

Cain, Brigit

From: RICK NEIFELD <rneifeld@neifeld.com>
Sent: Tuesday, March 27, 2012 6:42 PM
To: Patent_Trial_Rules
Cc: RICK NEIFELD
Subject: CommentsOnProposedBoardRulesForThe_AIA_RichardNeifeld_3-27-2012

Follow Up Flag: Follow up
Flag Status: Completed

NEIFELD IP Law, PC

4813-B Eisenhower Avenue
Alexandria, Virginia 22304

Tel: 1-703-415-0012
Fax: 1-703-415-0013
Web: <http://www.Neifeld.com>
Email: general@Neifeld.com

To:
United States Patent and Trademark Office (Office)
At Email: patent_trial_rules@uspto.gov

Re: Comments on the Proposed Practice Guide For Trials Before the Board and Proposed Rules of Practice for "Trials" Before the Board

Dear Colleague:

I. BACKGROUND

I am a practicing patent attorney and founder of the law firm Neifeld IP Law, PC. I have substantial experience in pre-existing ex parte and inter partes proceedings before the Board of Patent Appeals and Interferences (Board). I have been involved in dozens of interferences and appeals over the last 20 years. I am also a former chair of the AIPLA Interference Committee, Vice Chair of the AIPLA PCT Issues Committee, and founder and moderator of the "patentinterference" yahoo group (for interference practitioners). As such, I have a great deal of insight into the benefits and drawbacks of pre-existing Board procedures and practice.

On February 10, 2012, the Federal Register (FR) published proposed rules to implement portions of the America Invents Act (AIA), including the following:

"Changes To Implement Miscellaneous Post Patent Provisions of the Leahy-Smith America Invents Act" at 77 FR 442

"Changes To Implement the Pre-issuance Submissions by Third Parties Provision of the Leahy-Smith America Invents Act" at 77 FR 448

"Implementation of Statute of Limitations Provisions for Office Disciplinary Proceedings" at 77 FR 457

"Changes To Implement the Inventor's Oath or Declaration Provisions of the Leahy-Smith America Invents Act" 77 FR 982

"Changes To Implement the Supplemental Examination Provisions of the Leahy-Smith America Invents Act and To Revise Reexamination Fees" at 77 FR 3666

"Practice Guide for Proposed Trial Rules" at 77 FR 6868

"Rules of Practice for Trials Before the Patent Trial and Appeal Board and Judicial Review of Patent Trial and Appeal Board Decisions" at 77 FR 6879

- "Changes To Implement Derivation Proceedings" at 77 FR 7028
- "Changes to Implement Inter Partes Review Proceedings" at 77 FR 7041
- "Changes To Implement Post-Grant Review Proceedings" at 77 FR 7060
- "Changes To Implement Transitional Program for Covered Business Method Patents" at 77 FR 7080
- "Business Method Patents—Definition of Technological Invention" at 77 FR 7095

Informal guidance from United States Patent and Trademark Office (USPTO, or Office) requested both negative and positive comments on proposed rules, indicating that positive comments would help the Office as much as negative comments. I have reviewed the foregoing FR publications and have the following comments regarding practice before the Board.

II. COMMENTS ON THE PROPOSED "PRACTICE GUIDE FOR PROPOSED TRIAL RULES"

1. AIA "SHALL DETERMINE" DERIVATION ISSUE

I note that the summary of the AIA at 70 FR 6869 fails to indicate that the final written decision in a derivation proceeding must contain a determination on the derivation issue. As noted in 35 USC 135(b) the PTAB "*shall determine* whether an inventor named in the earlier application derived the claimed invention from an inventor named in the petitioner's application and, without authorization, the earlier application claiming such invention was filed."

2. " *JUST, SPEEDY, AND INEXPENSIVE* " STANDARD (RULE 42.1(b))

I note that the summary of Proposed Rules, 77 FR 6869 "I. General Procedures" notes that, "The rules are to be implemented so as to ensure the *just, speedy, and inexpensive* resolution of a proceeding." However, the "*just, speedy, and inexpensive* " standard is inconsistent with the AIA requirements.

