

I am a patent attorney and a named inventor on several patents and patent applications. I believe in my constitutional right to trial by jury, and my acts of invention do not strip me of my right to trial by jury. My patents are presumed valid by statute, having been examined by a professional, competent corps of patent examiners. They are my personal property, also by statute. 35 USC § 261 (“patents shall have the attributes of personal property”). I must be able to act as though my patents are valid and enforceable, with my right to exclude others vesting on the day the patent issues, not subject to administrative taking at any time within the 20-year patent term.

In the last 24 years, I have participated in over 100 jury trials and proceedings involving patent infringement, and I believe juries correctly determine matters of patent validity. There is no replacement for a jury trial in an Article III court, where factual allegations and a fair cross examination can be weighed and evaluated by a neutral jury of peers. Credibility determinations made through live testimony in a federal district court can never be replaced. No administrative procedure at the USPTO can replace a jury, nor the time-tested principles of the Federal Rules of Evidence or the Federal Rules of Civil Procedure. Juries are essential to the administration of justice in the United States, and patent infringement cases involving questions of patent validity are no exception. Complex issues of law and fact – and even life and death – are determined every day in Article III courtrooms.

By contrast, an IPR in the PTAB requires a jury NOT be present. Efficient infringers do not like juries, but do seem to like the PTAB, the political influence they can wield over the decisionmakers and the identity of the institution itself, the substantial costs they can impose on patent owners, the strategic benefit of having disparate financial resources, the prospect that a patent owner stands only to lose in an IPR but to never win anything, and the substantially higher invalidation rates as compared to jury determinations. This is wrong.

Article 1, Section 8 of the United States Constitution vests in Congress the plenary authority to secure the “exclusive Right” to Inventors to their Discoveries for limited times. Congress can only act “by securing” this “exclusive Right”. Congress cannot secure this “exclusive Right” by conditioning it on the requirement that the inventor waive another constitutional right, whether it be that he waive his freedom of speech, his freedom of religion,

his right to peaceably assemble, his right to keep and bear arms, his right to be free from cruel and unusual punishment, or his right to trial by jury.

As a preliminary matter, and as part of any rulemaking, the USPTO should list, study, and consider all instances where Congress has created a property right, but where the property right has been made contingent on the property owner waiving another constitutional right. I suggest that the USPTO will find few, if any, instances where any property right requires waiver of another constitutional right.

Contrary to the intent of Congress, IPRs have become “tools for harassment” and a means for repeated administrative attacks on the validity of a patent. This has had a bad effect on the economy, it has damaged the integrity of the patent system, particularly in the eyes of small companies and individual inventors who have eschewed participation in the system at all, and it has not resulted in the efficient administration of the Office.

Patent invalidity has become a routine and ubiquitous defense to patent infringement, because a failed invalidity argument has no adverse impact on the infringer. This has created substantial institutional burdens upon the USPTO, the courts, the ITC, and others. It is the patent law system itself that is harmed. The ability of the USPTO to reliably and consistently examine patent applications is errantly called into disrepute, undermining confidence in our system of government and diminishing faith of inventors and small businesses. Enforcing patent rights has become the “Sport of Kings”, with the robber barons of our time solidifying nearly impenetrable market share and destroying the very institutions of government meant to protect innovation, no matter the financial resources of the inventor. Licensing in the free market should be encouraged. Years of litigation and endless administrative challenges should be discouraged.

Decisions to institute an IPR should be rare, infrequent, and made using objective and predictable criteria. The Director has discretion to deny IPR institutions, particularly where a patent owner has demanded a jury trial in district court. In such circumstance, the Director is willfully removing a patent owner’s constitutional right to trial by jury. No accused patent infringer has any comparable constitutional right to an institution of an IPR.

I urge adoption of regulations to govern the discretion to institute PTAB hearings consistent with the following principles.

## **I: TIMING – VESTING OF PATENT TERM**

- a) The USPTO must at some time certain certify that a patent’s validity has become a final agency determination. A petitioner seeking to challenge a patent under the AIA should be required to file the petition within 2 years from the issue date of the patent. If not, the Director should use discretion to deny institution of any IPR unless the petitioner can show by clear and convincing evidence an extraordinary circumstance causing the petitioner to fail to seek the institution within the two year period. A patent’s issuance is public notice of a valid patent, and the Director has discretion to deny any petition not filed when it could otherwise have been filed.
- b) An issued patent should be finally determined valid by the USPTO two years from the issue date, unless it has been subject to petition for an IPR within that 2 year period. It is within the discretion of the Director to determine that it is bad policy for the USPTO to revisit validity determinations more than 2 years after a patent issues, and all stakeholders have incentive to address alleged USPTO “errors” early. The USPTO should stand by its work product, and patent owners should be able to confidently invest, develop, and grow patented technologies, without fear of a costly IPR more than 2 years from the issue date. Disputes of validity are best determined by juries in an Article III court.

