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**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE**

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**In re: Docket No. PTO-P-2011-0083 and  
Docket No. PTO-P-2011-0084**

**77 Fed. Reg. 7041 and  
77 Fed. Reg. 7060  
(February 10, 2012)**

***Combined Comments by Intellectual Ventures, LLC on Changes to  
Implement Inter Partes Review Proceedings and Changes to Imple-  
ment Post-Grant Review Proceedings***

**Attention:**

The Honorable David J. Kappos  
Under Secretary of Commerce for Intellectual Property  
and Director of the United States Patent and Trademark Office  
Mail Stop Patent Board  
P.O. Box 1450  
Alexandria, VA 22313-1450  
Attn: Michael Tierney, Lead Administrative Patent Judge

**Submitted by:**

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inventions.<sup>2</sup> We also build upon our inventions by licensing and acquiring intellectual property from industrial, government, and academic partnerships. We rely upon a strong patent system to protect the innovation that our company fosters. As one of the top 50 patent application filers in the world, we also rely on a patent examination and reexamination system that emphasizes quality and efficiency while minimizing cost. For more information about the business model and work of Intellectual Ventures, please visit our website:

<http://www.intellectualventures.com/inventors.aspx>.

The Leahy-Smith America Invents Act (the “AIA”) provides for several new post-grant proceedings, including IPR and PGR. To implement these proceedings, the Notices respectively propose specific rules that complement the proposed general rules of practice before the Patent Trial and Appeal Board.<sup>3</sup> In particular, the IPR Notice proposes Rules 42.100 et seq. relating to, e.g., the requisites of a petition for an IPR proceeding, institution of an IPR proceeding, and matters arising after institution of an IPR proceeding such as amendment of the patent and handling of multiple proceedings.<sup>4</sup> The PGR notice proposes Rules 42.200 et seq. governing PGR proceedings that are structured similarly to the IPR rules.<sup>5</sup> As discussed in greater detail below, we believe that the proposed IPR and PGR rules should be clarified in several specific respects.

## II. Comments on the Notice

As noted above, the proposed IPR and PGR rules largely complement the larger set of proposed general rules for trials before the PTAB to address statutory matters that are particular to IPR and PGR proceedings, respectively. In particular, proposed Rules 42.121(c)(2) and 42.221(c)(2) relate to the entry of amendments that raise questions of new matter or enlargement of claim scope. Additionally, proposed Rules 42.122 and 42.222 relate to the USPTO’s statutory authority to address related proceedings involving a patent that is subject to an IPR or PGR proceeding.

We recommend that the USPTO revise these rules to address the issues discussed in greater detail below. Specifically, because the rules concerning entry of amendments are bottomed in statutory questions of substance and not procedure, these rules should be revised to reflect amendment practice in other proceedings before the USPTO. We further advise that the rules concerning related proceedings explicitly acknowledge that under the AIA, the USPTO’s authority to address related proceedings is specifically constrained by the strict statutory time limits that apply to IPR and PGR proceedings.

A. Because questions of enlarged claim scope and new matter are substantive questions that arise under statutory provisions, amendments raising such questions should not be procedurally

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<sup>2</sup> For a list of senior inventors at Intellectual Ventures, see <http://www.intellectualventures.com/inventors.aspx>.

<sup>3</sup> “Rules of Practice for Trials Before the Patent Trial and Appeal Board and Judicial Review of Patent Trial and Appeal Board Decisions,” 77 Fed. Reg. 6879 (February 9, 2012).

<sup>4</sup> IPR Notice at 7058-60.

<sup>5</sup> PGR Notice at 7078-80.

denied, but rather entered and substantively rejected so that the questions can be appropriately reviewed.

Proposed Rules 42.121(c)(2) and 42.221(c)(2) each provide that “[a] motion to amend the claims of a patent will not be authorized where . . . [t]he amendment seeks to enlarge the scope of the claims of the patent or introduce new subject matter.”<sup>6</sup> In justifying such an approach, the IPR Notice simply states that it “aids the efficient administration of the Office and the timely completion of the review, 35 U.S.C. 316(b), and is also consistent with 35 U.S.C. 316(d)(3), which prohibits enlarging the scope of claims or introducing new matter.”<sup>7</sup>

Preliminarily, we note that questions of enlarged claim scope or new matter are statutory matters not only with respect to IPR and PGR proceedings, but also with respect to reissue and reexamination proceedings, as well as original prosecution (with respect to new matter).<sup>8</sup> When such questions arise in these latter proceedings, it is the USPTO’s current practice not to refuse an amendment, but to enter it and raise a rejection on appropriate statutory grounds.<sup>9</sup> Specifically, in *ex parte* reexamination proceedings (which, by statute, must be conducted with “special dispatch”<sup>10</sup>), the USPTO’s approach to questions of new matter and claim scope completely contradicts its proposal for IPR and PGR proceedings:

Where an amendment is submitted in proper form and it is otherwise appropriate to enter the amendment, the amendment will be entered for purposes of the reexamination proceeding, even though the amendment does not have legal effect until the certificate is issued. Any "new matter" amendment to the disclosure (35 U.S.C. 132) will be required to be canceled, and claims containing new matter will be rejected under 35 U.S.C. 112. A "new matter" amendment to the drawing is ordinarily not entered. See MPEP § 608.04, § 608.04(a) and (c). Where an amendment enlarges the scope of the claims of the patent, the amendment will be entered; however the appropriate claims will be rejected under 35 U.S.C. 305.<sup>11</sup>

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<sup>6</sup> IPR Notice at 7060; PGR Notice at 7080.

<sup>7</sup> IPR Notice at 7046; *see also* PGR Notice at 7066 (providing a nearly verbatim rationale).

<sup>8</sup> Regarding new matter, *see, e.g.*, 35 U.S.C. § 132(b) (“No amendment shall introduce new matter into the disclosure of the invention.”); 35 U.S.C. § 251 (“No amendment shall introduce new matter into the application for reissue.”); 35 U.S.C. § 305 (incorporating § 132 into reexamination proceedings); *see also* 35 U.S.C. § 112, ¶1 (concerning the written description requirement for claim support). Regarding enlargement of claim scope, *see, e.g.*, 35 U.S.C. § 251 (“No reissued patent shall be granted enlarging the scope of the claims of the original patent unless applied for within two years from the grant of the original patent.”); 35 U.S.C. § 305 (“No proposed amended or new claim enlarging the scope of a claim of the patent will be permitted in a reexamination proceeding under this chapter.”)

<sup>9</sup> *See, e.g.*, MANUAL OF PATENT EXAMINING PROCEDURE (“MPEP”), 8th ed., § 2163.06 (rev. July 2010) (“If new subject matter is added to the disclosure, whether it be in the abstract, the specification, or the drawings, the examiner should object to the introduction of new matter under 35 U.S.C. 132 or 251 as appropriate, and require applicant to cancel the new matter. If new matter is added to the claims, the examiner should reject the claims under 35 U.S.C. 112, first paragraph - written description requirement.”)

<sup>10</sup> 35 U.S.C. § 305.

<sup>11</sup> MPEP § 2270 (emphasis added).

Whether or not an amendment raises a question of new matter or enlargement of claim scope is a substantive legal question on which patent owners, third party requesters, and the USPTO may reasonably hold different views. Resolution of such questions requires doctrinal analysis: for example, questions of enlarged claim scope require the original and amended claims to be construed according to the appropriate legal standard, while questions of new matter require analysis of the specification according to written description jurisprudence. The USPTO explicitly recognizes that substantive questions such as these are properly reviewed on appeal, which is statutorily available to applicants and patent owners as a matter of right:

The United States Patent and Trademark Office (Office) in administering the Patent Laws makes many decisions of a substantive nature which the applicant may feel deny him or her the patent protection to which he or she is entitled. The differences of opinion on such matters can be justly resolved only by prescribing and following judicial procedures. Where the differences of opinion concern the denial of patent claims because of prior art or other patentability issues, the questions thereby raised are said to relate to the merits, and appeal procedure within the Office and to the courts has long been provided by statute (35 U.S.C. 134).<sup>12</sup>

We believe that efforts to efficiently and timely complete an IPR or PGR proceeding are laudable, particularly given the aggressive statutory deadlines governing such proceedings. However, we strongly believe that such efforts should not come at the expense of a patent owner's statutory and due process rights to have substantive questions of statutory law reviewed on appeal.<sup>13</sup> Yet this would be the exact result if a patent owner's amendment were to be procedurally denied entry as proposed in IPR and PGR proceedings: if the amendment raising the question is not entered, it can never become ripe for the merits review on appeal to which it is entitled.

Accordingly, we urge the USPTO not to adopt proposed Rules 42.121(c)(2) and 42.221(c)(2) in their current form. As currently proposed, these rules contradict USPTO practices regarding identical questions in other proceedings, and appear to be inconsistent with a patent owner's statutory right to appeal substantive questions of law. Instead, we urge the USPTO to conform amendment practice in IPR and PGR with other proceedings: an amendment in IPR or PGR proceedings should not be refused entry solely because it raises a question of new matter or expanded claim scope. Rather, such an amendment, if it would be otherwise permitted, should be entered and the substantive questions should be addressed on the merits.