Current rule 37 CFR 41.1 recites the "just, speedy, and inexpensive" standard. That appeared in the "Rules of Practice Before the Board of Patent Appeals and Interferences," 68 FR 6648 (2003). The Office comment at 68 FR 66649 notes that:

Proposed § 41.1 would set forth general principles for proposed part 41. Proposed § 41.1(a) would define the scope of rules. Proposed § 41.1(b) would mandate that the Board's rules be construed to achieve just, speedy, and inexpensive resolutions of all Board proceedings, following the model of Rule 601 and Federal Rule of Civil Procedure 1."

FRCP 1 recites that the FRCPs "should be construed and administered to secure the just, speedy, and inexpensive determination of every action and proceeding." However, the AIA commands the Director to prescribe regulations in consideration of "the effect of any such regulation on the economy, the integrity of the patent system, the efficient administration of the Office, and the ability of the Office to timely complete proceedings instituted under this chapter," for both Inter Partes Reviews (IPRs) and Post Grant Reviews (PGRs). The intent of Congress appears to be to have the Patent Trial and Appeals Board (PTAB) conduct proceedings under the same considerations impacting rule promulgation. This inference is buttressed by the fact that the AIA provides no such commandment for regulations relating to the pre-existing interference type proceedings, derivation proceedings, or the temporary Covered Business Methods (CBMs). The considerations for rule promulgation and construction for IPRs and PGRs, therefore, are not the "just, speedy, and inexpensive" standard contemplated by the Office.

3. PROCEEDING DURATION PROVISIONS

77 FR 6869 notes that:

Generally, the proceedings begin with the filing of a petition that identifies all of the claims challenged and the grounds and supporting evidence on a claim-by-claim basis. Within two months of notification of a filing date, the patent owner in an IPR, PGR, or CBM proceeding may file a preliminary response to the petition, including a simple statement that patent owner elects not to respond to the petition prior to the institution of a review. The Board will determine whether to institute the requested proceeding within three months of the date the patent owner's preliminary response was due or was filed, whichever is first. ***

The Board will enter a Scheduling Order (Appendix A) concurrent with the decision to institute the proceeding. The Scheduling Order will set due dates for the proceeding taking into account the complexity of the proceeding but ensuring that the trial is completed within one year of institution.

For example, a Scheduling Order for an IPR might provide a four month deadline for patent owner discovery and for filing a patent owner response and motion to amend.

The time periods are too long and inconsistent with the AIA's goal of increasing the economic efficiency and timeliness. The 2 month delay, awaiting a patentee's preliminary response is unnecessarily long because the patentee will have a right to amend and present evidence, if the petition is granted. 1 month would be more appropriate. The guide should specify how long the Office anticipates to take to determine whether to grant the proceeding, because the statutory maximum period of 3 months is generally inconsistent with the mandate of the AIA. It is a *maximum period* afforded to the Office to decide the petition, and it should not be the norm.

Unlike a patent application, no patent term adjustment accrues to an issued patent, tarnished by the filing of petition for an IPR, PGR, or CBM. From the date of filing of the petition until termination of the proceeding, the patentee's rights and therefore value in the patent is diluted. Accordingly, the Office should consider the AIA mandate for "effect on the economy" and "integrity of the patent system" to require must swifter resolution than apparently contemplated by the proposed Practice Guide.

