

April 6, 2012

The Honorable David J. Kappos
Under Secretary of Commerce for Intellectual Property and
Director of the United States Patent and Trademark Office
United States Patent and Trademark Office
600 Dulany Street
Alexandria, VA 22314

Via email: (*patent_trial_rules@uspto.gov*)

**Re: Request for Comments on the “Practice Guide for Proposed Trial Rules”
77 Fed. Reg. 6868 (February 9, 2012)**

Dear Under Secretary Kappos:

The American Intellectual Property Law Association (AIPLA) is pleased to have the opportunity to present its views with respect to the “Request for Comments on the Practice Guide for Proposed Trial Rules” as published in the Federal Register (77 Fed. Reg. 6868) on February 9, 2012 (the “Request”).

AIPLA is a U.S.-based national bar association with approximately 15,000 members who are primarily lawyers in private and corporate practice, government service, and the academic community. AIPLA represents a diverse spectrum of individuals, companies, and institutions involved directly and indirectly in the practice of patent, trademark, copyright, unfair competition, and trade secret law, as well as other fields of law affecting intellectual property. Our members practice or are otherwise involved in patent law and other intellectual property law in the United States and in jurisdictions throughout the world.

AIPLA is unclear of the status of the proposed Practice Guide in relation to the Proposed Rules for Board Trials, as well as IPR and PGR rules. For example, it is unclear why the Federal Register Notice for comments on a proposed Practice Guide is being issued before the Trial Rules themselves are finalized. Further, it is unclear what the future status of the Practice Guide will be. Given that a Notice of Proposed Rulemaking has been issued for creation of the Practice Guide, does this mean that future changes to the Practice Guide will be subject to public notice and comment as well? Or can it be changed by the Office without notice and comment?

The latter question is of importance, in that it bears on the issue of what should be included in the CFR, and what should be included in the Practice Guide. Because AIPLA is unclear on this matter, we have chosen to deal with issues relating to specific standards, such as page limits and time limits, in our separately submitted comments on IPR, PGR, and Trial Rules.

The present comments deal more with general issues and suggestions of what should be covered in the Practice Guide, that is, how things are to be done, not what is to be done. Should the USPTO seek additional comments on the latter, we would welcome the opportunity to provide further input. That said, we set forth below our comments on portions of the proposed Practice Guide in the order they appear in the Federal Register, and not necessarily in the order of their importance.

General Overview

Scheduling Order and Initial Conference

According to the proposed Practice Guide, when the Board decides to institute a proceeding, it will enter a Scheduling Order. Thereafter, following an initial conference during which proposed motions are discussed, the Scheduling Order may be adjusted. As an alternative, AIPLA proposes that the Scheduling Order be issued after the initial conference thereby avoiding the need to adjust the schedule.

Under current interference practice, the Scheduling Order is issued after the initial conference. Because the Administrative Patent Judge has reviewed and made a determination on what motions will be authorized, it is a simple matter for all parties to work out an acceptable schedule during the initial conference. Thus, issuing a standard Scheduling Order based on the type of proceeding and then adjusting the schedule shortly thereafter based on the motions sought to be filed seems an unnecessary exercise.

AIPLA also believes that the proposal that the initial conference take place about a month after institution of the trial is excessive. Since institution takes place approximately five months after the petition has been filed and three months after any patent owner's preliminary response in an *Inter Partes* Review ("IPR"), Post-Grant Review ("PGR"), and Covered Business Method ("CBM") proceeding, both parties will have sufficient time to decide what motions they wish to file by the time the trial is instituted.

Therefore, AIPLA suggests that the initial conference should be scheduled within a week to ten (10) days after the decision instituting a trial, with the exchange of the list of proposed motions taking place five business days prior to the initial conference. *See* comment below on Section II E of the Request at 77 Fed. Reg. 6868, 6874, proposing that the time for exchanging the list of proposed motions be extended from two to five business days.

Especially where the patent owner seeks additional discovery, the time to the initial conference should be as short as possible so that any authorized discovery can be obtained well before the time for filing the patent owner's response.

Also, since proposed §42.64 provides a procedure for objecting to evidence and for filing supplemental evidence, AIPLA suggests that the General Overview section make some reference to the times for objecting to evidence and submitting supplemental evidence.

AIPLA also notes that proposed §42.2 defines a proceeding as including both the preliminary proceeding and the trial. However, the proposed Practice Guide sometimes refers to the Board deciding to institute the “proceeding” which is inconsistent with the definition in the proposed rule. *See*, for example, the first paragraph under General Overview, 77 Fed. Reg. at 6869.

Summary of the Proposed Rules

I. General Procedures

Counsel

In Subsection B (*Counsel*), 77 Fed. Reg. at 6870, the proposed Practice Guide makes reference to the designation of lead and back-up counsel. In current contested case practice, often a party will list either multiple back-up counsel or a single back-up counsel while listing other counsel of record. This is done to ensure that papers sent electronically from the Board are sent to all responsible attorneys. AIPLA suggests that the listing of additional attorneys who may or may not have the authority to bind the client be clearly authorized.

Pro Hac Vice

AIPLA agrees with the Office’s proposal that recognizing counsel *pro hac vice* should be permitted in limited circumstances, and considers proper representation of all interested parties to be an issue of substantial importance. AIPLA recognizes that the USPTO Board Of Patent Appeals and Interferences currently has a Standing Order on the subject, Standing Order ¶ 5 (Mar. 8, 2011) <http://www.uspto.gov/ip/boards/bpai/interf/forms/standingordermar2011.pdf>, that is consistent with the proposed Rules.

