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

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Abstract

On September 16, 2011, the American patent system started a new era because of the enactment of the Leahy-Smith America Invents Act ("AIA"). 35 U.S.C. § 299 was enacted 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.”

Keywords: America Invents Act, Joinder, 35 U.S.C. § 299, Civil Procedure, Patent

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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”). 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. § 299 went into force and applied to any civil action commenced on or after September 16, 2011. § 299 imposes two basic requirements on permissive joinder of independent defendants in patent litigation. 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.” Second, § 299(b) specifically excludes the joinder “based solely on allegations that [each defendant] have infringed the patent or patents in suit.”

§ 299 was designed to stop a minority view of joinder under Rule 20 of the Federal Civil Procedure. Before the enactment of § 299, district courts applied Rule 20 to decide whether to

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2 See Dongbiao Shen, Misjoinder or Mishap? The Consequences of the AIA Joinder Provision, 29 BERKELEY TECH. L.J. 545, 545 (2014).
3 See America Invents Act § 19(e).
7 See Manzo, supra note 4, at 174-75.
permit joinder.\textsuperscript{8} Rule 20 is the mother of § 299.\textsuperscript{9} 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.”\textsuperscript{10} Rule 20(a)(2) is a two-prong test.\textsuperscript{11} Rule 20(a)(2)(A) is the “same transaction or occurrence” requirement,\textsuperscript{12} while Rule 20(a)(2)(B) is the requirement of common questions of law or fact.\textsuperscript{13} Rule 20(a)(2) is similar to § 299(a), but the “same transaction or occurrence” 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. Am. Online, Inc.,\textsuperscript{14} 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.”\textsuperscript{15} Since MyMail, the Eastern District of Texas had permitted joinder merely because the same patents were infringed.\textsuperscript{16} The minority view was also followed by a few district courts.\textsuperscript{17} 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.”

MyMail has been abrogated by the AIA.

To join with Congress, the Federal Circuit in In re EMC Corp., 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. Rather, the Federal Circuit stated that “[j]oining of independent defendants is only appropriate where the accused products or processes are the same in respects relevant to the patent.” 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.” But, the Federal Circuit cautioned that “an allegation of joint liability is not required.” Furthermore, the Federal Circuit clarified that joinder of independent defendants is possible under Rule 20 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.” Therefore, “as long as their actions are part of the ‘same transaction, occurrence, or series of transactions or occurrences,’ independent actors may be joined.

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”

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19 See id. at 55 n.61.
20 In re EMC Corp., 677 F.3d 1351 (Fed. Cir. 2012).
21 Id. at 1357.
22 Id. at 1359 (emphasis added).
23 Id. at 1356.
24 Id. (citation omitted and emphasis original).
25 See id. at 1356-57 (stating several propositions that can be directly drawn from the language of Rule 20 and the legislative history).
26 Id. at 1356.
27 Id. (citation omitted).
28 See id.
approach. 29 Specifically, the Federal Circuit required “the facts underlying the claim of infringement asserted against each defendant share an aggregate of operative facts.” 30 Alternatively, the Federal Circuit required a finding of “an actual link between the facts underlying each claim of infringement.” 31 To help district courts determine “an actual link” or “an aggregate of operative facts,” the Federal Circuit provided six factors for factual consideration. 32 While EMC is within the case law governing Rule 20, district courts have incorporated EMC into their applications of § 299. 33

After EMC, the Eastern District of Texas seems to remain its minority status because it continues to permit joinder under § 299. 34 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.” 35 That is, “the use of identically sourced components” may establish “an actual link between the facts underlying each claim of infringement.” 36

Actually, the Eastern District of Texas has been well-known for its patentee-friendly nature. 37 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. 38 Moreover, patentees are

29 See id. at 1357.
30 Id. at 1359.
31 Id.
32 See id. at 1359-60.
34 See infra Part III.
35 See infra Part III.
36 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.
38 See, e.g., Jordan Klimek, Patents as Regulations: How the America Invents Act and the Seminole Rock
often awarded with a better amount of damages because jury is friendly to patentees.\textsuperscript{39} As a result, patentees, specially non-practicing entities (“NPEs”), like to file a patent lawsuit there.\textsuperscript{40}

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.\textsuperscript{41}

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.\textsuperscript{42} Part III analyzes the cases subject to the application of § 299 to understand the current jurisprudence adopted by the court. Part III is intended to show how \textit{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.