Moreover, the 2 month deadline for filing a preliminary response is inconsistent with timing in existing proceedings. More specifically, note that the Office's anticipated procedure is largely modeled after the procedure now used for 35 USC 135(a) interference proceedings. These proceedings now uniformly require the parties (typically a patentee and an applicant) to each submit proposed motions lists followed by a scheduling conference at which proposed motions are discussed, authorized or forbidden. Interference proceedings are procedurally far more complex than IPRs, PGRs and CBMs, because interference proceedings require determination of many additional issues (definition of the interfering subject matter in view of prior art, correspondence of claims to the count, determination of actual priority evidence for each count, and commonly disclosed subject matter affecting the requirement for additional claims, additional counts, and redefinition of the counts) absent from IPRs, PGRs, and CBMs. Interference proceedings uniformly set the scheduling conference roughly six weeks from date of declaration, and require submission of proposed motions lists four business days prior thereto. The proposed motions lists in interference proceedings are, in effect, each party's case-in-chief, and set in stone the issues and outcome of the interference. By comparison, the patentee's "preliminary response" in IPRs, PGRs and CBMs, is merely preliminary, and does not set in stone the issues and outcome because the patentee would subsequently have the right to amend, if the petition is granted. Accordingly, a much shorter time for a preliminary response, should be set in accordance with the AIA mandate.

III. COMMENTS ON THE PROPOSED "RULES OF PRACTICE FOR 'TRIALS' BEFORE THE PATENT TRIAL AND APPEAL BOARD AND JUDICIAL REVIEW OF PATENT TRIAL AND APPEAL BOARD DECISIONS"

My rule by rule review suggestions follow. I quote the relevant proposed rule followed by my comments.

GLOBAL SUGGESTION - I suggest that you globally replace "trial" with "proceeding" to comport with the AIA. I suggest you redefine to refer to a trial as including the initial petition and pre petition decision pleadings.

PROPOSED 42.1(b)

"(b) Construction. This part shall be construed to secure the just, speedy, and inexpensive resolution of every proceeding." I suggest this be revised to comport with the standard mandated by the AIA. Cf. 35 USC 316(b), 326(b) ("the effect of any such regulation on the economy, the integrity of the patent system, the efficient administration of the Office, and the ability of the Office to timely complete proceedings instituted under this chapter.")

PROPOSED 42.2 DEFINITIONS OF TERMS

Like a house of cards, lack of foundation results in instability and failure. By analogy, I find the definitions of terms in 42.2 inconsistent with the AIA and inconsistent with common understanding. I strongly advise revisions to avoid confusing a substantial fraction of parties in the coming years. My specific review and advice follows.

"... Motion means a request for relief other than by petition." I suggest you delete "other than by petition." The petition is a motion, moving for procedural relief, specifically, the institution of a proceeding.

"... Party means at least the petitioner and the patent owner and, in a derivation proceeding, any applicant." I note that this definition excludes any assignee of the application. The term "applicant" does include the assignee. See the USPTO glossary of terms at: <http://www.uspto.gov/main/glossary/index.html> defining "applicant" to mean "inventor or joint inventors who are applying for a patent on their own invention, or the person mentioned in 37 CFR 1.42, 1.43 or 1.47 who is applying for a patent in place of the inventor. -- see 37 CFR 1.41 and MPEP 605." I suggest you redefine "Party" to include assignee of any applicant.

I also note that the proposed 42.2 differs from the existing 41.2 by not defining counsels as a party. I agree with that distinction relative to 41.2.

...Preliminary Proceeding begins with the filing of a petition for instituting a trial and ends with a written decision as to whether a trial will be instituted.

Proceeding means a trial or preliminary proceeding.

The AIA uniformly refers to "Proceeding" as that which follows the grant of a petition. So should the rules. Cf. AIA Sec. 3(I); 6(a); and 18(a) (AIA defines proceeding as that which follows grant of a petition for derivation, PGR, IPR, CBM, or Derivation proceeding). The proposed definition "Proceeding means a trial or preliminary proceeding." is inconsistent with the AIA definition.

"Preliminary Proceeding" is a poor choice of terms because it is similar and define a distinct thing from "Proceeding," and the AIA does not define what happens before grant of a petition as a "proceeding." As a matter of clarity, you should not use defined terms in rules that are not self defining and that can easily be confused with other terms.

Both definitions are not consistent with proposed 42.1, the scope of proposed section 42, because they are inconsistent with the meaning of "proceedings" in 42.1 construed in light of the AIA.

I advise that you do not use "Preliminary Proceeding" as a defined term in the new rules.

