

April 9, 2012

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Mail Stop Patent Board
Director of the United States Patent and Trademark Office
P.O. Box 2450
Alexandria, VA 22313-1450

Attention: Lead Judge Michael Tierney

Re: Request for Comments on Proposed Rules of Practice for
Trials Before the Patent Trial and Appeal Board and Judicial
Review of Patent Trial and Appeal Board Decisions

Dear Mr. Tierney:

I am a shareholder at Wolf, Greenfield & Sacks, P.C. the largest New England based firm focused solely on intellectual property law, and I co-chair the firm's Post Grant Practice Group. I have been involved in multiple *inter partes* reexaminations. I appreciate the opportunity to comment on the Proposed Rules of Practice for Trials Before the Patent Trial and Appeal Board and Judicial Review of Patent Trial and Appeal Board Decisions, 77 Fed. Reg. 6879-6914 (Feb. 9, 2012).

Because the proposed rules for PGR, IPR and CBMP, and the patent trial rules, are generally the same in many respects, I have commented on the rules together.

Overall, I believe the proposed rules represent a laudable effort to meet the time-table for post grant proceedings established by Congress. However, I believe that in a few instances, the proposed rules do not strike the appropriate balance between a quick conclusion of the proceedings and a conclusion that resolves what is likely a dispute between two parties relying on the Office to resolve a dispute involving a patent. These concerns appear most notably with regard to the content requirement and page limits set for the petition requesting a trial.

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A. Content Requirement for Petitions

According to the proposed rules, a petitioner must provide a claim construction for the challenged claims. Proposed §§ 42.104, 42.204, 42.304, and 42.405.

Requiring the petitioner to offer a proposed claim interpretation for every challenged claim at the outset of a proceeding seems needlessly burdensome. A claim interpretation as a court might attempt to divine may not be relevant to a post grant proceeding because the PTO and a court use different standards. Because the PTO will apply the “broadest reasonable interpretation” of the claim, it only matters if the petitioner can present prior art or other basis of invalidity that, under any reasonable interpretation of the claim consistent with the specification, invalidates the claim.

Without ever having seen the patent owner’s response and arguments attempting to distinguish the prior art, requiring the petitioner to put forward a claim interpretation is tantamount to requiring the petitioner to needlessly guess in what ways the patent owner will attempt to distinguish the prior art. Moreover, because the petitioner ultimately carries the burden of setting out in the petition a basis under which the petitioner is reasonably likely to prevail, the petitioner already has incentives to explain any aspects of claim interpretation that are not otherwise apparent from the claims or the manner in which the claims are being mapped to the prior art.

B. Page Limits

Proposed rule § 37 C.F.R. § 42.24 sets out page limits for petitions, motions, oppositions, and replies. This rule raises several concerns, particularly with respect to the limits on the petition, as outlined below.

The Federal Register Notice notes that many district courts institute page limits to ease the burden of motion practice on both the parties and the courts. 77 Fed. Reg. 6872. Quoting a federal court, the Notice states that “Court[s have] handled complicated patent cases . . . in which the parties were able to limit their briefs supporting and opposing summary judgment to 10 or 15 pages.” *Id.* However, summary judgment in district court litigation is not analogous to a petition to institute a trial in the PTO for multiple reasons.

First, in district court, before the parties file for summary judgment, or file other dispositive motions, the parties typically engage in extensive discovery and exchange positions. As a result, by the time such a motion is filed, the parties have identified the issues on which a decision will rest. That dynamic likely does not exist in a petition.

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Second, if a court denies a dispositive motion, the consequence is to proceed to a full trial. Thus, brevity in court has the opposite effect of page limits on a petition. In court, a dispositive motion that omits a relevant issue likely results in that issue being resolved through trial, while under the proposed rules, omitting an item from the petition bars that issue from being resolved through trial. Because of the estoppel provisions, precluding an issue from being addressed in a petition, such as an additional ground of invalidity of a claim, possibly forces the petitioner to forego entirely a meaningful opportunity to be heard on the issue at all.

Third, proposed Rule § 42.24(b) provides that oppositions would have the same page limits as corresponding motions. This limitation seems not to acknowledge the practical course of a post grant proceeding. For prior art invalidity, the petitioner will need to cover every limitation in every challenged claim in the petition and further provide a reason for combining elements from every reference asserted in a combination that renders claims obvious. The patent owner, on the other hand, can rebut such an argument by showing that any claim limitation is not met by the references or by challenging an asserted reason for combining features that meet any element of the claims. In short, the patent owner needs only to address the petitioner's weakest argument. Accordingly, if there are page limits to be imposed, allowing each party the same number of pages is not, in fact, achieving the goal of fairness.

