



PATENT PROTECTION FOR HIGH TECHNOLOGY

TO: The Honorable David J. Kappos, Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office

FROM: Schwegman, Lundberg and Woessner, P.A.

DATE: April 10, 2012

RE: Comments to Various Proposed Rules to Implement the America Invents Act

*Via Electronic Mail*  
**Post\_grant\_review@uspto.gov**

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Dear Under Secretary Kappos:

Below are our comments on the changes to implement post-grant review in Fed. Reg. 77(28): 7060–80 (February 10, 2012).

**§ 42.200 Procedure; pendency.**

➤ No comment.

**§ 42.201 Who may petition for a post-grant**

➤ No comment.

**§ 42.202 Time for filing.**

➤ No comment.

**§ 42.203 Post-grant review fee.**

Topic	Proposed Rule for Post-Grant Review and Comments	Comparison with Analogous Requirement in <i>Inter Partes</i> Reexamination	Recommendation
Fees	Rule 42.103 states that the fees in 42.15(a) apply and rule 42.203 states that the fees in 42.15(b) apply. The fees in 42.15(a) and 42.15(b) each provide for increased fees for petitions dealing with more than 20 claims. However, 42.24(a) setting the page limits for the IPR and PGR petitions do not provide for increased page limits in association with the additional fees.	<i>Inter partes</i> reexamination has a flat fee.	The page limits should increase proportional to the added claims for which the additional fees have been paid.
Fees	The fees are too large, for example, adding one additional claim can trigger a large fee increase.	<i>Inter partes</i> reexamination has a flat fee.	<p>Set fees on a sliding scale per claim, or charge fees based on the number of §§ 102 and 103 rejections applied, and not base fees on claims whatsoever. For example, Consider instead charging additional fees for more than 2–3 issues presented per claim. More work is required to consider additional issues than similar claims or additional pages of analysis.</p> <p>Fees should be based on a combination of number of claim and number of applied rejections, <i>e.g.</i>, increase fees if more than two rejections per claim.</p> <p>For example for twenty claims and four rejections could require a \$16,000 fee.</p> <p>For forty claims 8 rejections \$32,000.</p>

**§ 42.204 Content of petition.**

Topic	Proposed Rule for Post-Grant Review	Comparison with Analogous Requirement in <i>Inter Partes</i> Reexamination	Recommendation
Claim construction	<p>The General Practice Rules and Comments should expand upon the intended practice with respect to claim construction. It is understood that a Petitioner will be required to propose an initial claim construction for any claim terms/limitations which the Petitioner asserts are in need of construction. The Owner would then have an opportunity either prior to granting of the Petition, or after a Petition has been granted, to respond to the proposed claim constructions and/or suggest claim constructions of other terms/limitations. The parties and the APJ would then handle initial resolution of any claim construction issues, including the possibility of additional claim constructions necessary for substituted claims by motion practice, with final determination of claim construction taking place as part of the final written opinion.</p>	<p>Parties can argue claim construction throughout the proceeding.</p>	<p>Patent owner should address claim construction if patent owner responds to the petition by the third party requester. Thereby providing the APJ with the patent owner's claim construction prior to the APJ making a decision on the petition. If the APJ's opinion differs from either the patent owner or the third party requester (petitioner) then both parties should have an opportunity to respond after the APJ's decision on the petition. This would be a part of the response to the APJ's first opinion.</p> <p>Thus, the parties should have a separate page limit on their claim construction arguments. This would be consistent with trial procedures that allow evidentiary submissions of claim charts with no page limits.</p> <p>Further, claim charts should not have page limits, which would be consistent with court practice.</p>
Page limits	<p>The Office considers procedures in federal court to be a useful analogue to PGR petitions when deciding reasonable page limits. The Office should consider that issues are often broken across multiple briefs and negotiations. For example, parties to a litigation negotiate for months on claim construction, invalidity, etc. Moreover, federal courts often do not impose page limits on claim</p>	<p>No page limits</p>	<p>The Office should abolish, or increase its page limit requirements.</p>

	<p>charts. In contrast, a PGR petition must be filed once, and currently has a 50-page limit to discuss all issues related to patentability that often take 100's of pages and months of negotiation to resolve. Furthermore, CRU examiners routinely consider 100's of pages of argument when deciding whether to grant a reexamination in about two months<sup>1</sup>, which is less than the three-month requirement for determining whether to institute a PGR.</p>		
	<p>There is no claim construction prior to submitting arguments so each party will need to present its patentability arguments without knowing how the Board will construe claim elements.</p>		<p>As mentioned above, claim construction should be optional for petitioner with a separate page limit. The patent owner should have to make a statement regarding claim construction if the petitioner provides a claim construction.</p>

**§ 42.205 Service of petition.**

- No comment.

**§ 42.206 Filing date.**

- No comment.

