuit issued *EMC* which provides guidance of applying Rule 20 to joinder of unrelated or independent defendants in the con-

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<sup>141</sup> *See id.* at \*4.

<sup>142</sup> *See id.* at \*1.

<sup>143</sup> *See id.*

<sup>144</sup> *See id.* at \*2.

<sup>145</sup> *See id.* at \*3-4.

<sup>146</sup> *See id.* at \*2.

<sup>147</sup> *Id.* (citing *Oasis I*, No. 4:10-CV-435, 2011 WL 3099885, at \*2 (E.D. Tex. May 23, 2011)).

<sup>148</sup> *See id.*

<sup>149</sup> *See id.* at \*3.

<sup>150</sup> *Id.*

<sup>151</sup> *See id.* at \*3 n.3.

<sup>152</sup> *Id.*

<sup>153</sup> *Id.*

<sup>154</sup> *Id.* at \*3.

<sup>155</sup> *Id.*

text of patent infringement.<sup>156</sup> *EMC* is also instructive to the application of § 299.<sup>157</sup>

*EMC* was in response to an appeal from an Eastern District of Texas' decision *Oasis Research, LLC v. Adrive, LLC*<sup>158</sup> (hereinafter, "*Oasis II*") which adopted the "dramatically different" standard applied in *Oasis I*.<sup>159</sup> The Federal Circuit vacated *Oasis II* because the Eastern District of Texas applied a wrong standard under Rule 20(a) to permit joinder.<sup>160</sup> To reject *Oasis II*, the Federal Circuit reaffirmed that Rule 20 is a two-prong test.<sup>161</sup> That is, both the transaction-or-occurrence requirement and the requirement of a common question of law or fact must be satisfied.<sup>162</sup> Furthermore, the Federal Circuit clarified that "the mere fact that infringement of the same claims of the same patent is alleged does not support joinder, even though the claims would raise common questions of claim construction and patent invalidity."<sup>163</sup> Therefore, *EMC* has completely abrogated the cases that follow *MyMail*.

Regarding joinder of independent defendants, *EMC* offered general rules for applying Rule 20(a).<sup>164</sup> The Federal Circuit required a plaintiff to prove "a logical relationship between the separate causes of action" against independent defendants.<sup>165</sup> There were two aspects of the "logical relationship" approach.<sup>166</sup> On one hand, the Federal Circuit explained that "[t]he logical relationship test is satisfied if there is *substantial evidentiary overlap in the facts* giving rise to the cause of action against each defendant."<sup>167</sup> On the other hand, the Federal Circuit mandated that "the defendants' allegedly infringing acts, which give rise to the individual claims of infringement, must *share an aggregate of operative facts*."<sup>168</sup>

To specifically apply the "logical relationship" approach to patent cases, the Federal Circuit addressed another requirement,<sup>169</sup> which is referred to as "the sameness requirement" in this paper.<sup>170</sup> The Federal Circuit clarified that "joinder is not appropriate where *different* products or processes are involved."<sup>171</sup> Rather, "[j]oinder of independent defendants is *only* appropriate where *the accused products or processes are the same in respects relevant to the patent*."<sup>172</sup> In addi-

<sup>156</sup> See Shen, *supra* note 2, at 575.

<sup>157</sup> See *id.* at 575-76.

<sup>158</sup> *Oasis II, LLC*, No. 4:10-CV-435, 2011 WL 3103972 (E.D. Tex. July 25, 2011).

<sup>159</sup> See *id.* at \*1-2.

<sup>160</sup> See *In re EMC Corp.*, 677 F.3d 1351, 1360 (Fed. Cir. 2012).

<sup>161</sup> See *id.* at 1357.

<sup>162</sup> See *id.* ("Rule 20 makes clear that the existence of a single common question of law or fact alone is insufficient to satisfy the transaction-or-occurrence requirement.")

<sup>163</sup> *Id.*

<sup>164</sup> See *id.* at 1357-58.

<sup>165</sup> *Id.* at 1358 (emphasis added). This approach is similar to the Eastern District of Texas' approach in *MicroUnity* as described above.

<sup>166</sup> See *id.*

<sup>167</sup> *Id.* (emphasis added).

<sup>168</sup> *Id.* (emphasis added).

<sup>169</sup> See *id.* at 1359.

<sup>170</sup> The Federal Circuit named this requirement as "the sameness test." See *id.* at 1360 n.4 ("We need not decide whether the sameness test in the new legislation is identical to the sameness test we adopt here for cases not covered by the new legislation.")

<sup>171</sup> *Id.* at 1359 (emphasis added).

<sup>172</sup> *Id.* (emphasis added).

tion, the Federal Circuit cautioned that “the *sameness* of the accused products or processes is not sufficient.”<sup>173</sup> Thus, the Federal Circuit actually singled out the sameness requirement as an element of the “same transaction or occurrence” requirement.

Second, the Federal Circuit held that “[c]laims against independent defendants (i.e., situations in which *the defendants are not acting in concert*) cannot be joined under Rule 20’s transaction-or-occurrence test *unless* the facts underlying the claim of infringement asserted against each defendant *share an aggregate of operative facts*.”<sup>174</sup> That is, “[t]o be part of the ‘same transaction’ requires *shared, overlapping facts* that give rise to each cause of action, and *not just distinct, albeit coincidentally identical, facts*.”<sup>175</sup> Alternatively, the Federal Circuit 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>176</sup> Thus, the Federal Circuit created an “actual link” standard as one application of the “logical relationship” approach.<sup>177</sup>

Lastly, the Federal Circuit offered six “pertinent factual considerations” for district courts to determine whether joinder is proper.<sup>178</sup> The six *EMC* factors include: (1) “whether the alleged acts of infringement occurred during the same time period”; (2) “the existence of some relationship among the defendants”; (3) “the use of identically sourced components”; (4) “licensing or technology agreements between the defendants”; (5) “overlap of the products’ or processes’ development and manufacture”; (6) “whether the case involves a claim for lost profits.”<sup>179</sup> District courts may weigh these six *EMC* factors. But, each of these six *EMC* factors is not dispositive because the Federal Circuit has stated that “[t]he district court enjoys considerable discretion in weighing the relevant factors.”<sup>180</sup>

### C. Adoption of *EMC*

After *EMC*, the Eastern District of Texas started to change its attitude toward to cases filed prior to the enactment of § 299.<sup>181</sup> But, in only one of those cases,

<sup>173</sup> *Id.* (emphasis added).