\textsuperscript{39} See Hauer, \textit{supra} note 38, at 377.


\textsuperscript{42} It is hard to examine whether the Eastern District of Texas in \textit{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. 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.’”).
II. Pre-AIA Period

A. MyMail, Ltd. v. Am. 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.\(^{43}\) The claim against Verizon Communications, Inc. was later withdrawn without prejudice.\(^{44}\)

On July 7, 2004, Netzero, Inc., Juno Online Services, Inc., and Netbrands, Inc. filed a motion for severance and venue transfer.\(^{45}\) The Eastern District of Texas referred to these three defendants as the UOL defendants because they were all subsidiaries of United Online, Inc.\(^{46}\) 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.”\(^{47}\) The argument was based on a notion that they and the other defendants are separate defendants.\(^{48}\) But, the plaintiff responded primarily that all defendants “have utilized shared resources, such as dial-up Internet access numbers.”\(^{49}\)

The court only examined the “same transaction or occurrence” requirement because neither party disputed the requirement of common questions of law or fact.\(^{50}\) The court held that the


\(^{44}\) See MyMail, 223 F.R.D. at 456.


\(^{46}\) See MyMail, 223 F.R.D. at 456.

\(^{47}\) See id.

\(^{48}\) See id.

\(^{49}\) See id. at 457.

\(^{50}\) See id. at 456 ("Neither side disputes that questions of law or fact common to all defendants will arise in this
same transaction or occurrence” requirement is satisfied because “there is some connection or logical relationship between the various transactions or occurrences.”\textsuperscript{51} The court also held that “[a] logical relationship exists if there is some nucleus of operative facts or law.”\textsuperscript{52}

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

\textbf{B. Cases After \textit{MyMail}}

After \textit{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.\textsuperscript{56} Among those cases

\textsuperscript{51} \textit{Id.} (citing Hanley v. First Investors Corp., 151 F.R.D. 76, 79 (E.D. Tex. 1993)).

\textsuperscript{52} \textit{Id.}

\textsuperscript{53} \textit{See id.} at 457.


\textsuperscript{55} Shen, \textit{ supra} note 2, at 549; \textit{see also} George D. Medlock Jr. & David Frist, \textit{Joinder: Over a Year after the America Invents Act}, 5(4) LANDSLIDE 44, 44 (2013); Diane H. Crawley, \textit{America Invents Act: Promoting Progress or Spurring Secrecy?}, 36 U. HAW. L. REV. 1, 13 (2014); Reilly, \textit{ supra} note 54, at 1024; Taylor, \textit{ supra} note 41, at 657; Bob McAughan, \textit{Time to Justice: Seven Hours or Seven Days?}, 4(3) LANDSLIDE 44, 45 (2012).

issued prior to the enactment of the AIA are Adrain v. Genetec Inc.,57 Better Educ. Inc. v. Einstruction Corp.,58 and Eolas Techs., Inc. v. Adobe Sys., Inc.,59 three decisions which Congress has expressly overruled.60 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.61 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.”62 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.63 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.”⁶⁴ The court sided with the plaintiff.⁶⁵ First, the accused license plate recognition systems sold by the defendants were alleged to infringe the same patent.⁶⁶ Second, “the similarity” of the accused systems sufficiently satisfied “the nucleus of fact or law test.”⁶⁷ Therefore, the court found that the “same transaction or occurrence” requirement is met.⁶⁸

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.” ⁶⁹ The plaintiff sued twenty-three defendants from various industries.⁷⁰ All defendants moved for venue transfer and alternatively for severance.⁷¹ The defendants’ misjoinder argument was based on the fact that they are unrelated.⁷² However, the court disagreed primarily because of a concern of judicial economy.⁷³ 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