I advise that you correct the definition of "Proceeding" to comport with its definition in the AIA; that which follows the grant of a petition.

PROPOSED 42.2

...*Trial* means a *contested case* instituted by the Board based upon a petition. A trial begins with a written decision notifying the petitioner and patent owner of the institution of the trial. The term trial specifically includes a derivation proceeding under 35 U.S.C. 135; an inter partes review under Chapter 31 of title 35, United States Code; a post-grant review under Chapter 32 of title 35, United States Code; and a transitional business-method review under section 18 of the Leahy-Smith America Invents Act. Patent interferences are administered under part 41 and not under part 42 of this title, and therefore are not trials. [Emphasis supplied.]

The AIA fails to define "trial" with respect to a Board proceeding. So you are free to define it via rule. However, 41.2 defines a "contested case". At least the definition of "Party" in 41.3 (participant in a contested case) is inconsistent with the proposed definition for "Party", for section 42. Does this definition import all of the requirements of section 41 by reference to "*contested case*"? I see no incorporation of the requirements of section 41 into proposed section 42. I cannot tell whether or not 42 incorporates requirements of section 41. You need to clarify.

Except for this ambiguous reference to section 41, the definition of "trial" is redundant of the AIA definition of proceeding. If you want a catchall term to cover the four new Board proceedings, then just say so, viz "A trial means any one of the four Board proceedings specified by the Leahy-Smith America Invents Act: a derivation proceeding under 35 U.S.C. 135; an inter partes review under Chapter 31 of title 35, United States Code; a post-grant review under Chapter 32 of title 35, United States Code; and a transitional business-method review under section 18 of the Leahy-Smith America Invents Act." However, I also note that "trial" normally also includes the pleadings. By analogy to trials, the petition for a proceeding corresponds to the complaint. Accordingly, you may want to consider defining trial to include the petition and all papers thereafter both before and after decision on the petition, through entry of a final decision."

PROPOSED 42.2

"...Rehearing means reconsideration." This is a poor choice for a definition. The AIA reserves rehearing to a panel of the Board AIA Sec. 6(c)(3). However, any Administrative Patent Judge (APJ) can reconsider a decision, for example on a procedural issue. With due respect, there is no basis for this definition or use in the rules for rehearing when a single APJ can act on reconsideration. The long standing ambiguous reference at the Board to "rehearing" instead of "reconsideration" in appropriate circumstances where the reconsideration is not by a panel, should be terminated.

PROPOSED 42.3(b)

"(b) A petition to institute a trial must be filed with the Board in a timely manner. I suggest you change "trial" to "proceeding" to comport with the AIA.

PROPOSED 42.5

"(b) The Board may waive or suspend a requirement of parts 1, 41, and 42 and may place conditions on the waiver or suspension." - This provision provides no objective basis upon the Board can which waive or suspend a rule. A promulgated rule has the force and effect of law. It cannot be waived with unbounded discretion. This provision is unconstitutional because it violates due process and contrary to 5 USC 706 in several respects (in excess of authority, without observance of procedure required by law). I suggest you incorporate one or more standards against which to judge the limits of such a waiver or suspension.

PROPOSED 42.5(b)(3)

"(3) Late action. A late action will be excused on a showing of *good cause* or upon a Board decision that consideration on the merits would be in the *interests of justice*." - This provision is inconsistent with the AIA,