<sup>174</sup> *Id.* (emphasis added). By defining “independent defendants” as defendants “*not acting in concert*,” the Federal Circuit reaffirmed that “an allegation of joint liability is not required.” *Id.* at 1359.

<sup>175</sup> *Id.* at 1359 (emphasis added).

<sup>176</sup> *Id.* (emphasis added).

<sup>177</sup> By introducing “independently developed products using differently sourced parts” as a rebuttal to permissive joinder, the Federal Circuit reaffirmed that “the *sameness* of the accused products or processes is not sufficient.” *Id.* (emphasis added).

<sup>178</sup> *See id.* at 1359-60.

<sup>179</sup> *Id.* at 1359-60.

<sup>180</sup> *Id.* at 1360.

<sup>181</sup> *See, e.g.,* *Innovative Automation, LLC v. Audio Video & Video Labs, Inc.*, Nos. 6:11-CV-234 LED-JDL, 6:11-CV-445 LED-JDL, 2012 WL 10816848 (E.D. Tex. May 30, 2012); *Oasis Research, LLC v. Carbonite, Inc. (Oasis III)*, No. 4:10-CV-435, 2012 WL 3544881 (E.D. Tex. Aug. 15, 2012); *Norman IP Holdings, LLC v. Lexmark Int’l, Inc.*, No. 6:11-CV-495, 6:12CV508, 2012 WL 3307942 (E.D. Tex. Aug. 10, 2012). But, *Phoenix Licensing, LLC v. Aetna, Inc.*, No. 2:11-CV-285-JRG, 2012 WL 3472973 (E.D. Tex. Aug. 15, 2012), is not included in the analysis because there the court dealt with the plaintiff’s motion to amend a complaint to add a new defendant. *See id.* at \*1. The *Phoenix Licensing* court denied the motion because under *EMC* or § 299 the plaintiff did not show the

the court found misjoinder.

*Innovative Automation, LLC v. Audio Video & Video Labs, Inc.*,<sup>182</sup> a decision issued in the same month of *EMC*, denied one motion to sever and transfer related to six defendants under the complaint.<sup>183</sup> The patent-in-suit related to a computer-implemented method of duplicating digital data.<sup>184</sup> One defendant, Rimage, manufactured devices claimed to infringe the patent-in-suit.<sup>185</sup> Two defendants sold Rimage's infringing devices.<sup>186</sup> Three defendants used the infringing devices to treat patients.<sup>187</sup> The court considered the joinder issue in light of the issue of venue transfer.<sup>188</sup>

By applying *EMC*,<sup>189</sup> the court held that the defendants "share an aggregate of operative facts."<sup>190</sup> First, the court found that the defendants "are accused of infringement based their sale of Rimage devices or their use of these devices to duplicate digital media."<sup>191</sup> Second, while recognizing that each of the defendants "may integrate the accused devices into their duplication systems differently,"<sup>192</sup> the court considered Rimage's indemnification as "the existence of a *substantial evidentiary overlap in the facts* giving rise to the cause of action against each defendant."<sup>193</sup> Eventually, the court concluded that "the accused products are the same; the infringement has occurred during the same time period; the [defendants] use identically sourced components, i.e. Rimage devices; and Rimage has agreed to indemnify the [defendants] and take over their defense."<sup>194</sup> Thus, the *Innovative* court based its ruling of permissive joinder clearly on the first and third *EMC* factors. Rimage's indemnification may be treated as the second *EMC* factor.

In *Norman IP Holdings, LLC v. Lexmark International, Inc.*<sup>195</sup> and *Oasis Research, LLC v. Carbonite, Inc.* (hereinafter, "*Oasis III*"),<sup>196</sup> the court applied *EMC* and found misjoinder.<sup>197</sup> *Norman* is comparable to *MicroUnity*, because in both cases the plaintiff alleged that all defendants use an ARM processor design.<sup>198</sup> Unlike *MicroUnity*, the court in *Norman* could not find that the joinder is proper

shared facts between the claims against all defendants. See *id.* at \*1-2.

<sup>182</sup>*Innovative Automation*, 2012 WL 10816848.

<sup>183</sup>See *id.* at \*1.

<sup>184</sup>See *Innovative Automation's Opposition to the Rimage Defendants' Motion to Sever Claims, Transfer Venue to the Northern District of California, and Stay or Dismiss Claims against the Memorial Hermann Defendants* at 3, *Innovative Automation*, , 2012 WL 10816848 (Nos. 6:11-CV-234 LED-JDL, 6:11-CV-445 LED-JDL).

<sup>185</sup>See *id.* at 5.

<sup>186</sup>See *id.*

<sup>187</sup>See *id.*

<sup>188</sup>See *Innovative Automation*, 2012 WL 10816848, at \*3.

<sup>189</sup>See *id.* at \*3-4.

<sup>190</sup>*Id.* at \*4.