## **II. PREDICTABILITY**

Regulations must provide predictability. Stakeholders must be able to know in advance whether a petition is to be permitted or denied for policy reasons. To this end regulations should favor objective analysis and eschew subjectivity, balancing, weighing, holistic viewing, and individual discretion. The decision-making should be procedural based on clear rules. Presence or absence of discrete factors should be determinative, at least in ordinary circumstances. If compounded or weighted factors are absolutely necessary, the number of possible combinations must be minimized and the rubric must be published in the Code of Federal Regulations.

## **III: MULTIPLE PETITIONS**

- a) A petitioner, real party in interest, and privy of the petitioner should be jointly limited to one petition per patent.
- b) Each patent should be subject to no more than one instituted AIA trial.
- c) A petitioner seeking to challenge a patent under the AIA should be required to file their petition within 90 days of an earlier petition against that patent (i.e., prior to a preliminary

response). Petitions filed more than 90 days after an earlier petition should be denied.

d) Petitioners filing within 90 days of a first petition against the same patent should be permitted to join an instituted trial.

e) These provisions should govern all petitions absent a showing of extraordinary circumstances approved by the Director, Commissioner, and Chief Judge.

#### **IV: PROCEEDINGS IN OTHER TRIBUNALS – CONSTITUTIONAL JURY TRIALS**

a) The PTAB should not institute duplicative proceedings, nor disrespect a patent owner's constitutional demand for a jury trial.

b) A petition should be denied when the challenged patent is concurrently asserted in a district court against the petitioner, real party in interest, or privy of the petitioner and the court has neither stayed the case nor issued any order that is contingent on institution of review.

c) A petition should be denied when the challenged patent is concurrently asserted in a district court against the petitioner, real party in interest, or privy of the petitioner where either (1) a jury trial has been requested by any party, or (2) a trial is scheduled to occur within 18 months of the filing date of the petition.

d) A petition should be denied when the challenged patent has been held not invalid in a final determination of the ITC involving the petitioner, real party in interest, or privy of the petitioner.

#### **V: PRIVY**

a) An entity who benefits from invalidation of a patent and pays money to a petitioner challenging that patent should be considered a privy subject to the estoppel provisions of the AIA.

b) Privy should be interpreted to include a party to an agreement with the petitioner or real party of interest related to the validity or infringement of the patent where at least one of the parties to the agreement would benefit from a finding of unpatentability.

#### **VI: ECONOMIC IMPACT**

a) Regulations should account for the proportionally greater harm to independent inventors and small businesses posed by institution of an AIA trial, to the extent it harms the economy and integrity of the patent system, including their financial resources and access to effective legal representation.

b) In association with any IPR petition, the USPTO should offer to any patent owner an attorney in a public defender capacity, arguing on behalf of the Office, the public, the examining corps, and the patent owner that the patent is valid, and the cost of the defense should be paid by the petitioner if petitioner fails to invalidate all claims challenged.

## **VII: OTHER CONSIDERATIONS**

a) No petition should be granted if submitted from a petitioner who has been finally adjudicated in an Article III court to have engaged in willful patent infringement at any time.

b) No petition should be granted if submitted by a petitioner (1) who has been finally adjudicated by an Article III court to have been engaged in patent infringement, and (2) who has had damages awarded against it for patent infringement in the amount of \$50 million or more, cumulatively.

c) No petition should be granted if submitted by a petitioner who has, at any time, been finally adjudicated to have committed inequitable conduct before the USPTO.

d) In exercising his or her discretion, the Director should take into consideration the petitioner's overall relationship with the system for adjudicating patent infringement disputes, strongly disfavoring petitions by serial patent infringers, willful patent infringers, those infringers who have caused over \$50 million in damage due to patent infringement, and any group or "defense pool" having any such entity as a member. These are the true entities running afoul of the law and causing adverse economic impact. No petition should be granted if submitted by any group or "defense pool" being in privity with, or having any association with, any entity described in a), b), or c), above.

e) In exercising his or her discretion, the Director should deny institution of an IPR for any patent having an effective filing date that pre-dates the enactment of the AIA. Pre-AIA applicants and patent examiners did not contemplate the IPR procedure as part of the patent bargain.

f) The Director should recognize political influences and biases affect institution determinations, whereas juries in Article III courts are impartial and selected from a composite of the populace. This impartiality is by constitutional design and serves the patent law system best over the long term.

g) Because the discretion of the Director to deny a petition is not reviewable on appeal, the Director should almost always exercise discretion to deny institution, because matters relating to patent validity are best resolved in an Article III court with a jury. The Director should exercise discretion to deny instituting an IPR, thereby encouraging a free-market licensing negotiation with an intact presumption of validity. Alleged infringers should re-align litigation budgets to become licensing budgets, removing institutional burdens on the USPTO and the courts and restoring faith in the American innovation economy.