which reserves the "good cause" standard to the special situations of third party access to an agreement in respect of settlement, and extension of a proceeding to up to 18 months. If Congress had decided to require good cause throughout proceedings, it would not have reserved the good cause standard for extreme situations and failed to mention it for all other situations. The good cause standard is also universally inconsistent with existing Board inter partes practice of allowing for excusable neglect. See 37 CFR 41.4(b)(2); 1.301(a)(3)(ii). As a long time practitioner, I know that it is very difficult for parties to comply with all Board orders and rules. For example, there are inconsistencies and ambiguities in Board orders that make compliance a guessing game. As one example, I cite the inconsistent requirements for submission of paper copies of the record in interferences. Board paralegal guidance on issues like this one has varied between paralegals. One example is the conflict of the prohibition against filing a paper previously filed in an interference proceeding. That provision is inconsistent with the requirement to mark as an exhibit a document shown to a witness during cross-examination when the document is one previously filed in the interference. One example is the rejection of papers listing the former APJ's initials on the cover page shortly after the proceeding was transferred to a new APJ. One example is the rejection of a paper having two lines for a title instead of one line. For each of these rule or arguable rule violations, this rule would set an unacceptably high standard. Such a standard would, in effect, make the parties slaves to the administrative patent judge's whims, required to do whatever was demanded independent of actual utility in order to avoid loss of rights, thereby undermining the public policy of protecting due process.

Moreover, this standard fails to afford the Board sufficient discretion. It should incorporate an power in the Board to excuse any action for which the opposing party raises no objection. As written, a filing 1 second late would be inexcusable absent a very high showing. By comparison, under current practice in interferences, counsel routinely waive minor procedural violations, that is, agree not to contest them, and the managing APJ's never exclude the corresponding papers. Under the proposed rule, the managing APJ would have no discretion to waive any violation, however minor, unless the party made a very high showing. That is not consistent with the AIA's orderly administration and economic efficiency mandates.

PROPOSED 42.5(d)

"(d) Ex parte communications. Communication regarding a specific proceeding with a Board member defined in 35 U.S.C. 6(a) is not permitted unless both parties have an opportunity to be involved in the communication." - I suggest you clarify by changing "a Board member defined in 35 U.S.C. 6(a) " to - - a member of the Board defined in 35 U.S.C. 6".

PROPOSED 42.6(2)(ii) and (iii)

"(A) The proportional font must be 14 point or larger, and ... (iii) Double spacing must be used except ... [b]lock quotations may be 1.5 spaced..." - I submit that there is no basis to require 14 point font. Conventional business documents and documents filed in ex parte prosecution and litigation require 12 point font. Even the Board rules for interference rules require 12 point, not 14 point, font. See 41.106(2)(I). The disparate requirements within the PTO itself, and the conventional use of 12 point font suggests there is no reason for a 14 point font requirement, other than to limit the size of documents. However, the size of documents can be limited by page limits. Accordingly, there is no apparent reason for this variation from prior practice, and many reasons why it could cause havoc to practitioners attempting to comply with disparate font requirements in different proceedings. The allowance for 1.5 spaced block quotes shows that 1.5 spacing is readable by the APJs. The Office procedures for prosecution require 1.5 line spacing, not 2 line spacing. Accordingly, there appears to be no reason requiring 2 line spacing. In contrast, the variation between Office rules for ex parte prosecution and proposed section 42 (and also existing section 41) regarding line spacing is a burden on practitioners attempting to comply with disparate line spacing requirements, with no apparent benefit. Again, if the goal of the Office is to limit document length, it should do so with page limits, not by imposing conflicting format requirements.

PROPOSED 42.6(a)(4)

"(4) Signature; identification. Documents must be signed in accordance with §§ 1.33 and 11.18(a) of this title, and should be identified by the trial number (where known)." - A review of 1.33 shows that it contains nothing regarding signature requirements. A review of 11.18 shows that it contains nothing regarding signature requirements. The Office rule dealing with signature requirements is rule 1.4 ("1.4 Nature of correspondence and signature requirements."). Proposed 42.6(a)(4)'s "signed in accordance with" requirement, is indefinite. I do not know what it means. I strongly suggest you revise to expressly provide for S-signatures in addition to ink signatures. S-signatures in conjunction with electronic filing avoid the requirement to use paper, and provide a substantial increase in attorney efficiency, thereby reducing costs and promoting the AIA mandates. S-signatures should authorized in the proposed rules.