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⁶⁵ See *Adrain*, 2009 WL 3063414, at *2.
⁶⁶ See *id*.
⁶⁷ See *id*.
⁶⁸ See *id*.
⁷⁰ See *Eolas Techs.*, 2010 WL 3835762, at *1.
⁷¹ See *id*.
⁷³ See *Eolas Techs.*, 2010 WL 3835762, at *1–*2.
well as parties’ resources.\textsuperscript{74} In addition, the court did not find “the products or methods at issue are so different” that different lawsuits are required.\textsuperscript{75} Thus, the court permitted joinder.\textsuperscript{76}

\textit{Better} was different from \textit{Adrain} and \textit{Eolas} because the ruling was too conclusory. In \textit{Better}, the patent-in-suit related to “electronic classroom response systems that allow students to answer questions with student terminals.”\textsuperscript{77} One defendant Qwizdom filed a motion to dismiss, and the motion asserted misjoinder.\textsuperscript{78} 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.”\textsuperscript{79} 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.\textsuperscript{80} Instead, the plaintiff emphasized that “[t]he Eastern District of Texas has long disagreed with a \textit{per se} rule that infringement by different defendants does not satisfy Rule 20’s same transaction requirement.”\textsuperscript{81} Eventually, without analyzing any relevant facts, the court cited \textit{MyMail} and simply concluded that it “is not persuaded that joinder of Qwizdom is improper.”\textsuperscript{82}

From \textit{MyMail} to \textit{Eolas}, the court gradually transformed the “same transaction or occurrence” requirement into the “dramatically different” standard and further into the “same

\textsuperscript{74} See id. at *1.
\textsuperscript{75} See id.
\textsuperscript{76} See id. at *2.
\textsuperscript{78} See Better Educ., 2010 WL 918307, at *1.
\textsuperscript{81} See id.
\textsuperscript{82} Better Educ., 2010 WL 918307, at *1.
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, “For purposes of this subsection, accused infringers may not be joined in one action as defendants or counterclaim defendants, or have their actions

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83 See *MyMail*, 223 F.R.D. at 456.
84 See id.
85 See id. at 457.
86 See *Adrain*, 2009 WL 3063414, at *2.
87 See *Better Educ.*, 2010 WL 918307, at *1.
89 See id. at *2.
consolidated for trial, based solely on allegations that they each have infringed the patent or patents in suit.” 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.” 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 other three cases, Centre One v. Vonage Holdings Corp., Innovative Global Sys. LLC v. Turnpike Global Techs. L.L.C., and Oasis Research, LLC v. Adrive, LLC (hereinafter, “Oasis I”), without any comments. A careful examining may show that those three decisions are all invalid under 35 U.S.C. § 299.

In Centre, a decision prior to Adrain, two defendants, Vonage America, Inc. and Vonage Holdings Corp. (collectively, “Vonage”) moved for severance. The court considered the issue of joinder in light of other venue-transfer motions and denied the motion to sever. On one hand, the court worried that severance “would impose a burden on both the federal court system

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95 See Centre One, 2009 WL 2461003, at *1.
96 See id. at *4–*7.
97 See id. at *7.
and [the plaintiff] to maintain two suits with substantially the same issues in two different venues across the country.”

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.” 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. The court denied the motion because of judicial economy. The primary reason for finding permissive joinder was the existence of “significant overlap among the issues of claim validity, claim construction, and claim scope.” 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. The court cited Eolas, Adrain, and MyMail 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.” Thus, the court primarily relied on the “dramatically different” standard to permit

98 Id.
99 Id.
100 See Innovative Global Sys., 2009 WL 3754886, at *1.
101 See id. (“District courts have declined to sever patent infringement claims due to concerns about judicial economy,” (citing Adrain and Centre One)).
102 Id. at *2.
103 See Oasis I, 2011 WL 3099885, at *1.
104 See id. at *2.
105 Oasis I, 2011 WL 3099885, at *2 (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
joiner.

