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Via Electronic Mail
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The Honorable David J. Kappos
Under Secretary of Commerce for Intellectual Property
and Director of the United States Patent and Trademark Office
Mail Stop Comments - Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Attn: Lead Judge Michael Tierney, *Inter Partes* Review Proposed Rules

Re: Changes to Implement Inter Partes Review Proceedings, USPTO
Docket No. PTO-P-2011-0083

Dear Under Secretary Kappos:

I am writing on my personal behalf to provide comments in response to the request of the United States Patent and Trademark Office (“the Office”) published in the Federal Register on February 10, 2012 (PTO-P-2011-0083). The comments expressed below are my own and not necessarily those of my firm.

Initially, I want to commend the Office on its drafting of the many proposed rule packages needed to implement the America Invents Act (“AIA”). As a whole, they are extremely well written and reflect significant deliberation on how to make the new legislation work in a way that is fair to all parties and that can be completed in the very short time allotted. Any criticism expressed below is directed to specific aspects of a few proposed rules. My silence on others may be interpreted as agreement with the proposed rule in its present form.

I also commend the Office’s attempt to unify the way the various procedures before the Board will be handled by proposing one set of trial practice rules to apply to all trial procedures (*inter partes* and post-grant review, the transitional program for covered business method patents, and derivation proceedings). While these proposed rules must necessarily be supplemented for each type of proceeding, having a single set of rules as a starting point will make practice before the Board easier to understand and should improve compliance with the rules for those practicing across the spectrum of procedures.

Third, I commend the Office for its efforts to charge fees for the trial proceedings commensurate with the cost the Office expects to incur in conducting the proceedings. While there's been significant outcry that the fees are too large, the cost of a trial in the PTO is extremely reasonable compared to the high cost of litigation. The PTO is not subsidized by the public and thus must recover what it costs to run its business.

Finally, I commend the Office for proposing page limits on petitions in trial proceedings. One major problem with *inter partes* reexamination is that there is no limit on the size of the requests. Thus, such requests frustrate the Office's ability to do its job well from the very beginning of the proceeding and handicap the patent owner who must respond with a limited number of pages.

Recommendation 1:

The "Practice Guide for Proposed Trial Rules" (PTO-P-2011-0094), in many instances, sheds light on the procedures covered by the proposed rules. Where feasible, I recommend incorporating specific procedures described in the Practice Guide into the rules.

I understand that interference practitioners know how the proposed procedures will work, based on the similarities between the proposed rules and the interference rules. However, many practitioners who will be handling contested cases before the Board do not have interference experience and, therefore, would benefit by further elaboration of the anticipated procedures in the rules.

Recommendation 2:

Perhaps my greatest concern with the proposed rules is due to the degree of discretion given to the Board. I personally know and have worked with the APJs in the trial section and am confident they can and will administer the proposed procedures fairly and in a timely manner. However, many new APJs will be needed to handle all the trial proceedings in the future (in Alexandria and afar). Thus, the challenge to maintain fair, even-handed treatment for all parties, thereby avoiding allegations of arbitrary treatment, may be difficult in the future. For that reason, I recommend better defining the procedures in the rules themselves, to the extent that can be done without frustrating the APJs' ability to oversee the procedures and get them completed in the short time allotted.

Recommendation 3:

The following proposed rules raise concerns for a number of reasons. Thus, I recommend they be modified or eliminated for the reasons given following the identification of each.

Rule 42.100(b) (broadest reasonable construction in light of the specification): I agree the Office should give the claims their “broadest reasonable construction in light of the specification.” However, I recommend that the phrase “reasonable construction” be interpreted to require consideration of relevant evidence in the intrinsic record (including the prosecution history). Consistent with this proposed approach, 35 U.S.C. §§301(a)(2) and (d) (as amended by the AIA) permit the Office to consider a patent owner’s statement made in federal court or in the PTO in construing the claims. Going outside the specification to do so is justified by the requirement that the construction be “reasonable.” I note that, except in specific instances, such as when construing means plus function claims, courts in fact give claims their broadest *reasonable* construction, just as the Office should.

Rule 42.107 (preliminary response): Given the short time to complete an *inter partes* review, all relevant evidence of which the petitioner and patent owner are aware should be placed into evidence at the earliest possible time. Proposed rule 42.104 permits this to happen with respect to the petitioner, but proposed rule 42.107 does not do so with respect to the patent owner. I recommend proposed rule 42.107(c) be changed to permit the patent owner to file responsive testimonial evidence. Early development of the record should focus the issues earlier in the procedure and thereby promote prompt resolution of the case, including settlement.

Rule 42.108(c) (institution): I recommend this proposed rule be rewritten, consistent with 35 U.S.C. §314(a), which only permits institution of an *inter partes* review if “the information presented in the petition . . . and any response shows” that the threshold has been met. The language in the proposed rule tracks the statutory language for post-grant review but not that for *inter partes* review. *See* 35 U.S.C. §324(a) (post-grant review may only be instituted if “the Director determines that the information presented in the petition . . . , if such information is not rebutted,” would satisfy the threshold).

Rule 42.121 (amendments): Given the patent owner has the right to file one motion to amend, I recommend that the required authorization be removed and subsection (c) be deleted. If the motion does not provide support for the amendment or broadens the claims, the motion can be denied. Further, it doesn’t appear there’s support in the statutes for requiring that an amendment “respond to a ground of patentability.” Finally, with respect to this proposed rule, I recommend the Office include some guidance as to what a “reasonable number of substitute claims” would be. The Practice Guide suggests that a reasonable number is one. 77 Fed. Reg. 6875. While I disagree with this number, whatever number the Office is going to apply is better expressed in the rules. If the Office is reluctant to give a default number, even a statement giving the factors to be considered in determining what is reasonable would be helpful to practitioners.

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Rule 42.123 (supplemental information): I recommend modifying this proposed rule to indicate the petitioner must establish why the information could not have been submitted with the petition and what in the patent owner's preliminary statement or in the order instituting *inter partes* review requires the submission. As written, the proposed rule invites gamesmanship and likely will frustrate prompt resolution of the *inter partes* review.

Again, I commend the Office for a "job well done."

Thank you for the opportunity to provide comments on the proposed Changes to Implement Inter Partes Review Proceedings rules. If you should have any questions or I can be of further assistance, please do not hesitate to contact me.

Sincerely,

Nancy J. Linck