<sup>191</sup>*Id.*

<sup>192</sup>*Id.*

<sup>193</sup>*Id.* (emphasis added) (internal quotation marks omitted).

<sup>194</sup>*Id.*

<sup>195</sup>*Norman IP Holdings, LLC v. Lexmark Int'l, Inc.*, No. 6:11-CV-495, 6:12CV508, 2012 WL 3307942 (E.D. Tex. Aug. 10, 2012).

<sup>196</sup>*Oasis III*, No. 4:10-CV-435, 2012 WL 3544881 (E.D. Tex. Aug. 15, 2012).

<sup>197</sup>See, e.g., *Norman IP Holdings*, 2012 WL 3307942, at \*2; *Oasis III*, 2012 WL 3544881, at \*2-3.

<sup>198</sup>See, e.g., *Norman IP Holdings*, 2012 WL 3307942, at \*3; *MicroUnity Sys. Eng'g, Inc. v. Acer Inc.*, Nos. 2:10-CV-91-TJW-CE, 2:10-CV-185-TJW-CE, 2011 WL 4591917, at \*3 (E.D. Tex. Sept. 30, 2011).

because of the use of the alleged ARM architecture.<sup>199</sup> The court primarily criticized that “[t]he complaint did not mention ARM processors as a defining characteristic regarding each defendant’s alleged infringement.”<sup>200</sup> Thus, the court found that the “same transaction or occurrence” requirement was not met.<sup>201</sup> The ruling was primarily based on the consideration of the third *EMC* factor.

In *Oasis III*, the court reconsidered the joinder decision in *Oasis I* reversed by the Federal Circuit in *EMC*.<sup>202</sup> The court eventually found misjoinder because the plaintiff did not allege any facts related to six *EMC* factors.<sup>203</sup> Specifically, the court criticized that the plaintiff failed to “assert any facts that would indicate [the defendants] use similarly sourced products, worked in concert, or had any relationship at all.”<sup>204</sup> Therefore, among other things, the court found “no aggregate of operative facts shared between” the defendants and held that the defendants should be severed from the present litigation.<sup>205</sup> The holding was based on the third *EMC* factor as to “use similarly sourced products,” the fourth or fifth *EMC* factor as to “worked in concert,” and the second *EMC* factor as to “had any relationship at all.”

#### D. AIA Cases

The Eastern District of Texas has incorporated *EMC* into its application of § 299<sup>206</sup> except for *Motorola Mobility, Inc. v. Tivo, Inc.*,<sup>207</sup> a 2012 decision in which the court found permissive joinder without mentioning *EMC*. *Motorola*

<sup>199</sup> See *Norman IP Holdings*, 2012 WL 3307942, at \*3 (“Norman’s allegations regarding the common use of ARM processor designs are not sufficient to show that there is a common transaction or occurrence among the defendants warranting joinder.”).

<sup>200</sup> *Id.*

<sup>201</sup> See *id.*

<sup>202</sup> See *Oasis III*, 2012 WL 3544881, at \*2.

<sup>203</sup> See *id.* at \*4-5.

<sup>204</sup> *Id.* at \*5.

<sup>205</sup> See *id.*

<sup>206</sup> See, e.g., *Net Nav. Sys., LLC v. Cisco Sys., Inc.*, No. 4:11-CV-660, 2012 WL 7827543 (E.D. Tex. Aug. 22, 2012) (a recommendation of a magistrate judge); *ContentGuard Holdings, Inc. v. Google, Inc. (ContentGuard I)*, Nos. 2:14-cv-00061-JRG, 2:13-cv-01112-JRG, 2014 WL 1477670, at \*4-5 (E.D. Tex. Apr. 15, 2014); *Star CoLED Techs., LLC v. Sharp Corp.*, No. 2:13-CV-416-JRG, 2014 WL 1998051, at \*1-3 (E.D. Tex. May 15, 2014); *NFC Tech., LLC v. HTC Am.*, No. 2:13-CV-01058-JRG, 2014 WL 3834959, at \*2 (E.D. Tex. Aug. 1, 2014); *Smartflash LLC v. Apple, Inc.*, No. 6:13-cv-447, 2014 WL 4421657, at \*3 (E.D. Tex. Sept. 8, 2014); *Imperium IP Holdings (Cayman), Ltd. v. Samsung Elec. Co.*, No. 4:14-CV-371, 2015 WL 137419, at \*2-3 (E.D. Tex. Jan. 9, 2015); *ContentGuard Holdings, Inc. v. Amazon.com, Inc.*, No. 2:13-CV-1112-JRG, 2015 WL 1263346, at \*1-2 (E.D. Tex. Mar. 19, 2015). Two cases, *VirtualAgility, Inc. v. Salesforce.com, Inc.*, No. 2:13-cv-00011-JRG, 2014 WL 459719 (E.D. Tex. Jan. 31, 2014), and *Secure Access, LLC v. Nintendo of Am. Inc.*, Nos. 2:13-cv-32-JRG, 2:13-cv-289-JRG, 2014 WL 986169 (E.D. Tex. Mar. 7, 2014), are not analyzed though there the court mentioned the issue of joinder. In *VirtualAgility*, the court only dealt with a motion to transfer venue brought by all defendants. See *id.*, 2014 WL 459719, at \*1. But, in one footnote in the motion, one defendant particularly addressed a request of severance. See *id.* at \*6. The court did not accept the request because the defendant did not offer any evidence to support severance. See *id.* Since the severance issue incidentally appeared in the footnote, *VirtualAgility* may not be considered as mandatory authority of the joinder issue. This article chooses not to include it in the case law analysis. In *Secure Access*, the court dealt with a motion to sever and transfer venue. See *id.*, 2014 WL 986169, at \*1. While the court did recite several propositions from *EMC*, the severance part of the motion was not based on misjoinder. Rather, the severance part relied on the customer suit exception. See *id.* at \*1-2. So, the court did not apply *EMC* to the analysis that denied severance. See *id.* at \*2-6. Thus, this article does not select *Secure Access* as part of the case law regarding 35 U.S.C. § 299.