PROPOSED 42.6(c)

"(c) Exhibits. Each exhibit must be filed with the first document in which it is cited except as the Board may otherwise order." - This rule is contrary to the existing procedure in the Standing Order employed in Interferences. This rule is a welcome improvement! The interference based rules lack clarity regarding the time deadline and authorized time for filing of certain notices and exhibits.

PROPOSED 42.6(d)

"(d) Previously filed paper. A document already in the record of the proceeding must not be filed again, not even as an exhibit or an appendix, without express Board authorization." - This is a bad rule, because it provides for no exceptions. Cf. interference 105,759, papers 286 to 290, wherein Senior APJ McKelvey had to request from the parties authorization, and require a side show of attorney filings, to obtain entry of annotated claims for a limited purpose, because these annotated claims were heavily relied upon by the parties, but not made an exhibit, - - because that would have violated the rule against refileing a pleading as an exhibit. See FRE 105. The "without express Board authorization" is not, I repeat, not, a savings provision. No reasonable practitioner would go through the process of attempting to obtain authorization from an APJ to make an exhibit a pleading. Instead, the rule should be rewritten to define pleadings to identified as exhibits. Similarly, when showing a witness a paper during a deposition, ambiguity arises whether that paper, if previously filed in the proceeding as other than an exhibit, should be subsequently filed as an exhibit. It would seem that if the Board wishes to rely upon a paper as evidence, it needs the paper to be "in evidence". That would suggest making pleadings shown to and discussed by witnesses, exhibits.

PROPOSED 42.13(a) - (d)

"must be to the United States Reporter, ... to the West Reporter System...." There is no legitimate basis for this requirement, regardless that Office records include a copy of United States Reporter and West Reporter documents. All such information is now publicly available, via case name, on multiple Internet accessible web sites, and there is no basis to *require* counsel to include a specific reporter citation. At best, the rule should now that failure to include the specified reporter citation might result in lack of consideration of the argument. I suggest you change "must" to "should, in order to ensure consideration."

PROPOSED 42.15(a) and (b)

"Fees" - A specific problem with these fees is that they are not sufficiently granulated to accomplish the goals of the AIA of promoting efficient administration by the Office and the Office ability to timely complete proceedings. Keep in mind that res judicata applies to issues of fact and law which are resolved in a Board inter partes proceeding . Cf. In re Pritchard, 463 F.2d 1359, 1364, 175 USPQ 17, 21 (CCPA 1972); Woods v. Tsuchiya, 754 F. 2d 1571, 1579 (Fed. Cir. 1985); In re Shirmer, 69 F.2d 556, 558, 21 USPQ 161, 163 (CCPA 1934); and Avery v. Chase, 101 F.2d 204, 40 USPQ 343 (CCPA 1939), cert. den'd, 307 U.S. 638 (1939); and

Gholz, Collateral Estoppel Effect of Decisions by the Board of Patent Interferences, 65 JPOS 67, 96-97 (1983). Accordingly, a decision on a single claim may provide sufficient relief to a petitioner, even if sued based upon many claims of a patent subject to a petition for review.

I note that the proposed fees are larger than any fee the USPTO has ever required for a specification action. Unlike the fees for additional claims in a patent application, which are on the order of a hundred dollars, the fees differential per claim in the AIA proceedings is on the order of \$1000 dollars. However, the cost to petition including 20 claims may be too large for many entities that would otherwise challenge a single claim, or just a few claims, at a lower fee. Likewise, many petitioners that would otherwise file a petition, would challenge less than the 20 claims, if there were a per claim charge. Accordingly, it would be more efficient for the public and the Board if the fee structure were differentiated to charge based upon the actual number of claims identified in the petition.

PROPOSED 42.20(a)

"(a) Relief. Relief, other than a petition requesting the institution of a trial, must be requested in the form of a motion." - I suggest you revise by stating that "Relief must be requested in the form of a motion."

PROPOSED 42.20(b)

"(b) Prior authorization. A motion will not be entered without Board authorization. Authorization may be provided in an order of general applicability or during the proceeding." I suggest you revise by stating "A motion, other than a petition to institute a proceeding, will not be entered without Board authorization."