Electronic Filing

In Subsection C (*Electronic Filing*), 77 Fed. Reg. at 6870, the proposed Practice Guide suggests that if a problem arises with electronic filing, the party may contact the Board and request a one-day extension. However, in contested cases, papers are often filed at or around 5:00 p.m., which may make it difficult to find anyone at the Board available to approve a one-day extension. AIPLA proposes that where an electronic filing problem arises, if the due date is not extendable by the parties, and if a Board member cannot be reached that day, the party that encounters the problem should notify opposing counsel that it will not be filing that day but will be filing the next day and will schedule a conference call the next morning to obtain a one-day extension for both parties. The opponent, if it has not already filed, may rely on the assertion that a problem is being experienced and defer filing until the next day.

Confidentiality

In Subsection E5 (*Public Availability and Confidentiality/Confidential Information in a Petition*), 77 Fed. Reg. at 6871, there is a discussion of how confidential information is to be submitted with a petition. However, there is no mention of how invention dates are to be treated in a derivation proceeding. Accordingly, AIPLA proposes that the USPTO adopt a procedure for derivation proceedings similar to the confidential priority statement filed in an interference.

Specifically, AIPLA proposes that the asserted invention date be stated in a paper filed electronically as confidential information separate from but along with the petition. The petition itself would not need to refer to the specific dates asserted. The petitioner's invention dates would be retained as confidential until a determination as to whether to institute a trial. If no trial is instituted, the document stating confidential invention dates would be discarded or kept confidential indefinitely. If a trial is instituted, the patent owner would be required to file a paper disclosing its invention dates, after which the papers stating invention dates would be served as in current interference practice.

II. Petitions and Motions Practice

Page Limits

In Subsection A3 (*General Motions Practice Information/Page Limits*), 77 Fed. Reg. at 6872, the proposed Practice Guide references the page limits set forth in proposed §42.24.

AIPLA recognizes the need for an expedited proceeding and understands the Office's view that the experience of the Board in interference practice evidences that a page limit requires the parties to focus on the key grounds and to better organize their briefs. However, AIPLA considers this an issue of high importance and substance, in that the rights of the patent owner will be significantly impacted by the ability or inability to present its arguments fully in the number of pages allowed. Thus, we believe that this issue should be dealt with in the Rules themselves.

Substitute Claims

In Subsection G (*Amendments*), 77 Fed. Reg. at 6875, the proposed Practice Guide suggests that there should be a presumption that a reasonable number of substitute claims should be one substitute claim for each challenged claim.

While AIPLA is mindful of the need to minimize issues in order to meet the statutory deadline, it believes that a patentee should be able to have two versions of each challenged claim before the Board for decision, one of which would be contingent. However, AIPLA considers this an issue of high importance and substance, in that the rights of the patent owner will be significantly impacted by the ability or inability to present amendments to the claims. Thus, we believe that this issue should be dealt with in the Rules themselves.

Additional Motions

In Subsection J (*Additional Motions*), 77 Fed. Reg. at 6875, the proposed Practice Guide treats observations on cross-examination of a reply declarant as a motion. AIPLA submits that this is confusing since there is no reply to a motion for observation as in all other motions, as evidenced by the due dates in Appendix A-1 and A-2. Moreover, observations would not need to have a statement of material facts as required for all motions under proposed §42.22.

AIPLA proposes that the Office adopt the practice under current interference practice where observations and replies are simply papers authorized by the Standing Order. Thus, the sample Scheduling Orders in Appendix A-1 and A-2 should be revised so as not to label observations and replies based on cross-examination of a reply witness as “motions.”

Default Protective Order (Appendix B)

AIPLA offers the following comment on the Standing Protective Order (PO) in Appendix B:

- a) It appears that the term “Parties” in paragraph 2(A) relates only to individuals, while corporations would appear to be included as a “party” in the definition of “In-house counsel” and “Other Employees of a Party.” Are corporations intended to be included in the definition of “Parties,” and, if so, who would be included in that definition?
- b) The Office may wish to consider further constraining the disclosure of confidential software above other information.
- c) The Standing PO should also include language that says that persons who previously authored or received confidential documents may be shown those documents during a deposition or cross-examination without violating the Standing PO.
- d) The Office may wish to consider clawback procedures for inadvertently disclosed information, whether it be confidential information or privileged information.

Additional Comments

AIPLA also suggests that the final Practice Guide provide some discussion of the following topics.

The proposed Practice Guide is silent as to the procedure for obtaining additional discovery that may be needed by the petitioner. For example, if the petition asserts unpatentability based on inequitable conduct or on a public use or sale bar, when will the petitioner be able to obtain additional discovery assuming that a motion for additional discovery is authorized?

The proposed Practice Guide is also silent as to the procedure the Office will use to determine whether it will institute a trial based on a petition that raises a ground that requires additional discovery such as unpatentability based on inequitable conduct.

* * * * *

AIPLA appreciates the opportunity to provide these comments, which are presented to assist the Office in developing rules and procedures that will benefit the public, patent owners, and also the Office. We would be pleased to answer any questions these comments may raise and look forward to participation in the continuing development of rules appropriate for patent practice and for implementation of the AIA.

Sincerely,

A handwritten signature in black ink that reads "William G. Barber". The signature is written in a cursive style with a long, sweeping underline.

William G. Barber
AIPLA President