<sup>207</sup> *Motorola Mobility, Inc. v. Tivo, Inc.*, No. 5:11-CV-53-JRG, 2012 WL 2935450 (E.D. Tex. Jul. 18, 2012).

involved two defendants, TWC and Motorola.<sup>208</sup> Motorola manufactured the infringing products, while TWC distributed the infringing products.<sup>209</sup> The court held that joinder is permissive because the patent infringement allegations against TWC and Motorola are “based on their conduct relating to” the infringing products.<sup>210</sup>

*Net Navigation Systems, LLC v. Cisco Systems, Inc.*<sup>211</sup> was another 2012 decision where the court found misjoinder.<sup>212</sup> There, the court recognized that all accused products are from the same manufacturer.<sup>213</sup> But, the court held that one defendant should be severed because the plaintiff failed to provide any evidence to support “the other factors outlined by the Federal Circuit.”<sup>214</sup>

*Motorola* and *Net*, the only two joinder decisions in 2012, together indicate that after *EMC* the court began to restrict the practice of permissive joinder under 35 U.S.C. § 299 because it abandoned the “dramatically different” standard or “same patent” standard. However, a series of cases since 2014 have shown a trend that the court remains a patentee-friendly forum with respect to permissive joinder of unrelated defendants.<sup>215</sup>

In 2014, the court consecutively in *ContentGuard Holdings, Inc. v. Google, Inc.* (hereinafter, “*ContentGuard I*”),<sup>216</sup> *Star CoLED Technologies, LLC v. Sharp Corp.*,<sup>217</sup> *NFC Technology, LLC v. HTC America*,<sup>218</sup> and *Smartflash LLC v. Apple, Inc.*<sup>219</sup> either allowed a further discovery proceeding regarding the issue of joinder or found permissive joinder.

In *ContentGuard I*, several mobile device manufacturers were jointly sued for patent infringement because their products used three software applications which were alleged to infringe the patents-in-suit.<sup>220</sup> The court recognized that “at least a set of common facts regarding these three software applications” were shared by those manufacturer defendants.<sup>221</sup> In addition, the court observed that the use of the accused software applications on each mobile device “is *not clearly* based on independently developed products using differently sourced parts.”<sup>222</sup> Therefore, the court held that “the common facts regarding the accused software may well constitute *an actual link* between the facts underlying each claim of infringement.”<sup>223</sup>

However, the court noticed that “the existence of a hardware component” in each mobile device may break the link because the infringement caused by

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<sup>208</sup> See *id.* at \*1.

<sup>209</sup> See *id.* at \*2.

<sup>210</sup> See *id.*

<sup>211</sup> *Net Nav. Sys.*, 2012 WL 7827543.

<sup>212</sup> See *id.* at \*3.

<sup>213</sup> See *id.*

<sup>214</sup> See *id.*

<sup>215</sup> There was no case regarding joinder in 2013.

<sup>216</sup> *ContentGuard I*, 2014 WL 1477670.

<sup>217</sup> *Star CoLED Techs., LLC v. Sharp Corp.*, No. 2:13-CV-416-JRG, 2014 WL 1998051 (E.D. Tex. May 15, 2014).

<sup>218</sup> *NFC Tech., LLC v. HTC Am.*, No. 2:13-CV-01058-JRG, 2014 WL 3834959 (E.D. Tex. Aug. 1, 2014).

<sup>219</sup> *Smartflash LLC v. Apple, Inc.*, No. 6:13-cv-447, 2014 WL 4421657 (E.D. Tex. Sept. 8, 2014).

<sup>220</sup> See *ContentGuard I*, 2014 WL 1477670, at \*1, \*5.

<sup>221</sup> See *id.* at \*5.

<sup>222</sup> *Id.* (emphasis added) (internal quotation marks omitted).

<sup>223</sup> *Id.* (emphasis added) (internal quotation marks omitted).

each manufacturer defendant “may depend on the different devices supplied by individual [m]anufacturer defendant.”<sup>224</sup> So, the court did not find permissive joinder or misjoinder.<sup>225</sup> Rather, the court found that “no evidence ha[d] been proffered regarding how the accused software-hardware combination corresponds to claims of the asserted patents.”<sup>226</sup> Eventually, the court allowed the parties to further develop the record for the joinder issue.<sup>227</sup> The court provided two guidelines. First, the court stated that joinder may be proper if the claims “are predominantly software-based, [such that] the common facts underlying such claims may constitute ‘an actual link’ connecting all [d]efendants.”<sup>228</sup> Second, the court stated that misjoinder may be found “if the hardware component turns out to play the dominant role in determining how the three software applications are used specifically on each [d]efendant’s device, [such that] the claims against each [d]efendant may be sufficiently distinguished.”<sup>229</sup>

In *Star*, the court also allowed further discovery for the joinder issue.<sup>230</sup> The plaintiff alleged that two defendants “may be liable for infringement based on the same products because of a joint venture under which [one defendant] manufactured LCD panels for use in [the other defendant’s] televisions.”<sup>231</sup> But, the defendants provided employee declarations to oppose the plaintiff’s allegation.<sup>232</sup> With those assertions, the court found that the record is not sufficient for it to determine whether the joinder is permissive.<sup>233</sup> So, the court required further discovery about the joinder issue.<sup>234</sup> Moreover, the court expected that the discovery will help determine “whether this case involves ‘independently developed products using differently sourced parts,’ or if the common facts regarding the accused products constitute ‘an actual link between the facts underlying each claim of infringement.’”<sup>235</sup> While not mentioning any specific *EMC* factors in its decision, the court seemed to look for the facts related to the second, third, fourth, and fifth *EMC* factors.