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<sup>12</sup> MPEP § 1201.

<sup>13</sup> Indeed, the USPTO's approach to ex parte reexamination reflects the correct balancing of these interests: although reexamination must, like IPR and PGR, be expedited by statute, such a constraint does not preclude entry of amendments that are in proper form, even if such amendments raise new statutory questions.

B. The rules concerning related proceedings should explicitly acknowledge that under the AIA, the USPTO’s authority to address related proceedings is specifically constrained by the strict statutory time limits that apply to IPR and PGR proceedings.

In creating the basis for the new IPR and PGR proceedings, the AIA also granted the USPTO fairly broad authority to manage other proceedings involving a patent that is subject to an IPR or PGR proceeding, by “providing for stay, transfer, consolidation, or termination of any such matter or proceeding.”<sup>14</sup> Proposed Rules 42.122 and 42.222 implement this grant of authority, closely tracking the language of the AIA.<sup>15</sup>

However, despite the apparent breadth of the USPTO’s authority to manage related proceedings, we note that as a practical matter, other aspects of the AIA place important limitations on the USPTO’s ability to make use of this authority. Specifically, the AIA places a stringent one-year statutory time limit on the duration of an IPR or PGR proceeding, extendable by at most 6 months for good cause shown.<sup>16</sup> The AIA does allow limited relief of this time period at the USPTO Director’s discretion, but only in the specific case of joinder of parties under 35 U.S.C. §§ 315(c), 325(c).<sup>17</sup>

That is, the statute provides no basis for the USPTO to adjust the statutory deadline of an IPR or PGR proceeding to account for the consequences of, e.g., transferring or consolidating another proceeding into the IPR or PGR proceeding. In the commentary on the proposed rules, the Notices acknowledge the potential impact of a stay in a related ex parte reexamination on the ability of the USPTO to meet a statutory deadline in that related proceeding (i.e., in the reexamination itself).<sup>18</sup> However, it is possible that some of the actions authorized by proposed Rules 42.122 and 42.222 could materially affect the USPTO’s ability to meet the statutory deadlines governing IPR and PGR proceedings, a possibility that the comments do not appear to contemplate.<sup>19</sup>

Accordingly, we recommend that the USPTO explicitly recognize the implicit statutory limitations on its ability to address related proceedings. Specifically, we propose that the USPTO add a proviso to proposed Rules 42.122 and 42.222 indicating that the PTAB’s authority to issue an order under these rules is limited: such an order must take into account the effect it would have not merely on statutory deadlines in the related proceeding(s), but statutory deadlines in the IPR/PGR proceeding itself.

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<sup>14</sup> 35 U.S.C. §§ 315(d), 325(d).

<sup>15</sup> IPR Notice at 7060; PGR Notice at 7080.

<sup>16</sup> 35 U.S.C. §§ 316(a)(11), 326(a)(11).

<sup>17</sup> *See id.* (“[T]he Director may . . . adjust the time periods in this paragraph in the case of joinder under subsection [315(c)/325(c)].”)

<sup>18</sup> IPR Notice at 7047; PGR Notice at 7066.

<sup>19</sup> For example, even if consolidation of proceedings required only two weeks of delay to address the logistical issues of consolidation, this delay would amount to 4% of the time statutorily allotted to the IPR or PGR proceeding.

### III. Conclusion

In summary, we appreciate the challenges that the USPTO faces in implementing the wide-ranging initiatives of the AIA. At the same time, we believe that to ensure fairness to patent owners, administrative efficiency, and clear public notice, the USPTO should take steps beyond those discussed in the Notices.

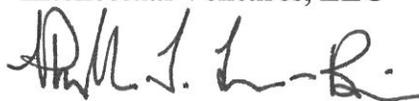
Specifically, we strongly recommend that the USPTO abandon its proposal to refuse entry of amendments in IPR/PGR proceedings that raise possible questions of new matter or enlarged claim scope. Such rules are not only inconsistent with USPTO practice in other proceedings, but would work to completely deprive patent owners of a merits review of substantive questions of law, to which they are entitled by statute and as a matter of due process.

Moreover, although the USPTO appears to have broad authority under the AIA to manage other proceedings relating to patents that are concurrently in IPR or PGR proceedings, we note that this authority is nevertheless constrained by the statutory time limits that apply to IPR and PGR proceedings. We recommend that the USPTO revise its rules concerning multiple proceedings to reflect this constraint.

We appreciate the opportunity to comment, and look forward to continuing to work with the USPTO to improve patent examination for the benefit of applicants and the public.

Consideration of the above comments is respectfully requested.

Respectfully submitted,  
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