

Comments regarding the “Umbrella” Rules

General:

Broadly speaking, I believe the various proposed rules are excellent and will ensure that the new post grant review proceedings are, as intended, relatively low cost alternatives to challenging patents in district court. Central to achieving that end are: (1) the page limitations; (2) the Board’s stated commitment to usually complete trials within 12 months and definitely within 18 months; and (3) mostly automatic and limited discovery (relative to discovery under the FRCP).

I am submitting comments regarding the various proposed rules to implement post grant proceedings as part of a group effort through my IPO committee: U.S. Patent Office *Inter Partes* Proceedings Committee. However, I wanted to directly submit a few comments separately to make sure they reach the Board because, in my humble opinion, I believe they may be especially important to consider.

A. Scope of Trial Instituted

The Practice Guide at p. 6874 states:

3. Content of Decision on Whether to Institute: In instituting a trial, the Board will streamline the issues for final decision by authorizing the trial to proceed only on the challenged claims for which the threshold requirements for the proceeding have been met. The Board will identify the grounds the trial will proceed upon on a claim-by-claim basis. Any claim or issue not included in the authorization for review is not part of the trial.

This seemingly bright line rule may raise questions in particular circumstances. For example:

- (1) If a petitioner seeks review of only one claim that happens to be representative of a number of claims in the same patent, and if all of those claims largely rise or fall together for purposes of validity, can the patent owner move to amend not only the reviewed claim but also the non-reviewed claims to cure the alleged deficiency that is common to all of those claims? My understanding is the answer to this question is “no” but it seems like it could create inefficiencies.

- (2) Petitioner estoppel under 35 U.S.C. §§ 315(e) and 325(e) refers to “any ground that the petitioner raised or reasonably could have raised during that [inter partes or post grant] review.” What does “raised or reasonably could have raised” mean? Does it refer to all grounds raised or reasonably able to be raised in the petition? Or, does it refer to all grounds raised or reasonably able to be raised during the trial, which by definition are limited by the decision authorizing the trial? If the former, then the inability to appeal the decision defining the scope of a trial could be particularly harsh. If the latter, then the scope of estoppel would be very limited, and it potentially could be manipulated by the petitioner. For example, a petitioner wishing to make a 102 argument in a PGR trial while reserving the right to later make a 112 argument in a subsequent trial, might assert invalidity under 102 and 112 in its petition for PRG but only make supporting arguments with respect to 102. Presumably then, if a PGR trial is instituted, it would be limited to the 102 issue, and the petitioner would be free to later assert invalidity under 112 since the decision to institute the trial “prevented” him from raising it during that trial.

B. Proposed Rule 42.55: Unilateral Protective Orders

Proposed Rule 42.55 specifies that a petitioner may file a petition for review with confidential information simultaneously with a motion to seal the confidential information and a proposed protective order. The patent owner cannot access the confidential information unless it agrees to be bound by the petitioner proposed protective order. Also, § 42.55 states that the decision to institute a trial would constitute a grant of the motion to seal (and, thus, presumably an entering of the proposed protective order). As such, § 42.55 may give an unfair advantage to the petitioner because it can unilaterally limit the patent owner’s ability to seek advice and counsel in preparing a preliminary response to the petition and possibly during trial. I believe a better course is to force petitioners to initially rely on the Board’s standing protective order. If the petitioner wants to deviate from the standing protective order, the petitioner should move for such relief, and the patent owner should have a chance to be heard on the issue prior to any deviation.

c. Proposed Rule 42.71(c): Rehearings

Proposed Rule 42.71(c) provides for rehearing of decisions. With respect to a decision denying a petition for review, which decision it appears will be made by a single APJ, would rehearing be by the same APJ or by another APJ? Perhaps, such a decision should be reheard by a second APJ, considering how much money a petitioner may pay in fees to seek a trial and that a denial of a petition is not an appealable decision.

D. Proposed Rule 42.73(d)(1): Petitioner Estoppel

Without any remediating rule by the Board, the petitioner estoppel statutes (35 U.S.C. §§ 315(e) and 325(e)) may be insufficient to prevent or discourage virtually duplicative litigation. Those statutes apply only to claims actually reviewed, which review results in a final written decision. Thus, under those statutes, a petitioner may seek a favorable PTAB judgment in a PGR or IPR proceeding with respect to a single challenged claim that, if successful, will cast a shadow of invalidity on various related claims of the patent. If the petitioner is unsuccessful, however, it will not be estopped from challenging the other related claims in the future even on the basis of the same primary reference.

Such a maneuver may be particularly useful to a petitioner who is susceptible to an infringement action on some but not all claims of a patent. That petitioner could seek review of only a single dependent claim that it is convinced it could not possibly infringe under any claim construction (and, ideally, a claim that the patent owner could not assert against petitioner consistent with FRCP Rule 11). By doing so, the petitioner is able to seek such review without compromising its ability to defend an infringement action on invalidity grounds.

If, on the one hand, the petitioner is successful, for example on 102 or 103 grounds, with respect to the challenged dependent claim, it necessarily follows that (1) the independent claim must also be invalid, and (2) the validity of the other dependent claims can only be defended on the basis of their additional limitations and not on the limitations of the independent claim from which they depend. If, on the other hand, the petitioner is unsuccessful, it need not fear being estopped from later re-asserting that the dependent claim is invalid since it comfortably does not infringe that claim anyway.

To discourage piecemeal challenges to a patent, perhaps the Board should consider rules such as the following:

- (1) A petitioner who previously and unsuccessfully challenged in the USPTO any claim of a patent under 102 or 103 may not thereafter challenge in the USPTO another claim of the same patent on 102 grounds based on a reference that was relied upon in the previous proceeding (unless the reference was found not to constitute prior art against all claims challenged in the previous proceeding).
- (2) A petitioner who previously and unsuccessfully challenged in the USPTO any claim of a patent under 102 or 103 may not thereafter challenge in the USPTO another claim of the same patent on 103 grounds based on a primary reference that was relied upon in the previous proceeding (unless the reference was found not to constitute prior art against all claims challenged in the previous proceeding).
- (3) A petitioner who previously and unsuccessfully challenged in the USPTO any dependent claim of a patent under 112 may not thereafter challenge in the

USPTO on 112 grounds any claim of the same patent on which the dependent claim directly or indirectly depends.

E. Proposed Rule 42.73(d)(3): Patent Owner Estoppel

Proposed Rule 42.73(d)(3)(ii) precludes a patent applicant or owner whose claim is canceled from obtaining in any patent a claim that “could have been filed” during IPR or PGR. This would seemingly encompass any and all claims of narrower scope that are supported and enabled by the specification and that arguably would have obviated the petitioner’s invalidity challenge. This seems unfair in light of the limits to amendments during trials that are imposed by proposed rules §§ 42.121 and 42.221. It also seems generally at odds with the very existence and purpose of continuation practice, through which the USPTO has long afforded patent applicants wide latitude to later present claims in subsequent daughter applications even if they could have been presented in the parent application.