*ContentGuard I* and *Star* together may indicate that the court has transformed the “actual link” standard into a standard requiring “common facts regarding the accused products.” By focusing on the common facts between the accused products, the court also established a way to show misjoinder by proving that the accused products are “independently developed products using differently sourced parts.”

On the other hand, the court in *NFC* and *Smartflash* relied on a single tech-

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<sup>224</sup> *Id.*

<sup>225</sup> *See id.* (“[T]his Court finds the record has not been sufficiently developed at this point in time for it to determine with clarity whether or not joinder is proper in this case.”)

<sup>226</sup> *Id.*

<sup>227</sup> *See id.*

<sup>228</sup> *Id.*

<sup>229</sup> *Id.*

<sup>230</sup> *See Star CoLED Techs., LLC v. Sharp Corp.*, No. 2:13-CV-416-JRG, 2014 WL 1998051, at \*2 (E.D. Tex. May 15, 2014).

<sup>231</sup> *Id.*

<sup>232</sup> *See id.*

<sup>233</sup> *See id.*

<sup>234</sup> *See id.*

<sup>235</sup> *Id.* (emphasis added).

nical feature in different products or processes to serve as “an actual link.” In *NFC*, the court inherited *Apple* and concluded that “[d]iverse products using identical component parts are often held to meet the joinder standard.”<sup>236</sup> The court also associated this new proposition with the third *EMC* factor “the use of identically sourced components.”<sup>237</sup> As a result, the court found permissive joinder of two mobile device manufacturers because their products used the same semiconductor chip.<sup>238</sup> It must be noted that the joinder decision in *NFC* was not simply based on the use of identical components. As the court pointed out, the use of the chip “in combination with devices supplied by [the manufacturer defendants] allegedly infringe [the patents-in-suit].”<sup>239</sup> For joinder purposes, the use of identical components or identically sourced components must be associated with the allegations of patent infringement.

*Smartflash* was slightly different because “processes” were accused of patent infringement.<sup>240</sup> In *Smartflash*, Apple and three apps developers were jointly sued because Apple’s Store Kit Framework was alleged to infringe the patents-in-suit.<sup>241</sup> The court held that the joinder of Apple and these developers is proper.<sup>242</sup> First, the plaintiff’s allegations of patent infringement were “directed to the implementation of Store Kit’s payment functionality.”<sup>243</sup> Thus, the court concluded that the use of the Store Kit Framework constitutes “the same process” under 35 U.S.C. § 299.<sup>244</sup> Second, these developers were assisted by Apple to implement in-app payment functionality in their apps through the Store Kit Framework.<sup>245</sup> Therefore, the court found that the “same transaction or occurrence” requirement is met.<sup>246</sup>

While *Smartflash* relates to processes, it is safe to say that *Smartflash* takes an approach similar to *ContentGuard I*, *Star*, and *NFC*. *Smartflash* looks to common facts between accused processes or the use of identical objects in accused processes.

These 2014 cases have shown the Eastern District of Texas’ patentee-friendly practice of 35 U.S.C. § 299. But, the court does not go beyond the limits set out by *EMC*. In 2015, the court in *Imperium IP Holdings (Cayman), Ltd. v. Samsung Electronics Co*<sup>247</sup> found misjoinder and severed two Samsung-related companies from the rest of the accused Samsung-related companies.<sup>248</sup> Although recognizing that the “particular functionality of the [accused] products with

<sup>236</sup>*NFC Tech., LLC v. HTC Am., No. 2:13-CV-01058-JRG, 2014 WL 3834959, at \*2 (E.D. Tex. Aug. 1, 2014) (citing Imperium (IP) Holdings, Inc. v. Apple Inc., No. 4:11-CV-163, 2012 WL 461775, at \*2-3 (E.D. Tex. Jan. 20, 2012)).*

<sup>237</sup>*See id.*

<sup>238</sup>*See id.*

<sup>239</sup>*Id.*

<sup>240</sup>*See Smartflash LLC v. Apple, Inc., No. 6:13-cv-447, 2014 WL 4421657, at \*3 (E.D. Tex. Sept. 8, 2014).*

<sup>241</sup>*See id.* at \*1.

<sup>242</sup>*See id.* at \*3.

<sup>243</sup>*Id.*

<sup>244</sup>*See id.*

<sup>245</sup>*See id.*

<sup>246</sup>*See id.*

<sup>247</sup>*Imperium IP Holdings (Cayman), Ltd. v. Samsung Elec. Co, No. 4:14-CV-371, 2015 WL 137419 (E.D. Tex. Jan. 9, 2015).*

<sup>248</sup>*See Samsung Elec., 2015 WL 137419, at \*3.*

respect to the patent may be the same,”<sup>249</sup> the court stated that “the sameness of the accused products or processes is not sufficient.”<sup>250</sup> Eventually, the court found that the “same transaction or occurrence” requirement is not met primarily because the plaintiff “merely speculates as to the *likelihood* of licensing and technology agreements among the defendants and the *likelihood* of identically sourced components.”<sup>251</sup> In a recent case, *ContentGuard Holdings, Inc. v. Amazon.com, Inc.* (hereinafter, “*ContentGuard II*”),<sup>252</sup> while facing multiple motions to sever with different approaches for severance,<sup>253</sup> the court required the evidentiary record to show “that, under multiple theories of infringement, there are common questions of fact; that there are actual links between those facts; and that the ‘same transaction, occurrence, or series of transactions or occurrences’ is being accused.”<sup>254</sup> Therefore, *ContentGuard II* indicates the Eastern District of Texas’ salute to *EMC*.