Though the proposed rules provide that a petitioner may be granted a waiver of the page limit, the procedure and standard of review seems to raise doubts as to whether a waiver will be sought in practice. Such a waiver is only to be granted "in the interests of justice," Proposed § 42.24(a)(2). Though, proposed rule § 42.24(a)(2) allows a petitioner to file a petition accompanied by a motion to waive the page limits, it seems that the petitioner must set out its entire strategy for challenging the patent before it knows if its petition will be accepted.

C. Fees

Proposed rule § 42.15 sets fees based on the number of claims challenged and provides for substantial fees per claim challenged. There is no corresponding increase in page limits for a petition for which the additional fee is paid. Though the intent of this fee structure is to align the fee with the amount work done by the PTO, if page limits on the petition are not indexed to the fee paid, it seems unlikely that this additional work will actually materialize.

Therefore, the proposed rules are not internally aligned if a petitioner, upon paying a substantial fee for challenging additional claims, is not allowed additional pages in the petition to put forth arguments to challenge these claims.

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To the contrary, it seems that the proposed fee structure has a different goal. Charging fees based on the number of claims, according to the Federal Register Notice, encourages petitioners to limit the number of claims challenged. See 77 Fed. Reg. 6900 (citing the Federal Circuit: “limiting number of asserted claims is appropriate to manage a patent case efficiently”). This is contrary to Congress’ intent in enacting the AIA of removing disputes from courts and having them resolved in the PTO. Leaving out claims, even if similar to those challenged, is simply inviting further disputes over the effect of a decision on those claims.

The conduct of a district court proceeding is not an appropriate analogy. While doctrines of issue preclusion in a district court proceeding may preclude sequential disputes over similar claims in the same patent, the preclusive effect of a post grant proceeding in the PTO is more limited. Similar, but unchallenged claims, seem to remain alive, ripe for future disputes. Unless actually canceled from a patent by the PTO or the subject of a final written decision such that estoppel attaches, a post grant proceeding seems not to limit a claim. Thus, encouraging petitioners to forego challenges to claims seems not promote the overall intent of the AIA.

D. Alternatives

As noted above, the formal requirement for a claim construction in the petition should be dropped in favor of a general caution to petitioners that they bear the burden of proof on establishing a reasonable likelihood, which they cannot do if the petition leaves doubts whether there is a reasonable interpretation of a claim under which the petitioner’s arguments are valid.

Regarding the page limits, though the goal of forcing petitioners to focus on what is relevant is laudable, one adjustment that could be made to better balance the needs of the parties and the PTO is to exclude claim charts from the page count. To preclude the claim charts from being a source of extraneous arguments, the purpose for which the claim charts will be consulted might be limited. For example, the claim charts might be consulted only to determine how the petitioner asserts that a particular limitation is met by a reference or, in the case of a combination of references, how and why the petitioner asserts that elements from separate references can be combined to meet each limitation of a claim. This approach is consistent with the goals of the proposed rules because it would allow petitioners to fulfill the content requirement of the petition without overburdening the Board with “mounds of pleonastic arguments.” See 77 Fed. Reg. 6886.

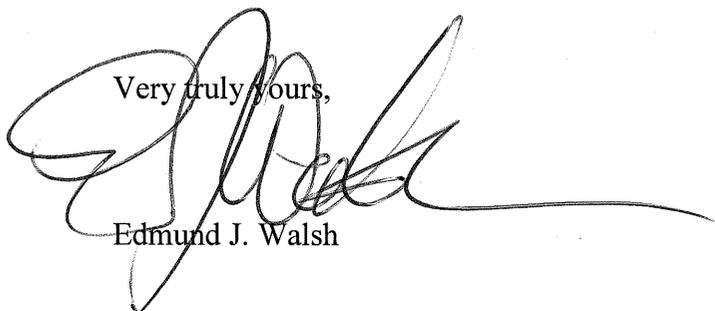
Also, page limits might be increased in proportion to the number of claims challenged, or the fee structure might be adjusted.

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As a further suggestion, if the PTO maintains the proposed process of requiring a motion for an increase in the page limit in connection with the filing of the petition, the petition might be maintained in secrecy, and the petition fee not be collected, unless the motion results in acceptance of the petition.

Thank you for consideration of these comments. I would be happy to provide clarification of any of the above points, if it would be a benefit to the PTO.

Very truly yours,



Edmund J. Walsh