

## PUBLIC PATENT FOUNDATION

*Representing the Public's Interests in the Patent System*

Daniel B. Ravicher  
Executive Director  
direct: (646) 470-2641  
email: ravicher@pubpat.org



Benjamin N. Cardozo School of Law  
55 Fifth Avenue  
New York, NY 10003  
(212) 591-6038 fax  
www.pubpat.org

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VIA EMAIL

Attn: Lead Judge Michael Tierney, Practice Guide for Patent Proposed Trial Rules  
Mail Stop Patent Board  
Director of the United States Patent and Trademark Office  
P.O. Box 1450  
Alexandria, VA 22313-1450  
patent\_trial\_rules@uspto.gov

**Re: Docket No. PTO-P-2011-0094: Practice Guide for Proposed Trial Rules**

Dear Judge Tierney:

The Public Patent Foundation (“PUBPAT”) is a not-for-profit legal services organization that works to protect the public's interests in the patent system. Its activities include challenging undeserved patents through litigation and reexamination to unlock technology that belongs in the public domain. I write to express PUBPAT's views on the Practice Guide in 77 Federal Register 27 (9 Jan. 2012) pp. 6868-6879 (the “Guide”).

In general, we encourage the Office to provide more specific guidance on the proposed rules so that potential petitioners may better understand their requirements and chances of success without waiting for other parties to move first and establish precedent on these issues. A wait-and-see delay in filing petitions would harm the patent system in at least two ways: it would reduce patent quality, because patents of questionable validity would go unscrutinized, and it would prolong the period of uncertainty regarding the new rules because there would not be a sufficient early sample of petitions to encourage more petitioners to participate. PUBPAT thus suggests that the Office provide additional clarity in the Practice Guide in two areas.

### 1. Definition of “real party in interest” or “privy”

First, on p. 6870 of the Guide, the Office states that “[w]hether a party who is not a named participant in a given proceeding nonetheless constitutes a 'real party in interest' or 'privy' to that proceeding is a highly fact-dependent question” that “will be handled by the Board on a case-by-case basis taking into consideration how courts have viewed [those terms].” PUBPAT understands the Office's reluctance to declare bright-line rules for this determination. However, PUBPAT respectfully submits that there are at least some scenarios that would preclude a party

from being considered the “real party in interest” or a “privy” for purposes of the new rules. For one, a third party that merely has some relationship or communications with a party bringing an action is not sufficient for that third party to be considered the “real party in interest” or a “privy” unless they are in control of and directing the decisions of the party that brought the action.

As a specific example, PUBPAT is a not-for-profit legal services organization that receives substantial support for its work from many sources. Some of this support is financial and other is legal and technical. PUBPAT receives directed donations and specific grants to represent the public's interest against undeserved patents in certain technological areas. PUBPAT also receives substantial pro-bono support from practicing attorneys and technical experts. This in-kind legal and technical support includes comprehensive reviews of specific patents and why they may have substantial questions regarding their validity. PUBPAT's success in helping the patent system achieve high quality is in large part dependent upon these third parties who support its work.

However, in all cases, it is PUBPAT alone that decides whether to file a challenge to a patent and how to respond to patent owner and examiner comments during any Office proceeding. PUBPAT may consult with other parties for their opinions and suggestions, but those other parties do not have control over PUBPAT's decisions, they do not direct PUBPAT's actions, and they are not owed any fiduciary duty by PUBPAT, its Officers or Directors. While PUBPAT's challenge to a patent may provide such third parties a benefit, that is not a basis to hold them to be a “real party in interest” or a “privy,” because the benefit they receive is the same benefit the entire public receives when PUBPAT challenges an undeserved patent; namely, improved patent quality. Thus those third parties that provide PUBPAT with financial, legal and technical assistance can not be considered a “real party in interest” or a “privy” for the purpose of the IPR or PGR rules.

## 2. Statutory Threshold Requirements

Second, PUBPAT suggests that the Office define in further detail the various standards for instituting review, discussed on p.6873 of the Guide. Whereas instituting an *ex parte* or *inter partes* reexamination formerly required a “substantial new question of patentability,” which standard has been shaped by years of reexamination proceedings, the new IPR threshold is “a reasonable likelihood that the petitioner would prevail with respect to at least one of the claims challenged in the petition.” Although the Office states that this standard “is a somewhat flexible standard that allows the judge room for the exercise of judgment,” it does not compare the standard to the substantial new question of patentability or otherwise give petitioners notice of their burden in instituting an IPR.

Similarly, the PGR standard to “demonstrate that it is more likely than not that at least one of the claims challenged in the petition is unpatentable” could be illuminated with further

explanation. One way to define the standards for petitioners might be through hypothetical descriptions of petitions in which the proceeding would and would not be granted for each type of review.

PUBPAT is grateful for this opportunity to comment on the Guide and hopes the Office finds the above comments useful. Please feel free to contact me if I may be of any further assistance on this matter. Thank you for your service to the American people.

Sincerely,

A handwritten signature in blue ink that reads "Daniel B. Ravicher". The signature is written in a cursive, flowing style.

Daniel B. Ravicher