## IV. Sameness Requirement

### A. Eastern District of Texas’ Liberal Approach

Although the language of § 299(a) clearly requires that joinder is permissive only if “the same accused product or process” is involved, the Eastern District of Texas seems to ignore this sameness requirement. The question is whether the phrase “the same accused product or process” mandates that all accused products or processes have to be exactly the same. *EMC* may provide some clues to this question.

The Federal Circuit has yet interpreted the sameness requirement under § 299, but only in *In re Nintendo Co.*<sup>255</sup> commented that “[t]he AIA’s joinder provision is more stringent than Rule 20, and adds a requirement that the transaction or occurrence must relate to making, using, or selling of the same accused product or process.”<sup>256</sup> It is unclear whether the sameness requirement for Rule 20 is the same as “the same accused product or process” required by § 299. However, in *EMC*, the Federal Circuit in footnote four stated that “[w]e need not decide whether the sameness test in the new legislation is identical to the sameness test we adopt here for cases not covered by the new legislation.”<sup>257</sup> This statement indicates that the sameness requirement under § 299 is different from that under Rule 20. In the same footnote, the Federal Circuit also

<sup>249</sup> *Id.*

<sup>250</sup> *Id.* (quoting *In re EMC Corp.*, 677 F.3d 1351, 1359 (Fed. Cir. 2012)).

<sup>251</sup> *Id.* (emphasis added).

<sup>252</sup> *ContentGuard Holdings, Inc. v. Amazon.com, Inc. (ContentGuard II)*, No. 2:13-CV-1112-JRG, 2015 WL 1263346 (E.D. Tex. Mar. 19, 2015).

<sup>253</sup> See *ContentGuard II*, 2015 WL 1263346, at \*7 (“That four out of six defendants moved separately for severance across 175 pages of briefing and that the Movants presented the Court with different, competing, theories of how (and why) the case should be severed and what was or was not relevant in the severance determination (e.g. hardware and app operating system) substantially complicated the Court’s efforts to develop a coherent understanding of the severance issues.”).

<sup>254</sup> *Id.* at \*8.

<sup>255</sup> *In re Nintendo Co.*, 544 F. App’x 934 (Fed. Cir. 2013).

<sup>256</sup> *Id.* at 939.

<sup>257</sup> *In re EMC Corp.*, 677 F.3d 1351, 1360 n.4 (Fed. Cir. 2012) (emphasis added).

stated that “[t]he new statute *only* allows joinder of independent defendants whose acts of infringement involve ‘the same accused product or process.’”<sup>258</sup> By using “only,” the Federal Circuit apparently recognized that the sameness requirement under § 299 should be more stringent than that under Rule 20.<sup>259</sup> Since the Federal Circuit has required that “the accused products or processes [must be] the same in respects relevant to the patent,”<sup>260</sup> § 299 may require “the same accused product or process” to be more than just the same in respects relevant to the patent. But, the Eastern District of Texas has made the sameness requirement under § 299 mean the sameness in respects relevant to the patent.

In *ContentGuard I*, the accused products covered tablets (the Apple iPad, the Amazon Kindle Fire) and smartphones (the BlackBerry Z10, the HTC One Max, the Huawei Ascend, the Motorola Moto X, and the Samsung Galaxy S4).<sup>261</sup> The accused products were alleged to use three infringing software applications.<sup>262</sup> Tablets and smartphones are different by name or from a user’s aspect.<sup>263</sup> But, the court characterized the accused tablets and smartphones as “portable” devices.<sup>264</sup> So, the sameness requirement was omitted.<sup>265</sup> Rather, the court asked whether the infringement is software-based or hardware-based.<sup>266</sup> If the infringement is software-based, then the accused software may be served as an actual link connecting the claims against all defendants.<sup>267</sup> On the other hand, if the infringement is hardware-based, because the infringement by hardware “may depend on the different devices supplied by individual [defendant],”<sup>268</sup> the claims against each defendant may be “sufficiently distinguished.”<sup>269</sup> Under this approach, the court focused on finding something that connects the accused products and also makes the accused products infringe the same patent.

In *NFC*, the accused products included HTC’s and LG’s smartphones.<sup>270</sup> HTC argued that its smartphones and LG’s smartphones are different products.<sup>271</sup> Instead of analyzing the sameness requirement, the court explicitly

<sup>258</sup> *Id.* (emphasis added and original emphasis omitted).

<sup>259</sup> *See, e.g., Motorola Mobility, Inc. v. Apple Inc.*, Nos. 1:10-CV-23580-RNS, 1:12-CV-20271-RNS, 2012 WL 3113932, at \*2 (S.D. Fla. Jul. 31, 2012) (“The AIA adds a requirement to the first prong of Rule 20 that the transaction or occurrence must relate to the making, using, or selling of the same patented product or process. Accordingly, joinder under the AIA is more stringent than joinder pursuant to Federal Rule 20.” (citation omitted)); *Summit 6 LLC v. HTC Corp.*, No. 7:14-cv-0014-O, 2014 WL 4449821, at \*14 (N.D. Tex. Sept. 10, 2014) (“The AIA’s joinder requirement is more stringent than Rule 20, and adds a requirement that the transaction or occurrence must relate to making, using, or selling of the same accused product or process.” (citation omitted)); *Nintendo*, 544 F. App’x at 939.

<sup>260</sup> *EMC*, 677 F.3d at 1359.

