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To: Patent_Trial_Rules
Subject: FW: Request for Comments -Practice Guide for Proposed Trial Rules 77 FR 6868

From: Millet, Marcus J
Sent: Monday, April 09, 2012 4:34 PM
To: 'patent_trial_rules@uspto.gov.'
Subject: Request for Comments -Practice Guide for Proposed Trial Rules 77 FR 6868

I respectfully submit the following comments with respect to the above-identified -request for comments. I am an attorney currently active in post-issuance proceedings in the Office, including *ex parte* and *inter partes* reexaminations. My practice includes representation of both patent owners and parties challenging patents. Although I am a partner in the firm of Lerner, David, Littenberg, Krumholz and Mentlik, my comments are offered solely in my individual capacity and do not necessarily represent the views of the firm as a whole.

My comments are as follows:

Substitute Claims — Practice Guide §II G

The Practice Guide states that:

The number of substitute claims must be "reasonable." There is a general presumption that only one substitute claim would be needed to replace each challenged claim.

77 F.R. at 6875.

This "presumption" is directly contrary to the text of the statute itself, which provides that the patent owner may "for each challenged claim propose a reasonable number of substitute claims." 35 U.S.C. §§ 316(d)(i)(b) and 326(d)(i)(b). "Substitute claims," as referred to in the statute, is plural.

Moreover, the "presumption" of one replacement claim per challenged claim ignores that important rights are at stake in these proceedings. The PTO must balance its desire for administrative economy with affording a fair hearing to the patent owner. At the time the patent owner presents substitute claims, the patent owner will not know all of the prior art that the petitioner has in its possession, as there is no mechanism for discovery of the same. For example, assume that the challenged claim recites feature A, B, and C, and that the petitioner has presented art that anticipates this combination. The patent owner may believe that the addition of either feature D or feature E, each of which is clearly disclosed in the specification, would distinguish over the art cited in the petition. At this time, the patent owner does not know if the petitioner has found art that teaches one or the other of D and E. It is difficult to see how forcing the patent owner to gamble and present one and forego the other would be a policy that is either fair to the patent owner or calculated to do justice. Opposition practice before the European Patent Office allows for filing of multiple "auxiliary requests," each of which includes a different amendment to the claims. This practice works well and should be followed here.

The Practice Guide should be modified to remove the "presumption" and state that a "reasonable number of substitute claims" is found where the patent owner provides clearly differentiated arguments with respect to each of the substituted claims in the motion to amend or in the opposition to the petition. Given the stringent page limits under the proposed trial rules, patent owners will not be presenting masses of frivolous claims.

Moreover, neither the Practice Guide nor the Rules offers any way for a patent owner to provide the "demonstration of need" necessary to rebut the presumption (Practice Guide § G) and obtain a ruling as to how many claims will be allowed. If the patent owner files its one motion to amend with more than one substitute claim for any challenged claim, the patent owner may find the motion denied on that basis and may never have any opportunity to amend.

The Practice Guide and the Rules are not clear as to whether the PTO interprets the statute as allowing for the submission of substitute claims without cancellation of the existing claims, *i.e.*, presentation of the substitute claims in the alternative to the existing claims. The text of the statute seems to state that such alternative presentation is allowed, inasmuch as the patent owner's amendment may amend the patent by doing "one or more" of canceling a claim and proposing substitute claims. The patent owner's right to present substitute claims without cancellation of existing claims should be clarified in the Practice Guide.

Opposition To Amendments And Replies To Oppositions — § II H

Section II H of the Practice Guide says that "no authorization is needed to file an opposition to an amendment," but this is not clear from the text of any of the proposed trial rules. Moreover, § H of the Practice Guide (77 F.R. 6875) states that "petitioners may supplement evidence submitted with their petition to respond to new issues arising from proposed substitute claims." This contradicts proposed 37 C.F.R. §§ 42.123 (IPR) and 42.223 (PGR). The petitioner's right to present such new evidence should be spelled out in the Rules.

Similarly, the Practice Guide says that: "[t]he Scheduling Order might then provide ... for filing a patent owner reply to petitioner's opposition to a patent owner amendment." (77 FR 6869). The patent owner's right to file such a reply, and to introduce evidence along with the reply, should be clearly spelled out in the rules. Proposed trial rules 42.23 and 42.25 do not state this definitively.

Board Treatment Of Inequitable Conduct — § I F 4

The Practice Guide, § F(4), refers to occasions when live testimony before an Administrative Patent Judge may be ordered, and states that "[e]xamples of where such testimony has been ordered in contested cases before the Board include cases where derivation or inequitable conduct is an issue or where testimony is given through an interpreter." 77 F.R. at 6872. The Practice Guide should be clarified to confirm that this example is not intended as suggesting that the Board will consider issues of inequitable conduct in trials. There is no apparent statutory basis for such consideration. Under 35 U.S.C. § 321(b), the scope of PGR is limited to invalidity defenses specified in amended §§ 282(b)(2) or (3) ("a petitioner in a post-grant review may request to cancel as unpatentable 1 or more claims of a patent on any ground that could be raised under paragraph (2) or (3) of section 282(b) (relating to invalidity of the patent or any claim)"). These grounds do not include inequitable conduct. *Aristocrat Techs. Australia, Pty, Ltd. v. Int'l Game Tech*, 543 F.3d 657 (Fed. Cir 2008). Unenforceability is recited as a defense in amended § 282(b)(1), along with noninfringement. Congress has specifically excluded § 282(b)(1) matters from the scope of PGR. The scope of IPR is even narrower, as 35 U.S.C. § 311(b) limits the petitioner to requests "to cancel as unpatentable 1 or more claims of a patent only on a ground that could be raised under section 102 or 103 and only on the basis of prior art consisting of patents or printed publications."

Respectfully submitted,

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