

Comments on the “PTAB Rules of Practice for Instituting on All Challenged Patent Claims and All Grounds and Eliminating the Presumption at Institution Favoring Petitioner as to Testimonial Evidence” (Docket No. PTO-P-2019-0024)

Among other rule changes, the U.S. PTO invited public comments on the following proposed change to each of §§ 42.108(c) and 42.208(c). I support the proposed changes below:

The second sentence in each of §§ 42.108(c) and 42.208(c) is proposed to be amended to delete the phrase “but a genuine issue of material fact created by such testimonial evidence will be viewed in the light most favorable to the petitioner solely for purposes of deciding whether to institute [a] review.” Therefore, the second sentence in each of §§ 42.108(c) and 42.208(c) would state: “The Board’s decision will take into account a patent owner preliminary response where such a response is filed, including any testimonial evidence.”

To appreciate the significance of this proposed change to § 42.108(c), it is worth discussing the statutory framework of the inter partes reviews (IPRs), the procedural context of the IPRs, and the surrounding text of section 42.108(c).

Under 35 U.S.C. § 311, any person, who is not the owner of a patent, can file a petition with the U.S. PTO to institute an inter partes review of the patent. Thus, via the petition, any person can request the U.S. PTO to cancel as unpatentable one or more claims of the issued U.S. patent as being anticipated (35 U.S.C. § 102) or as being obvious (35 U.S.C. § 103) only on the basis of prior art consisting of patents or printed publications. In sum, under the current statutory framework, anyone (including corporations, trade associations, and other corporate entities based anywhere in the world), other than the patent owner, can file a petition to cancel all or at least some of the claims of the issued U.S. patent.

Once the petition is instituted, the patent owner cannot appeal the institution of the petition.

In the above substantive and procedural context, the current version of section 42.108(c) states: “*Inter partes review* shall not be instituted for a ground of unpatentability unless the Board decides that the petition supporting the ground would demonstrate that there is a reasonable likelihood that at least one of the claims challenged in the petition is unpatentable. **The Board’s decision will take into account a patent owner preliminary response where such a response is filed, including any testimonial evidence, but a genuine issue of material fact created by such testimonial evidence will be viewed in the light most favorable to the petitioner solely for purposes of deciding whether to institute an *inter partes review*.**” (emphasis added).

Thus, under the current rule, while the patent owner can file a preliminary response to try to save the claims from being canceled, any genuine factual disputes are resolved by viewing the testimonial evidence (e.g., expert declarations from the expert retained by the petitioner) in the light most favorable to the petitioner. In other words, factual disputes that will affect the institution decision are very likely to be resolved in favor of the petitioner. The federal statute (35 U.S.C. § 314) that controls the institution of the IPR does not suggest let alone require such a favorable treatment of the petitioner.

For all of these reasons, I support the proposed rule changes to each of §§ 42.108(c) and 42.208(c).