<sup>261</sup> *See* Plaintiff’s Amended Complaint (dated Jan. 17, 2014) at 13, *ContentGuard I*, 2014 WL 1477670 (Nos. 2:14-cv-00061-JRG, 2:13-cv-01112-JRG).

<sup>262</sup> *See* Sarah Etter, *Smartphones vs. Tablets: Forrester Reveals the Differences*, MONETATE BLOG, <http://www.monetate.com/blog/smartphones-vs-tablets-forrester-reveals-the-differences/> (last visited Oct. 9, 2015).

<sup>263</sup> *See id.*

<sup>264</sup> *See ContentGuard I*, 2014 WL 1477670, at \*1.

<sup>265</sup> *See id.* at \*4-5.

<sup>266</sup> *See id.* at \*5.

<sup>267</sup> *See id.*

<sup>268</sup> *See id.*

<sup>269</sup> *See id.*

<sup>270</sup> *See NFC Tech., LLC v. HTC Am.*, No. 2:13-CV-01058-JRG, 2014 WL 3834959, at \*1 (E.D. Tex. Aug. 1, 2014).

<sup>271</sup> *See NFC Tech.*, 2014 WL 3834959, at \*2. In its motion-to-dismiss memo, HTC merely provided some conclusory statements about the sameness requirement. *See* Defendant HTC America, Inc.’s Motion to Dismiss or

adopted a notion that “the product must be the same in respects relevant to the patent.”<sup>272</sup> Based on this notion, the court concluded that because the accused products all use the same hardware component in the same way to infringe the same patents, the joinder of HTC and LG should be permitted.<sup>273</sup>

*ContentGuard I* and *NFC* show that the Eastern District of Texas’ approach to the sameness requirement focuses on whether there is a hardware or software link between the accused products. This approach seems to be another form of the “actual link” standard. Finding that the accused products use the same hardware component or implement the same software application is enough to make the accused products the same for purposes of joinder.

## B. Conflicts with Other District Courts

The Eastern District of Texas’ approach to the sameness requirement is very different from the approaches adopted by the United States District Courts for the Southern District of Florida and Northern District of Texas. In *Motorola Mobility, Inc. v. Apple Inc.*,<sup>274</sup> the Southern District of Florida found that HTC’s smartphones and Motorola’s smartphones are different accused products even though they are operated under the Android platform.<sup>275</sup> There, the plaintiff Apple in its counterclaim complaint argued that its infringement claims specifically targeted some software applications (e.g., Maps and Play Store) existing in the same form on HTC’s and Motorola’s smartphones.<sup>276</sup> However, the court recognized that § 299 has abrogated a minority view of Rule 20 which allows joinder of multiple defendants “the sole basis that they allegedly used the same patented invention in different products, in competing products, or *in products that were related in some technical aspect.*”<sup>277</sup> The court further pointed out that HTC and Motorola are competitors and that their smartphones “run on at least somewhat modified Android software.”<sup>278</sup> Therefore, the court held that the accused products are “not sufficiently the same.”<sup>279</sup>

In *Summit 6 LLC v. HTC Corp.*,<sup>280</sup> the Northern District of Texas found that Apple’s smartphones are different from HTC’s, LG’s and Motorola’s smart-

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Alternatively Transfer Venue (dated Mar. 4, 2014) at 9, *NFC Tech.*, 2014 WL 3834959 (No. 2:13-CV-01058-JRG) (“NFCT did not properly join HTC America in this action under 35 U.S.C. § 299 because NFCT’s complaint fails to allege infringement arising out of the same transaction or occurrence with respect to the same accused product between HTC America and LG. Indeed, as the lists of accused HTC America and LG products in the Complaint show (and as listed above), there is no overlap between the identified HTC America and LG accused products nor has NFCT identified a specific NXP component that both HTC America and LG share.” (original emphases omitted)).

<sup>272</sup>*NFC Tech.*, 2014 WL 3834959, at \*2 (quoting *In re EMC Corp.*, 677 F.3d 1351, 1359 (Fed. Cir. 2012)) (internal quotation marks omitted).

<sup>273</sup>*See id.*

<sup>274</sup>*Motorola Mobility, Inc. v. Apple Inc.*, Nos. 1:10-CV-23580-RNS, 1:12-CV-20271-RNS, 2012 WL 3113932 (S.D. Fla. Jul. 31, 2012).

<sup>275</sup>*See id.* at \*4.

<sup>276</sup>*See id.* at \*1, \*4.

<sup>277</sup>*Id.* at \*4 (emphasis added).

<sup>278</sup>*Id.*

<sup>279</sup>*Id.* (internal quotation marks omitted).

<sup>280</sup>*Summit 6 LLC v. HTC Corp.*, No. 7:14-cv-0014-O, 2014 WL 4449821 (N.D. Tex. Sept. 10, 2014).

phones.<sup>281</sup> There, the patent related to on-line social network technology.<sup>282</sup> Twitter was accused software.<sup>283</sup> The court considered § 299 as more stringent than Rule 20<sup>284</sup> and recognized “the same accused product or process” as a threshold statutory requirement of § 299.<sup>285</sup> So, the court rejected the plaintiff’s argument that common underlying facts related to the use of Twitter establish a link between the infringement claims against those smartphone-manufacturing defendants.<sup>286</sup> Instead, the court found that Apple’s smartphones use iOS-based proprietary services while HTC’s, LG’s and Motorola’s smartphones use the Android-based proprietary services.<sup>287</sup> So, the court concluded that Apple’s products are different from other manufacturers’ products.<sup>288</sup>

*Motorola Mobility* and *Summit 6* may be too far-gone because any features of the accused products may make one different from another. This approach limits joinder under § 299 to one situation where only one accused product or process is involved.

