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Subject: Post grant review; Inter parties review

Rob Sterne Comment # 5 (see disclaimer in RGS Comment #1)

Ms. Gongola:

My colleague Jon Wright and I appreciate the opportunity to provide comments for the Group 2 Proposed Rule Makings. We have reviewed AIA Sec. 6 -- Post-Grant -- and would like to provide some comments. These comments are provided in order to raise potential issues for consideration by the USPTO while drafting the rules and regulations, and not to encourage any particular view or outcome. As such, these comments do not necessarily reflect our individual views or the views of our firm -- Sterne, Kessler, Goldstein & Fox, PLLC -- or its clients.

We have a proposal for post grant review (PGR) and inter partes review (IPR) for your immediate consideration. It relates to the Petition/Preliminary Response/Institution phase of IPR/PGR.

Petition/Preliminary Response/Institution: The Office should ensure that Patent Owners are given sufficient time to file a robust "preliminary response to petition." We believe that the minimum time for a robust preliminary response should be three months.

Given the harsh estoppel provisions, Petitioners will likely put significant time and resources into requests for review once the decision to file is made. PGR requests will likely include multiple statutory grounds for rejection. IPR requests will likely raise multiple grounds of rejection over multiple references. While the Office could reasonably restrict the size of petitions, it must consider the impact of any size restrictions on the "reasonably could have raised" standard for estoppels. In any event, the estoppel provisions will likely cause Petitioners to expend considerable resources into any request for review.

The statute for both PGR and IPR gives the Patent Owner a statutory right to file a preliminary response. This important opportunity for Patent Owners was absent from reexamination proceedings. The time period for that response falls entirely within the Office's discretion and will not impact any of the other statutorily imposed deadlines for completion of PGR and IPR proceedings. Those statutory deadlines are triggered only after the Patent Owner's response is filed or after institution of a review.

We believe the Office and the PTAB would be well-served by allowing a generous time frame for preliminary Patent Owner responses. If Patent Owners take advantage of the opportunity to file a robust and well-supported preliminary response, it will give the PTAB the information it needs to make a fully informed decision on whether to institute a PGR or IPR proceeding. A robust response will also allow the proceeding to begin (if instituted) with a fairly comprehensive record. Finally, a generous time frame will allow Patent Owners the necessary time to address those petitions obviously lacking merit at a very early stage in the proceedings.

We think a period of three months is the minimum amount of time a Patent Owner would need to fully consider a request on the merits and file a well-considered preliminary response. Patent Owner actions include (1) receipt of request and initial analysis (~2 weeks), (2) selection of counsel to defend validity of patent (~2 weeks), (3) selected counsel's in depth analysis (~2 weeks), (4) hiring one or more experts (~2 weeks), (5) tracking down inventors, if necessary (variable), (6) full consideration of any past or concurrent district court or ITC actions (~2 weeks), (7) drafting a comprehensive preliminary response (one month). This amounts to at least three months (if not more). The Office should consider extending this timeframe for a month for good cause (e.g., unusually large requests; complicated technology; if a family of patents involved; difficulty in hiring counsel; existence of concurrent or past proceedings; etc.).

If the Office were to require preliminary responses in anything less than three months, it would effectively short circuit this very important statutory right for Patent Owners. It would also deprive the PTAB of the information it needs to make a fully informed decision on whether to institute review, which could lead to more reviews of weak petitions and ultimately wasted resources. It would also result in

proceedings starting off with a lopsided record that would put Patent Owners at an immediate disadvantage.

Thank you

Robert Greene Sterne and Jon E. Wright