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From: Millet, Marcus J <mmillet@ldlkm.com>
Sent: Monday, April 09, 2012 4:38 PM
To: Patent_Trial_Rules
Subject: Written Comment -Rules of Practice for Trials Before the Patent Trial and Appeal Board and Judicial Review of Patent Trial and Appeal Board Decisions-77 FR 6879

I respectfully submit the following comments with respect to the above-referenced notice of proposed rulemaking. 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:

Proposed Rule 42.3(b), which requires that the petition to institute a trial must be filed with the Board in "a timely manner," is unclear. If "timely" means -- during the times provided by statute -- then the Rule is superfluous. If it means something else, further clarification is required.

Proposed Rule 42.21 requiring notice of motions should be deleted as unnecessary. Proposed Rule 42.20 already provides that the motion may not be filed without prior authorization. The accompanying comments (77 F.R. 6885) state that authorization should be sought via conference call. Under Rule 42.22, the motion itself states the basis for relief, including the relief requested, the facts, and the law. The notice pursuant to Rule 42.21, therefore, is superfluous. A "notice of motion" was originally used in the district courts to notify an opponent of the time when counsel would move in open court for the requested relief. The Board does not have the equivalent of open court, when any party can present a motion.

Proposed Rule 42.24 regarding page limits should be modified to reflect the varying complexities of the proceedings. Proposed Rule 42.15 regarding fees clearly recognizes that proceedings involving more challenged claims will require additional work by the PTO. There are simply more questions to address. For that reason, the fee for a proceeding involving 51 challenged claims is more than double the fee for a proceeding involving 1-20 claims. The page-limit rule should recognize the same facts and should provide for increased numbers of pages in complex proceedings with numerous claims.

Proposed Rule 42.52(a)(1), requiring that a motion for discovery identify "the witness by name or title," should be amended to allow for a motion directed to an organization in the same manner as Rule 30(b)(vi) of the Federal Rules of Civil Procedure. In some cases, the party seeking discovery may have no knowledge of the name or title of the particular individual knowledgeable about the subject matter. Under F.R.C.P. 30(b)(vi), a subpoena directed to an organization requires that the organization designate one or more individuals knowledgeable as to the subjects mentioned in the subpoena to testify on behalf of the organization.

Proposed Rule 42.52(b), providing for compelled discovery outside of the U.S., should be amended to require that witnesses, documents and things under the control of a party or its privies, be made available for deposition or inspection at a reasonable location within the U.S., without any requirement for preliminary efforts to obtain agreement. Any foreign party that is involved in a trial before the PTO has voluntarily chosen to participate in the U.S. patent system, either as a patent owner or a petitioner, and there is no unfairness or prejudice in requiring that party to produce evidence within the U.S. This situation will be common. Many, if not most, foreign-based witnesses and documents will be under the control of a party as, for example, foreign inventors and records in the case of a derivation proceeding.

It is not clear what is meant by "supplemental evidence relating to the direct testimony" in proposed Rule 42.53(c)(ii).

Proposed Rule 42.55, regarding confidential information in a petition, should allow a petitioner to file confidential information with the proviso that if the motion to seal is denied, the confidential information will be returned and will not be admitted in the proceeding. Moreover, proposed Rule 42.55 should be modified to make it clear that upon institution of the requested trial and grant of the motion to seal, the Board will make the confidential information subject to a protective order as provided for in Appendix B of the proposed trial Rules, not the protective order proposed by the petitioner, so that upon grant of such protective order, the confidential information will be available to the parties, party representatives, experts, and in-house counsel of the patent owner. This is important, because the patent owner has only a limited time to respond to the petition (typically, 4 months) and must gain access to the confidential information immediately upon institution of the trial in order to have sufficient time to plan its defense. In the alternative, the proposed Rule should be amended to state that a petition with confidential information may only be filed with a proposed protective order as specified in Appendix B of the Practice Guide. The proposed Rule in its present form would allow a petitioner to attach an entirely unreasonable protective order to a petition containing confidential information, so that the patent owner's access to such information would be delayed while the patent owner seeks a remedy from the Board.

Proposed Rule 42.74 should be amended to provide a clear opportunity for the parties to settle, with assurances that the Board will not proceed to decision. For example, the Rule could be amended to provide that if the parties settle prior to oral argument or within five (5) business days thereafter, the Board will not proceed to a decision. Without such a rule, a patent owner has little incentive to settle. Moreover, the proposed Rule does not say what procedure the Board would follow if the parties were to settle at a preliminary stage of the proceeding. IPR, PGR, and derivation proceedings are adjudicatory proceedings, not patent examination. Although the PTO has been granted statutory authority to proceed to judgment, even where the parties have settled, it should exercise that authority in a manner that will promote settlement. Thus, the Board's jurisdiction to proceed to judgment, even where the parties have settled, should be reserved for cases where the settlement occurs after oral hearing and the Board has already devoted significant efforts to the case. In a truly egregious case, where a Board member, and hence the Director, becomes aware of information that leads him or her to conclude that a granted patent is clearly invalid, the Director can institute an *ex parte* reexamination of the patent to resolve such an issue.

The Rules as a whole do not state the manner of making amendments applicable in trials. Does 37 C.F.R. § 1.530(d), dealing with amendments in reexamination, apply? Also, the Rules do not provide any mechanism for conforming amendments. For example, can the patent owner amend dependent claims to depend from a surviving claim if the original parent claim is canceled? Can the patent owner amend dependent claims to depend from a newly introduced substitute claim? It would seem that such conforming amendments are clearly within the scope of IPR and PGR proceedings, but this must be clarified by rule.

Respectfully submitted,
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