### C. An Unresolved Question

Prof. David O. Taylor has explored two possible interpretations of “the same accused product or process.”<sup>289</sup> The first interpretation is the “one thing” interpretation under which “same” refers to “one, and only one, thing.”<sup>290</sup> It is a narrow approach similar to the approaches adopted by the Southern District of Florida and Northern District of Texas. “Exactly the same” is required.

The second interpretation is the “indistinguishability” interpretation which requires “the same accused product or process” to mean “multiple separate things that so closely resemble one another or correspond that they are indistinguishable in all relevant respects.”<sup>291</sup> “Indistinguishability” depends on the scope of the asserted claim.<sup>292</sup> Under the “indistinguishability” interpretation, the accused products may be “indistinguishable in their construction, operation, or both,”<sup>293</sup> while the accused processes may be indistinguishable with respect to their steps.<sup>294</sup> So, the “indistinguishability” interpretation is similar to the sameness requirement under Rule 20 which provides that “the accused products or processes are the same in respects relevant to the patent.”<sup>295</sup>

<sup>281</sup> See *id.* at \*15-16.

<sup>282</sup> See *id.* at \*1.

<sup>283</sup> See *id.* at \*2.

<sup>284</sup> See *id.* at \*14 (quoting § 299 and emphasizing “the same accused product or process”).

<sup>285</sup> See *id.* at \*15 (“Summit 6’s Complaint joining Apple with the co-Defendants fails the threshold statutory requirements of 35 U.S.C. § 299. Summit 6’s infringement actions against Apple and the remaining Defendants do not implicate “the same accused product[s] or process[es].” (citation omitted)).

<sup>286</sup> See *id.*

<sup>287</sup> See *id.*

<sup>288</sup> See *id.*

<sup>289</sup> See Taylor, *supra* note 41, at 707-08.

<sup>290</sup> See *id.* at 707.

<sup>291</sup> *Id.*

<sup>292</sup> See *id.*

<sup>293</sup> *Id.*

<sup>294</sup> *Id.*

<sup>295</sup> *In re EMC Corp.*, 677 F.3d 1351, 1359 (Fed. Cir. 2012).

After discussing five hypothetical situations, Prof. Taylor suggested that the “indistinguishability” interpretation should be a better approach because of policy concerns.<sup>296</sup> But, the idea of “indistinguishability” is another “dramatically different” standard that has been characterized by the Federal Circuit in *EMC* as what “seems to require little more than the existence of some similarity in the allegedly infringing products or processes.”<sup>297</sup> The difference between “indistinguishability” and “dramatically different” is merely a degree of similarity between the accused products or processes. Therefore, the “indistinguishability” interpretation may be still contrary to *EMC*.

While the scope of the sameness requirement under § 299 waits for the Federal Circuit to resolve, this article proposes a new approach which asks whether the accused products or processes fall within the same category from an industrial perspective. The proposed approach is different from the Eastern District of Texas’ approach that looks for a hardware or software link between the accused products or processes.

The congressional report has mentioned that the AIA “addresses problems occasioned by the joinder of defendants (sometimes numbering in the dozens) who have tenuous connections to the underlying disputes in patent infringement suits.”<sup>298</sup> So, Congress required something more than “tenuous connections” between the parties joined as defendants in a single lawsuit. To resolve the congressional concern, the proposed approach requires a plaintiff to show that the accused products or processes are considered as the same products or processes from an industrial aspect. For example, while tablets and smartphones may use the same operational system or similar chips, they are different products from a customer’s perspective. Many smartphone owners also have a tablet.<sup>299</sup> That is, tablets are considered as a companion to smartphones but not as a replacement.<sup>300</sup> Therefore, tablet manufacturers and smartphone manufacturers may not be joined in a single lawsuit.

## V. Conclusion

Under *EMC* and 35 U.S.C. § 299, the Eastern District of Texas has changed its practice related to permissive joinder of unrelated defendants in the context of patent infringement. Traditionally, the court permitted joinder only because the same patent is infringed. This “same patent” standard evolved from a notion that joinder is appropriate if the accused products or processes are not dramatically different. The “dramatically different” standard was started by *MyMail*. Congress enacted 35 U.S.C. § 299 and specifically abrogated *MyMail* and following cases. That ends the “dramatically different” standard or the “same patent” standard.

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<sup>296</sup> See Taylor, *supra* note 41, at 708-13.

<sup>297</sup> *EMC*, 677 F.3d at 1359.

<sup>298</sup> See H.R. REP. NO. 112-98, pt.1, at 54 (2011).

<sup>299</sup> See SALESFORCE, 2014 MOBILE BEHAVIOR REPORT 11, available at <https://www.exacttarget.com/sites/exacttarget/files/deliverables/etmc-2014mobilebehaviorreport.pdf>.

<sup>300</sup> See *id.* at 7.

The Federal Circuit in *EMC* has provided a practical standard for determining whether joinder of unrelated defendants is proper in patent litigation. *EMC* creates the “actual link” standard which requires a finding of “an actual link between the facts underlying each claim of infringement.” *EMC* also provides six factors for determining the existence of an actual link. However, the Eastern District of Texas seems to rely on the third *EMC* factor “the use of identically sourced components” to find permissive joinder.

This article demonstrates that the Eastern District of Texas still prefers joinder of unrelated defendants. The court has taken the “actual link” standard to a next level. The court primarily looks to common facts regarding the accused products or processes. Particularly when products are accused, the *third* *EMC* factor “the use of identically sourced components” becomes a dispositive factor. The only rebuttal may be to prove that the accused products are “independently developed products using differently sourced parts.”