Overall, Centre, Innovative, and Oasis I all violate 35 U.S.C. § 299. Centre 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, Innovative, and Oasis I are no longer good law or persuasive authority anymore 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 Sys. Eng’g, Inc. v. Acer Inc., Ganas, LLC v. Sabre Holdings Corp., Imperium (IP) Holdings, Inc. v. Apple Inc., and Lodsys, LLC v. Brother Int’l Corp., 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. Because Congress was unable to consider those cases, it is necessary to examine their legal validity under § 299.

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.

110 See, e.g., Ganas, 2011 WL 8183246, at *8; Apple, 2012 WL 461775, at *3 n.3.
In *MicroUnity*, the court began to develop a “logical relationship” standard. Specifically, the court addressed the requirement of “series of transactions or occurrences,” and held that the requirement is satisfied “if there is some connection or logical relationship between the various transactions or occurrences.” Moreover, the court held that “[a] logical relationship exists if there is some *nucleus of operative facts or law.*”

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.” The defendants were divided into three categories: chip manufacturers, handset manufacturers, and carriers. 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.” ARM is “an acronym for Advanced RISC Machines.” RISC standards for “reduced instruction set computer” that is another type of microprocessor architecture. 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. Because all defendants used ARM technology in their products,
the court concluded that the accused “products are similar enough to satisfy the ‘nucleus of fact or law’ test.”122 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,”123 while MicroUnity requires the use of ARM processors by different accused products or services.124 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.125 Three defendants filed a motion to sever and transfer, while one defendant filed a motion to dismiss for improper joinder or alternatively to sever.126 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.127 Regarding the second set of motions, the court denied severance because “the nucleus of all of the accused products.”

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122 Id.
123 See EMC, 677 F.3d at 1359-60.
124 See MicroUnity Sys. Eng’g, 2011 WL 4591917, at *3.
125 See Ganas, 2011 WL 8183246, at *1.
126 See id.
127 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, Scottrade, and National Financial to sever and transfer should therefore be DENIED.”).
operative facts or law in the claims against all the defendants” existed.\textsuperscript{128} Therefore, the infringement of the same patent was the original reason causing all defendants to be sued jointly.\textsuperscript{129} By permitting joinder, \textit{Ganas} simply followed the “same patent” standard, which violates § 299(b).

In \textit{Lodsys}, one defendant filed a motion to dismiss or, alternatively, to sever and transfer venue.\textsuperscript{130} To support its misjoinder argument, the defendant asserted that “the accused products are dramatically different.”\textsuperscript{131} But, the court disagreed.\textsuperscript{132} When analyzing the “same transaction or occurrence” requirement, the court adopted the “logical relationship” standard again by repeating the propositions mentioned in \textit{MicroUnity}.\textsuperscript{133} The court held that a logical relationship exists between the claims against all defendants.\textsuperscript{134} 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.”\textsuperscript{135} The court also found that “the alleged infringement involves the implementation and use of the patented inventions.”\textsuperscript{136} 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,”\textsuperscript{137} the court concluded that “the accused products at issue are sufficiently related to satisfy the ‘same nucleus of operative fact or law’ text.”\textsuperscript{138} By saying that the patented

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\textsuperscript{128} See \textit{id.} (quoting \textit{MyMail}, 223 F.R.D. at 457) (quotation omitted).
\textsuperscript{129} See \textit{id.}
\textsuperscript{130} See \textit{Lodsys}, 2012 WL 760729, at *1.
\textsuperscript{131} \textit{Id.} at *5.
\textsuperscript{132} See \textit{id.}
\textsuperscript{133} See \textit{id.}
\textsuperscript{134} See \textit{id.} (“A logical relationship exists between all of the accused products”).
\textsuperscript{135} \textit{Id.}
\textsuperscript{136} \textit{Id.}
\textsuperscript{137} \textit{Id.}
\textsuperscript{138} \textit{Id.}
\end{flushleft}
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\(^\text{139}\) and permitted joinder.\(^\text{140}\) The patents-in-suit in *Apple* related to image sensor technology.\(^\text{141}\) The accused products were cell phones or other devices with image sensors.\(^\text{142}\) 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.\(^\text{143}\) But, the court disagreed.\(^\text{144}\)

