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Via Electronic Mail
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The Honorable David J. Kappos
Under Secretary of Commerce for Intellectual Property
and Director of the United States Patent and Trademark Office
Mail Stop Comments - Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Attn: Lead Judge Michael Tierney, Patent Trial Proposed Rules

Re: Rules of Practice for Trials Before the Patent Trial and Appeal Board and Judicial Review of Patent Trial and Appeal Board Decisions, USPTO Docket No. PTO-P-2011-0082

Dear Under Secretary Kappos:

I am writing on my personal behalf to provide comments in response to the request of the United States Patent and Trademark Office (“the Office”) published in the Federal Register on February 9, 2012 (PTO-P-2011-0082). The comments expressed below are my own and not necessarily those of my firm.

Initially, I want to commend the Office on its drafting of the many proposed rule packages needed to implement the America Invents Act (“AIA”). As a whole, they are extremely well written and reflect significant deliberation on how to make the new legislation work in a way that is fair to all parties and that can be completed in the very short time allotted. Any criticism expressed below is directed to specific aspects of a few proposed rules. My silence on others may be interpreted as agreement with the proposed rule in its present form.

I also commend the Office’s attempt to unify the way the various procedures before the Board will be handled by proposing one set of trial practice rules to apply to all trial procedures (*inter partes* and post-grant review, the transitional program for covered business method patents, and derivation proceedings). While these proposed rules must necessarily be supplemented for each type of proceeding, having a single set of rules as a starting point will make practice before the Board easier to understand and

should improve compliance with the rules for those practicing across the spectrum of procedures.

Third, I commend the Office for its efforts to charge fees for the trial proceedings commensurate with the cost the Office expects to incur in conducting the proceedings. While there's been significant outcry that the fees are too large, the cost of a trial in the PTO is extremely reasonable compared to the high cost of litigation. The PTO is not subsidized by the public and thus must recover what it costs to run its business.

Finally, I commend the Office for proposing page limits on petitions in trial proceedings. One major problem with *inter partes* reexamination is that there is no limit on the size of the requests. Thus, such requests frustrate the Office's ability to do its job well from the very beginning of the proceeding and handicap the patent owner who must respond with a limited number of pages.

Recommendation 1:

The "Practice Guide for Proposed Trial Rules" (PTO-P-2011-0094), in many instances, sheds light on the procedures covered by the proposed rules. When feasible, I recommend converting specific procedures described in the Practice Guide to rules. Just as an example, the Practice Guide states: "Any claim or issue not included in the authorization for review is not part of the trial." 77 Fed. Reg. 6869. This point is not clear in the proposed rules and could be added to proposed Rule 42.30. Another example is the concept of sequential discovery and how it is to be conducted, explained in the Practice Guide but not in the rules. I recommend incorporating in proposed Rule 42.51 language such as that found under I.F (first paragraph) in the Practice Guide. As a last example, the Practice Guide emphasizes that a conference call will be held about one month after the proceeding is instituted. I recommend including this event in the rules.

I understand that interference practitioners know how the proposed procedures will work, based on the similarities between the proposed rules and the interference rules. However, many practitioners who will be handling contested cases before the Board do not have an interference background and, therefore, would benefit by further elaboration of the anticipated procedures in the rules.

Recommendation 2:

Perhaps my greatest concern with the proposed rules is due to the degree of discretion given to the Board. I personally know and have worked with the APJs in the trial section and am confident they can and will administer the proposed procedures fairly and in a timely manner. However, many new APJs will be needed to handle all the trial proceedings in the future (in Alexandria and afar). Thus, the challenge to maintain fair, even-handed treatment for all parties, thereby avoiding allegations of arbitrary treatment, may be difficult in the future. For that reason, the procedures should be better defined by

the rules, to the extent that can be done without frustrating the APJs' ability to oversee the procedures and get them completed in the time allotted.

Recommendation 3:

The following proposed rules raise concerns for a number of reasons. Thus, I recommend they be modified or eliminated for the reasons given following the identification of each.

Rules 42.2 and 42.3 (“involved” proceedings and jurisdiction of the Board): My understanding is that reexaminations are not “involved” proceedings. 77 Fed. Reg. 6870. While I believe reexaminations should be included in “involved” proceedings, if they are not, that fact should be stated in the rule, not just the analysis of the rule. On a related note, *inter partes* reexaminations also should be considered “contested” cases, contrary to the statement at 77 Fed. Reg. 6882.