PROPOSED 42.21(a)

"(a) Notice of request for relief. The Board may require a party to file a notice stating the relief it requests and the basis for its entitlement to relief. A notice must include sufficient detail to place the Board and each opponent on notice of the precise relief requested. A notice is not evidence except as an admission by a party-opponent." A specific problem with this proposed rule is the potential loss of right based upon application of an unspecified standard. The standard is "sufficient detail to place the Board and each opponent on notice of the precise relief requested". My previous experience with this standard applied in interference proceedings, is that the Board and the parties have a very different understanding of that standard. I submit that there is no reasonable way to define such a subjective standard. Instead, you should remove the draconian consequences implicit in failing to comply with a rule by changing "must" to "should" and expressly indicating the consequence of initial failure to meet the standard. I suggest the following revision:

"(a) Notice of request for relief. The Board may require a party to file a notice stating the relief it intends to request and the basis for its entitlement to that relief. A notice should include sufficient detail to place the Board and each opponent on notice of the precise relief requested. In case the Board finds a Notice to include sufficient detail, the Board will require the party that filed the notice to file a new notice providing such additional detail to place the Board and each opponent on notice of the precise relief requested. A notice is not evidence except as an admission by a party-opponent."

PROPOSED 42.21(c)(a)

"(1) A failure to state a sufficient basis for relief may result in a denial of the relief requested;" - I suggest that this provision account for changes to 42.21(a). For example, I propose "(1) A failure to state a sufficient basis for relief in a Notice may result in a denial of the relief requested;" (adding "a Notice").

PROPOSED 42.21(d)

"(d) Correction. A party may move to correct its notice. The motion should be filed promptly after the party becomes aware of the basis for the correction. A correction filed after the time set for filing notices will only be entered if entry would serve the interests of justice." - I see no policy based reason for an "interests of justice" standard. Early on in interference proceedings, it is common for parties to identify and request changes to their proposed relief within a week or so of the date proposed motions lists are filed, and those changes are uniformly granted, because they are non-prejudicial. Why, given the same procedural time frames for AIA proceedings and generally the same mandates, should the standard be so much higher for corrections in position in AIA proceedings. I submit that the correction of Notices prior to when substantive motions are due is almost never prejudicial and should be allowed under the excusable neglect standard, for the same reasons noted above for proposed 42.5(b)(3).

PROPOSED 42.22

"42.22 Content of petitions and motions.

(a) Each petition or motion must be filed as a separate paper and must include:

(1) A statement of the precise relief requested;

(2) A statement of material facts (see paragraph © of this section); and ...

(c) Statement of material facts. Each material fact shall be set forth as a separately numbered sentence with specific citations to the portions of the record that support the fact" - What constitutes a single "material fact" is undefined. The proposed standards for accepting a procedurally defective paper in an AIA proceeding would require a "good cause" or "interests of justice" showing to entitle the Board to ignore the procedural violation of either failing to list one material fact, or failing to list two material facts separately. That is unattainable standard because what the Board and a party consider to be one or more "material facts" is subjective. I suggest you revise as follows:

42.22(a) and (a)(1)

"(a) Each motion must be filed as a separate paper and: "

(1) Must include a statement of the precise relief requested;

(2) Should include a statement of material fact sentences in support of the precise relief requested (see paragraph (c) of this section)"

(3) Must include a full statement of the reasons for the relief requested, including a detailed explanation of the significance of the evidence including material facts, and the governing law, rules, and precedent.

42.22(c)

"Statement of material facts. Each material fact sentence should be numbered sequentially and should be followed by at least one specific citation to the portions of the record that supports the material fact sentence." - I suggest changing the standard in 42.22(c) from "shall" to "should" to indicate that irregularities in numbering will not be fatal to consideration of a motion. I suggest adding a new 42.2(e) corresponding to existing procedure interferences, as follows: "42.2(e) The Board may discount motion (and opposition and reply) arguments that fail to sufficiently identify evidence and material facts in support thereof."