When discussing the “same transaction or occurrence” requirement, the court recited the propositions mentioned in *MicroUnity* to present the “logical relationship” standard.\(^\text{145}\) 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.”\(^\text{146}\) So, the court simply embraced *Oasis I* and the “dramatically different” standard.\(^\text{147}\) The court even reaffirmed *Eolas Techs.*\(^\text{148}\) 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.\(^\text{149}\) In footnote 3 of the *Apple* decision, the court also made a comment on how § 299

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\(^{139}\) See *Apple*, 2012 WL 461775, at *2 (reciting *MicroUnity Sys. Eng'g*).
\(^{140}\) See id. at *4.
\(^{141}\) See id. at *1.
\(^{142}\) See id.
\(^{143}\) See id. at *2.
\(^{144}\) See id. at *3–*4.
\(^{145}\) See id. at *2.
\(^{146}\) Id. (citing *Oasis I*, 2011 WL 3099885, at *2).
\(^{147}\) See id.
\(^{148}\) See id. at *3.
\(^{149}\) Id.
will apply to the present case. 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,” or alternatively because “the technology at issue is the same.”

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,” 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.” 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 context of patent infringement. EMC is also instructive to the application of § 299.

EMC was in response to an appeal from an Eastern District of Texas’ decision Oasis Research, LLC v. Adrive, LLC (hereinafter, “Oasis II”) which adopted the “dramatically different” standard.

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150 See id. at *3 n.3.
151 Id.
152 Id.
153 Id. at *3.
154 Id.
155 See Shen, supra note 2, at 575.
156 See id. at 575-76.
different” standard applied in *Oasis I*.158 The Federal Circuit vacated *Oasis II* because the Eastern District of Texas applied a wrong standard under Rule 20(a) to permit joinder.159 To reject *Oasis II*, the Federal Circuit reaffirmed that Rule 20 is a two-prong test.160 That is, both the transaction-or-occurrence requirement and the requirement of a common question of law or fact must be satisfied.161 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.”162 Therefore, *EMC* has completely abrogated the cases that follow *MyMail*.

Regarding joinder of independent defendants, *EMC* offered general rules for applying Rule 20(a).163 The Federal Circuit required a plaintiff to prove “a logical relationship between the separate causes of action” against independent defendants.164 There were two aspects of the “logical relationship” approach.165 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.”166 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.”167

To specifically apply the “logical relationship” approach to patent cases, the Federal Circuit

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158 See *id.* at *1-*2.
159 See *EMC*, 677 F.3d at 1360.
160 See *id.* at 1357.
161 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.”).
162 *Id.*
163 See *id.* at 1357-58.
164 *Id.* at 1358 (emphasis added). This approach is similar to the Eastern District of Texas’ approach in *MicroUnity* as described above.
165 See *id.*
166 *Id.* (emphasis added).
167 *Id.* (emphasis added).
addressed another requirement,\textsuperscript{168} which is referred to as “the sameness requirement” in this paper.\textsuperscript{169} The Federal Circuit clarified that “joinder is not appropriate where different products or processes are involved.”\textsuperscript{170} Rather, “[j]oinder of independent defendants is only appropriate where the accused products or processes are the same in respects relevant to the patent.”\textsuperscript{171} In addition, the Federal Circuit cautioned that “the sameness of the accused products or processes is not sufficient.”\textsuperscript{172} 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.”\textsuperscript{173} 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.”\textsuperscript{174} 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.”\textsuperscript{175} Thus, the Federal Circuit

\textsuperscript{168} See id. at 1359.

\textsuperscript{169} 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.”).

\textsuperscript{170} Id. at 1359 (emphasis added).

\textsuperscript{171} Id. (emphasis added).

\textsuperscript{172} Id. (emphasis added).

\textsuperscript{173} 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 1356 (citation omitted and emphasis original).

\textsuperscript{174} Id. at 1359 (emphasis added).

\textsuperscript{175} Id.
created an “actual link” standard as one application of the “logical relationship” approach.\textsuperscript{176}

Lastly, the Federal Circuit offered six “pertinent factual considerations” for district courts to determine whether joinder is proper.\textsuperscript{177} 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.”\textsuperscript{178} 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.”\textsuperscript{179}

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.\textsuperscript{180} But, in only one of those cases, the court found misjoinder.