Rule 42.5 (conduct of proceeding): It would be helpful to work some of the Practice Guide times into this proposed rule, as the rule itself offers little guidance as to how the proceeding will be conducted. I recommend using the timeline and due date appendix to work some default times and the sequence of events into this rule where the times and sequence are common to all trial proceedings covered by these rules. Perhaps those specific to the individual procedures could be worked into the more specific proposed rules. If treated as default times, that would leave the Board discretion to alter them if needed in any specific case. Alternatively, the information could be worked into proposed Rule 42.4 (institution of a trial) or Rule 42.25 (default filing times), along with mention of or reference to a scheduling order to set dates.

Rule 42.5(c): It also would be helpful to have some guidance as to what would be considered “good cause” or “in the interests of justice,” justifying an extension of time or a late submission (Rule 42.5(c)). Further guidance would help avoid inconsistent application of the rule from one APJ to the next.

Rule 42.5(d) (ex parte communications): I recommend adding a provision indicating that all substantive communications with the Board are to be recorded. At present, all Board hearings are recorded, so the cost of extending recordings to contested cases should be minimal.

Rule 42.7(b): I recommend clarifying what this proposed rule covers.

Rule 42.10(c): While I’m not opposed to permitting a non-registered attorney to be counsel in a trial proceeding (“upon a showing of good cause”), I recommend that the naming of a registered practitioner as “local counsel” (or “PTO counsel”) be required to avoid any potential challenges with lack of understanding of PTO procedures. This

procedure would mirror that required to permit a member of one state bar to appear in another state's court.

Rule 42.20(b): I recommend expanding this subsection to indicate when authorization is not required, e.g., motions for rehearing, motions to seal, motions to extend page limits, etc., 77 Fed. Reg. 6872, and when authorization is required. I further recommend that authorization not be required for the single motion to amend permitted by statute.

Regarding motions, the Practice Guide indicates that all anticipated motions must be identified during the early conference call. Based on my litigation experience, it's difficult for me to envision anticipated motions at that early stage of the proceeding, other than a motion to amend and perhaps motions to exclude evidence submitted with the petition or the patent owner's preliminary statement. I recommend amending this rule to indicate what types of motions should be identified at this early stage of the proceeding.

Rule 42.21 ("Notice of basis for relief"): This proposed rule introduces a new concept – notices. It is not clear how notices fit into the proceedings. I presume the petition, preliminary statement, patent owner's response and motion to amend, petitioner's reply and opposition to motion to amend, and patent owner's reply (all identified in the Practice Guide timeline), would provide "notice of basis for relief," with additional relief sought through motions. Is this rule intended to address something else, perhaps a request for authorization to file a motion? I recommend this language be clarified or supplemented in a way that ties it to the other procedures.

Rule 42.51(b)(3) (routine discovery): I recommend modifying the language of this proposed rule by changing the language "inconsistent with a position advanced . . . during the proceeding" to read "directly related to a position advanced . . . during the proceeding." Such a change would promote production because it would no longer require that an admission against interest be made.

Rule 42.53: I recommend that depositions be limited to a default time of 7 hours, unless permission of the Board to extend a deposition's length has been granted in advance.

Rule 42.70: It's unclear from this rule when oral argument would be held. Based on the Practice Guide, it appears oral argument would be held only at the end of the proceeding (just before final decision). I recommend the rule specify when oral argument would occur in relation to the request.

Rule 42.71: This proposed rule discusses "Interlocutory decisions" but not the "final written decision." Rule 42.72 discusses "judgment." I recommend that a section on the "final written decision" be added to the rules, consistent with 35 U.S.C. §§318 and 328, perhaps before "Rehearing" in Rule 42.71(c).

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Rule 42.73(d)(3): While proposed rules 42.73(d)(1) and (d)(2) are consistent with the statutory language found in 35 U.S.C. §§315(e) and 325(e), there does not appear to be statutory support for proposed rule 42.73(d)(3). Further, application of such an estoppel would not be justified in a situation in which a claim was cancelled for lack of §112 support in the trial but was properly supported (and thus properly claimed) in a later-filed continuation-in-part application. I recommend this proposed rule be deleted.

Again, I commend the Office for a “job well done.”

Thank you for the opportunity to provide comments on the proposed Trial Practice rules. If you should have any questions or I can be of further assistance, please do not hesitate to contact me.

Sincerely,

Nancy J. Linck