

## 201110 Comments on Discretion To Institute Trials Before the Patent Trial and Appeal Board

### BACKGROUND

I am an inventor with approximately 500 pending and granted US patents and patent applications. I have a BA in Physics from Carleton College, a SB and SM in Mechanical Engineering from MIT, an MBA in Industrial Management from MIT and a PhD in Mechanical Engineering from Columbia University. I have received several awards from the US government and private organizations for my work in automotive safety. Several of my inventions have gone into high volume production in the defense and automotive industries. In 1988 I left my position as president of Breed Technologies, where I had invented the airbag crash sensor which went on 90% of the world's airbag cars in the 1990s, to form Automotive Technologies International, Inc. At ATI I invented many products which are now in high volume production by other companies which I believe are infringing my patents including side curtain airbags, occupant sensing, and anticipatory crash sensors.

Since we lacked the resources to defend our patents and since ATI was a small company which could not become a qualified supplier to the automotive companies, I was forced to turn over many of my patents to a patent enforcement company. They put a value on the portfolio of \$50 million to \$500 million. The patent assertion company collected many \$millions asserting my patents before the AIA was passed. After the AIA, one series of 10 of my patents were asserted against several automotive manufacturers who submitted them to the PTAB. The PTAB invalidated all 10 of these patents. After that, the patent assertion company revalued our portfolio to \$20 million and then to \$0.

To help improve the PTAB and protect the IP of small companies, I urge adoption of regulations to govern the discretion to institute PTAB trials consistent with the following principles.

### I: PREDICTABILITY

Regulations must provide predictability. Stakeholders must be able to know in advance whether a petition is to be permitted or denied for policy reasons. To this end regulations should favor objective analysis and eschew subjectivity, balancing, weighing, holistic viewing, and individual discretion. The decision-making should be procedural based on clear rules. Presence or absence of discrete factors should be determinative, at least in ordinary circumstances. If compounded or weighted factors are absolutely necessary, the number of possible combinations must be minimized and the rubric must be published in the Code of Federal Regulations.

### II: MULTIPLE PETITIONS

- a) A petitioner, real party in interest, and privy of the petitioner should be jointly limited to one petition per patent.
- b) Each patent should be subject to no more than one instituted AIA trial.
- c) A petitioner seeking to challenge a patent under the AIA should be required to file their petition within 90 days of an earlier petition against that patent (i.e., prior to a preliminary response). Petitions filed more than 90 days after an earlier petition should be denied.

- d) Petitioners filing within 90 days of a first petition against the same patent should be permitted to join an instituted trial.
- e) These provisions should govern all petitions absent a showing of extraordinary circumstances approved by the Director, Commissioner, and Chief Judge.

### III: PROCEEDINGS IN OTHER TRIBUNALS

- a) The PTAB should not institute duplicative proceedings.
- b) A petition should be denied when the challenged patent is concurrently asserted in a district court against the petitioner, real party in interest, or privy of the petitioner and the court has neither stayed the case nor issued any order that is contingent on institution of review.
- c) A petition should be denied when the challenged patent is concurrently asserted in a district court against the petitioner, real party in interest, or privy of the petitioner with a trial is scheduled to occur within 18 months of the filing date of the petition.
- d) A petition should be denied when the challenged patent has been held not invalid in a final determination of the ITC involving the petitioner, real party in interest, or privy of the petitioner.

### IV: PRIVY

- a) An entity who benefits from invalidation of a patent and pays money to a petitioner challenging that patent should be considered a privy subject to the estoppel provisions of the AIA.
- b) Privy should be interpreted to include a party to an agreement with the petitioner or real party of interest related to the validity or infringement of the patent where at least one of the parties to the agreement would benefit from a finding of unpatentability.

### V: ECONOMIC IMPACT

Regulations should account for the proportionally greater harm to independent inventors and small businesses posed by institution of an AIA trial, to the extent it harms the economy and integrity of the patent system, including their financial resources and access to effective legal representation.