\textit{Innovative Automation, LLC v. Audio Video and Video Labs, Inc.},\textsuperscript{181} a decision issued in the

\textsuperscript{176} 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.” \textit{Id.} (emphasis added).

\textsuperscript{177} \textit{See id.} at 1359-60.

\textsuperscript{178} \textit{Id.} at 1359-60.

\textsuperscript{179} \textit{Id.} at 1360.


\textsuperscript{181} \textit{Innovative Automation, LLC v. Audio Video and Video Labs, Inc.}, Nos. 6:11–CV–234 LED–JDL, 6:11–CV–
same month of EMC, denied one motion to sever and transfer related to six defendants under the complaint with No. 6:11-cv-445 (filed on August 30, 2011).\textsuperscript{182} The patent-in-suit related to a computer-implemented method of duplicating digital data.\textsuperscript{183} One defendant Rimage manufactured devices claimed to infringe the patent-in-suit.\textsuperscript{184} Two defendants sold Rimage’s infringing devices.\textsuperscript{185} Three defendants used the infringing devices to treat patients.\textsuperscript{186} The court considered the joinder issue in light of the issue of venue transfer.\textsuperscript{187}

By applying EMC,\textsuperscript{188} the court held that the defendants “share an aggregate of operative facts.”\textsuperscript{189} 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.”\textsuperscript{190} Second, while recognizing that each of the defendants “may integrate the accused devices into their duplication systems differently,”\textsuperscript{191} the court considered Rimage’s indemnification as “the existence of a \textit{substantial evidentiary overlap in the facts} giving rise to the cause of action against each defendant.”\textsuperscript{192} 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

\textsuperscript{182} See id. at *1.
\textsuperscript{185} See id.
\textsuperscript{186} See id.
\textsuperscript{188} See id. at *3–*4.
\textsuperscript{189} Id. at *4.
\textsuperscript{190} Id.
\textsuperscript{191} Id.
\textsuperscript{192} Id. (quotation omitted) (emphasis added).
over their defense.” 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 Int’l, Inc. and Oasis Research, LLC v. Carbonite, Inc. (hereinafter, “Oasis III”), the court applied EMC and found misjoinder. Norman is comparable to MicroUnity, because in both cases the plaintiff alleged that all defendants use an ARM processor design. Unlike MicroUnity, the court in Norman could not find that the joinder is proper because of the use of the alleged ARM architecture. The court primarily criticized that “[t]he complaint did not mention ARM processors as a defining characteristic regarding each defendant’s alleged infringement.” Thus, the court found that the “same transaction or occurrence” requirement was not met. 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. The court eventually found misjoinder because the plaintiff did not allege any facts related to six EMC factors. Specifically, the court criticized that the plaintiff failed to “assert any facts that would indicate [the defendants] use similarly sourced products, worked in

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193 Id.
196 See, e.g., Norman IP Holdings, 2012 WL 3307942, at *2; Oasis III, 2012 WL 3544881, at *2–*3.
198 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.”).
199 Id.
200 See id.
201 See Oasis III, 2012 WL 3544881, at *2.
202 See id. at *4–*5.
concert, or had any relationship at all.” 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. 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 except for Motorola Mobility, Inc. v. Tivo, Inc., a 2012 decision in which the court found permissive joinder without mentioning EMC. Motorola involved two defendants, TWC and Motorola.

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203 Id. at *5.
204 See id.
207 See id. at *1.
Motorola manufactured the infringing products, while TWC distributed the infringing products. The court held that joinder is permissive because the patent infringement allegations against TWC and Motorola are “based on their conducts relating to” the infringing products.

_Net Nan. Sys., LLC v. Cisco Sys., Inc._ was another 2012 decision where the court found misjoinder. There, the court recognized that all accused products are from the same manufacturer. 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.”

_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.