**§ 42.207 Preliminary response to petition.**

Topic	Proposed Rule for Post-Grant Review and Comments	Comparison with Analogous Requirement in <i>Inter Partes</i> Reexamination	Recommendation
Testimonial Evidence	§ (c) prohibits “testimonial evidence.” Testimonial evidence can include written declaration.		The statutes state that the preliminary statement “sets forth the reasons why no inter partes review should be instituted based upon the failure of the petition to meet any requirement of this chapter.” The intent of this rule

<sup>1</sup> [http://www.uspto.gov/patents/stats/reexamination\\_operational\\_statistic\\_quarter\\_ending\\_12\\_31\\_2011.pdf](http://www.uspto.gov/patents/stats/reexamination_operational_statistic_quarter_ending_12_31_2011.pdf)

			<p>appears to be to limit the burden in determining whether to institute a review. The patent owner, however, will be unjustly prohibited to rebut the petitioner's testimonial evidence. To balance the equally important interests of the Office and the patent owner, please consider allowing the patent owner to only rebut arguments and evidence set forth in the petition. Moreover, the responses are already limited to 15 pages; if the patent owner wants to use pages for declarations, they should be allowed to do so.</p>
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**§ 42.208 Institution of post-grant review.**

Topic	Proposed Rule for Post-Grant Review and Comments	Comparison with Analogous Requirement in <i>Inter Partes</i> Reexamination	Recommendation
Claim-By-Claim Approach	<p>The General Practice and IPR/PGR/CBM Specific Rules should expand upon the claim-by-claim application of both proposed grounds of rejection and impact of estoppel. Representatives of the Office have indicated that the Office considers grounds of rejection and estoppel issues arising out of Review proceedings to be evaluated on a claim-by-claim basis.</p>	<p>SNQs and RLPs are considered on a claim-by-claim basis.</p>	<p>The Office should consider the effect of estoppels on <i>ex parte</i> reexaminations as they are based on prior art not claims.</p>
Reconsideration	<p>The Office should make clear whether it will reconsider non-adopted issues when a PGR is instituted. 35 U.S.C. § 324 states, "the Director determines ... that it is more likely than not that at least 1 of the claims challenged in the petition is</p>		<p>If the board chooses not to proceed on one or more grounds, the petitioner should be able to request reconsideration of those grounds, even if the PGR is otherwise instituted. Perhaps the page limits did not give enough opportunity to</p>

	unpatentable.” The statute only requires a finding on one of the claims. 42.208 allows the board to proceed on all or some of the grounds asserted for each claim.		clarify an argument sufficiently.
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**§ 42.220 Patent owner response.**

➤ No comment.

Topic	Proposed Rule for Post-Grant Review and Comments	Comparison with Analogous Requirement in <i>Inter Partes</i> Reexamination	Recommendation
Page limits	Rule 42.220 state that the patent owner response is subject to the page limits provided in rule 42.24. However, rule 42.24 does not appear to expressly address patent owner responses.	Patent owner responses in <i>Inter Partes</i> reexamination are limited to 50 pages.	Page limits should be the same for patent owner as in existing inter partes proceedings. But should be expanded as indicated in the section on page limits.

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**§ 42.221 Amendment of the patent.**

Topic	Proposed Rule for Post-Grant Review and Comments	Comparison with Analogous Requirement in <i>Inter Partes</i> Reexamination	Recommendation
Substitute Claims	It is understood that the Office currently view the ability of the Owner to once as a matter of right submit substitute claims does not allow for the wholesale presentation of multiple entirely new sets of claims to replace a single existing set of claims. Given the myriad of possibilities that may be encountered in presenting substitute claims, the Office is encouraged to provide examples of what the Office will consider as both acceptable and unacceptable kinds of substitute claims. In addition, the Office is encouraged to standardize the manner in which claim	Patent owner can submit as many narrowing amendments and new claims as desired.	<p>The Office should limit the addition of claims to what the patent owner has as existing claims. Thus if the patent owner has twenty claims they should be limited to adding only twenty claims. However they must cancel the same number of claims tha they are adding. Given the fact that the owner may add additional claims through reissue, the patent should be limited to the number of claims added in reexamination.</p> <p>I think the amendment should be consistent with current reissue and reexamination practice. That is the best way to keep track of original</p>

	<p>amendments are indicated for the Review proceedings to be consistent with current examination practice, and to adopt a similar approach for both reissue and ex parte reexamination practice. The current use of different editorial requirements for indicating amendments in the different proceedings creates confusion and unnecessary rework, and the original justifications for these differences are no longer relevant.</p>		<p>claims and newly added claims the patent.</p>
<p>Amendments</p>	<p>Rules 42.121(a) and 42.221(a) require "conferring with the Board" for any patent owner amendment (including the first amendment). There is no explanation as to what such conferring means, and particularly whether conferring requires Board approval to make an amendment.</p>		<p>The meaning of the required conferring with respect to a first amendment should be made explicit (i.e., whether the patent owner merely must advise the Board that the first amendment is being submitted or whether Board approval is required for an amendment). A patent owner should have the absolute right to make one narrowing amendment if, in the sole discretion of the patent owner, an amendment is deemed necessary, without leave of the Board (particularly in light of it being Office error which placed the patent owner in the position of having a claim in need of a narrowing amendment).</p>

**§ 42.222 Multiple proceedings.**

- The Office should not not merge post-grant reviews with *ex parte* proceedings. The different standards for initiating the proceedings thus may confuse estoppels and extends the proceedings.

**§ 42.223 Filing of supplemental information.**

- No comment.

**§ 42.224 Discovery.**

- Discovery should be very limited. In order to keep limit cost of the proceedings for all parties including the patent. Further, limited discovery will allow for expedited proceeding.

In addition to these comments, we would like to condole our approval of the standards for admitting practitioners *pro hac vice*. The Office's comments state that these decisions will be made on a case-by-case basis taking into consideration competence and the needs of the party.

In regards to settlement, currently, parties can submit settlement agreements in *inter partes* reexaminations that is redacted to include confidential settlement provisions. Under the new post-grant proceedings, parties should continue to be able to submit redacted settlement agreements, which would encourage settlement. If government agencies need additional information, they can subpoena the parties.

Very truly yours,

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