PROPOSED 42.23(a)

"(a) Oppositions and replies must comply with the content requirements for motions and must include a statement identifying material facts in dispute. Any material fact not specifically denied may be considered admitted." As noted, pre-existing statements of fact in motions in interferences often contain compound assertion sentences, and result in long multi-sentence responses. This problem results from the rules failing to define a material fact assertion. Referring to numbered fact sentences resolves the first problem. Requiring the response to be either and only one of "admit"; "deny" or "deny due to insufficient information" should resolve

the second problem. I suggest revising 42.23(b) to read "(a) Oppositions and replies must comply with the content requirements for motions and must include a statement in response to each material fact sentence consisting of one of : "admit"; "deny"; and "deny, due to insufficient information. A material fact sentence containing any denied material fact must be denied, or the material fact sentence will be deemed admitted. A material fact sentence containing any fact for which the party lacks sufficient information to determine must be denied, or the material fact sentence will be deemed admitted."

PROPOSED RULE 42.53(e) (v)

"(v) The place where the deposition was taken and the day and hour when the deposition began and ended;" - This rule fails to recognize that many depositions are now taken via voice or voice and video communications involving more than one location and time zone. I suggest that your revise to state "(v) The place where the office recorded the deposition and the day and hour at the location of the officer, when the deposition began and ended;"

PROPOSED RULE 42.53(e)(7)

"(7) The officer must promptly provide a copy of the transcript to all parties. The testimony must be filed by proponent as an exhibit." - At least some reporting services charge the full cost of a deposition to each attorney to whom they deliver a copy. Many counsel in the interference bar agree to forward the copy received by the proponent of the testimony to the other counsels in exchange for being charges redundant fees. No rule should require the proponent of the testimony to have to pay such fees unnecessarily. Moreover, the absolute requirement that the proponent file the testimony as an exhibit serves no purpose in those situations where the proponent has no reason to rely upon the testimony. Accordingly, this rule should be revised to allow for cost saving practices as follows "(7) Unless the parties agree otherwise and inform the officer of such agreement, the officer must promptly provide a copy of the transcript to all parties. A party that intends to rely upon the testimony should file the testimony as an exhibit."

PROPOSED 42.63(c)

"(c) Civil action, civil proceeding, and action mean trial." - This definition is vague. As noted herein above, the proposal for definition of "trial" is vague. I think you should revise to state "Civil action, civil proceeding, and action mean petition for institution of a post grant review, inter partes review, covered business method review, or derivation proceeding, and any follow on proceeding resulting from grant of the petition."

PROPOSED 42.80

"After the Board issues a final written decision in an inter partes review, postgrant review, or covered business method patent review and the time for appeal has expired or any appeal has terminated, the Office will issue and publish a certificate canceling any claim of the patent finally determined to be unpatentable, confirming any claim of the patent determined to be patentable, and incorporating in the patent any new or amended claim determined to be patentable by operation of the certificate." - I suggest you amend this provision to account for the online nature of Board proceedings and the goal of rapid resolution of AIA proceedings to advance the legal effect of the certificate. I suggest you do so by rule by deeming the final written decision to be the certificate as of the date no appeal or civil action can taken, if none is taken, and by deeming the mandate of the court to be the certificate from the date a court issues such a mandate until the date the USPTO publishes a certificate. I suggest the following: "After the time for appeal has expired or any appeal has terminated, the Office deems the final written decision of the Board in case no appeal was taken, or the mandate of the Court in case an appeal was taken, to be a published certificate canceling any claim of the patent finally determined to be unpatentable,

confirming any claim of the patent determined to be patentable, and incorporating in the patent any new or amended claim determined to be patentable, until the Office publishes such a certificate."

Very truly yours,
Richard A. Neifeld
Neifeld IP Law, PC

Printed:

Y:\Library\LAW\FirmPublicationsAndPresentationsAndLectureMaterials\RickNeifeld\CommentsOnTheProposedRulesAndPracticeGuideForBoardTrials.wpd