In 2014, the court consecutively in _ContentGuard Holdings, Inc. v. Google, Inc._ (hereinafter, _ContentGuard I_), _Star CoLED Techs., LLC v. Sharp Corp._, _NFC Tech., LLC v. HTC Am._ and _Smartflash LLC v. Apple, Inc._ either allowed a further discovery proceeding regarding the issue of joinder or found permissive joinder.

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208 See id. at *2.
209 See id.
211 See id. at *3.
212 See id.
213 See id.
214 There was no case regarding joinder in 2013.
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. The court recognized that “at least a set of common facts regarding these three software applications” were shared by those manufacturer defendants. 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.” 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.”

However, the court noticed that “the existence of a hardware component” in each mobile device may break the link because the infringement caused by each manufacturer defendant “may depend on the different devices supplied by individual [manufacturer defendant].” So, the court did not find permissive joinder or misjoinder. 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.” Eventually, the court allowed the parties to further develop the record for the joinder issue. 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

220 See id. at *5.
221 Id. (internal quotation omitted and emphasis added).
222 Id. (internal quotation omitted and emphasis added).
223 Id.
224 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.”).
225 Id.
226 See id.
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 defendant’s device, [such that] the claims against each defendant may be sufficiently distinguished.”

In Star, the court also allowed further discovery for the joinder issue. 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.” But, the defendants provided employee declarations to oppose the plaintiff’s allegation. With those assertions, the court found that the record is not sufficient for it to determine whether the joinder is permissive. So, the court required further discovery about the joinder issue. 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.’” 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

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227 Id.
228 Id.
230 Id.
231 See id.
232 See id.
233 See id.
234 Id. (emphasis added).
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 technical 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.”235 The court also associated this new proposition with the third EMC factor “the use of identically sourced components.”236 As a result, the court found permissive joinder of two mobile device manufacturers because their products used the same semiconductor chip.237 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 that the use of the chip “in combination with devices supplied by [the manufacturer defendants] allegedly infringe [the patents-in-suit],”238 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 there “processes” were accused of patent infringement.239 In Smartflash, Apple and three apps developers were jointly sued because Apple’s Store Kit Framework was alleged to infringe the patents-in-suit.240 The court held that the joinder of Apple and these developers is proper.241 First, the plaintiff’s allegations of patent infringement were “directed to the implementation of Store Kit’s payment functionality.”242 Thus, the court concluded that the use of the Store Kit Framework constitutes “the same process” under

236 See id.
237 See id.
238 Id.
240 See id. at *1.
241 See id. at *3.
242 Id.
35 U.S.C. § 299. Second, these developers were assisted by Apple to implement in-app payment functionality in their apps through the Store Kit Framework. Therefore, the court found that the “same transaction or occurrence” requirement is met.

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 Elec. Co* found misjoinder and severed two Samsung-related companies from the rest of the accused Samsung-related companies. Although recognizing that the “particular functionality of the [accused] products with respect to the patent may be the same,” the court stated that “the sameness of the accused products or processes is not sufficient.” 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.” In a recent case, *ContentGuard Holdings, Inc. v. Amazon.com, Inc.* (hereinafter, *ContentGuard II*), while facing multiple motions to sever with

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243 See id.
244 See id.
245 See id.
247 See *Samsung Elec.*, 2015 WL 137419, at *3.
248 *Id.*
249 *Id.* (quoting *EMC*, 677 F.3d at 1359).
250 *Id.* (emphasis added).
different approaches for severance, 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.” Therefore, ContentGuard II indicates the Eastern District of Texas’ salute to EMC.

VI. 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. 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.” 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

252 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.”).

253 Id. at *8.

254 In re Nintendo Co., 544 F. App’x 934 (Fed. Cir. 2013).

255 Id. at 939.
test in the new legislation is identical to the sameness test we adopt here for cases not covered by the new legislation."\textsuperscript{256} This statement indicates that the sameness requirement under § 299 is different from that under Rule 20. In the same footnote, the Federal Circuit also stated that "[t]he new statute \textit{only} allows joinder of independent defendants whose acts of infringement involve ‘the same accused product or process.’"\textsuperscript{257} By using "only,” the Federal Circuit apparently recognized that the sameness requirement under § 299 should be more stringent than that under Rule 20.\textsuperscript{258} Since the Federal Circuit has required that “the accused products or processes [must be] the same in respects relevant to the patent,"\textsuperscript{259} § 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 \textit{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).\textsuperscript{260} The accused products were alleged to use three infringing software applications.\textsuperscript{261} Tablets and smartphones are different by name or from

\begin{footnotesize}
\textsuperscript{256} \textit{EMC}, 677 F.3d at 1360 n.4 (emphasis added).
\textsuperscript{257} \textit{Id.} (emphasis added).
\textsuperscript{258} \textit{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)); In re Nintendo, 544 F. App’x 934, 939 (Fed. Cir. 2013).
\textsuperscript{259} \textit{EMC}, 677 F.3d at 1359.
\end{footnotesize}
a user’s aspect.262 But, the court characterized the accused tablets and smartphones as “portable”
devices.263 So, the sameness requirement was omitted.264 Rather, the court asked whether the
infringement is software-based or hardware-based.265 If the infringement is software-based, then
the accused software may be served as an actual link connecting the claims against all
defendants.266 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],”267 the claims against each defendant may be “sufficiently distinguished.”268 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.269 HTC argued that
its smartphones and LG’s smartphones are different products.270 Instead of analyzing the
sameness requirement, the court explicitly adopted a notion that “the product must be the same in
respects relevant to the patent.”271 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

262 See id.
263 See ContentGuard I, 2014 WL 1477670, at *1.
264 See id. at *4-*5.
265 See id. at *5.
266 See id.
267 See id.
268 See id.
269 See NFC Tech., 2014 WL 3834959, at *1.
270 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
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)).
271 NFC Tech., 2014 WL 3834959, at *2 (quotations omitted) (quoting EMC, 677 F.3d at 1359).
patents, the joinder of HTC and LG should be permitted.272

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 joiner.

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.,273 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.274 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.275 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.”276 The court further pointed out that HTC and Motorola are competitors and that their smartphones “run on at least somewhat modified Android

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272 See id.
274 See id. at *4.
275 See id. at *1, *4.
276 Id. at *4 (emphasis added).
software.’” Therefore, the court held that the accused products are “not sufficiently the same.”

In *Summit 6 LLC v. HTC Corp.*, the Northern District of Texas found that Apple’s smartphones are different from HTC’s, LG’s and Motorola’s smartphones. There, the patent related to on-line social network technology. Twitter was accused software. The court considered § 299 as more stringent than Rule 20 and recognized “the same accused product or process” as a threshold statutory requirement of § 299. 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. 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. So, the court concluded that Apple’s products are different from other manufacturers’ products.

*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.

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277 *Id.*
278 *Id.* (quotation omitted).
280 See *id.* at *15–*16.
281 See *id.* at *1.
282 See *id.* at *2.
283 See *id.* at *14 (quoting § 299 and emphasizing “the same accused product or process”).
284 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)).
285 See *id.*
286 See *id.*
287 See *id.*
C. Unresolved Question

Prof. David O. Taylor has explored two possible interpretations of “the same accused product or process.” The first interpretation is the “one thing” interpretation under which “same” refers to “one, and only one, thing.” 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.” “Indistinguishability” depends on the scope of the asserted claim. Under the “indistinguishability” interpretation, the accused products may be “indistinguishable in their construction, operation, or both,” while the accused processes may be indistinguishable with respect to their steps.” 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.”

After discussing five hypothetical situations, Prof. Taylor suggested that the “indistinguishability” interpretation should be a better approach because of policy concerns. 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

288 See Taylor, supra note 41, at 707-08.
289 See id. at 707.
290 Id.
291 See id.
292 Id.
293 Id.
294 EMC, 677 F.3d at 1359.
existence of some similarity in the allegedly infringing products or processes.”

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 

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.” 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. That is, tablets are considered as a companion to smartphones but not as a replacement. Therefore, tablet manufacturers and smartphone manufacturers may not be joined in a single lawsuit.

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296 EMC, 677 F.3d at 1359.
299 See id. at 7.
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.

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.”

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