

Before the
United States Patent and Trademark Office
Alexandria, VA 22313

In Response to the Request for Comments on

**Notice of Proposed Rulemaking on Rules of Practice to Allocate the Burden of
Persuasion on Motions to Amend in Trial Proceedings Before the Patent Trial and
Appeal Board**

COMMENTS OF

Intel Corporation

Attn: Lead Administrative Patent Judge Christopher L. Crumbley
Lead Administrative Patent Judge Susan L. C. Mitchell

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Intel Corp. Comments on Proposed New Rules on Burdens of Persuasion for Motions to Amend

Intel Corporation (“Intel”) appreciates this opportunity to provide comments on the Patent and Trademark Office’s (“PTO” or “Office”) proposed rules concerning allocating the burden of persuasion used by the Patent Trial and Appeal Board (“PTAB” or “Board”) during *Inter Partes* Review (“IPR”), Covered Business Method (“CBM”), and Post Grant Review (“PGR”) proceedings when a motion to amend is considered. We share the PTO’s objective that IPR, PGR, and the other America Invents Act (“AIA”) post-issuance review proceedings be as effective and fair as possible in order to fulfill Congress’s mandate for the program.¹ Indeed, as both a leading innovator and a company frequently subjected to abusive patent owner behaviors, Intel has a strong interest in (1) high quality patent examination and issuance, and (2) a procedure to consider issues of patentability as afforded by post-grant proceedings.

A. General Comments on Motion to Amend Procedure

While Intel appreciates the opportunity to provide comments and applaud the PTO’s initiative in addressing stakeholder concerns, Intel wishes to share some concerns about the proposed rule. Specifically, Intel is concerned that the process does not provide for sufficient due process for both parties and, as a result, may not effectively further the policy objectives of the AIA to provide a “second look” at issued patents in an *inter partes* manner. Indeed, the proposed allocation of burden in the amendment process could be counterproductive to the patent system Congress put into place for numerous reasons, including overshadowing the problems with challenged claims, inserting greater uncertainty into each proceeding, and leading to lower quality results. Intel urges the Office to reconsider portions of the proposed allocation of burdens, as described below, before enacting the proposed rule.

B. Comment on the Use of Rulemaking Promoting Clear Guidance and Predictability

Intel generally supports the Office engaging in rulemaking to provide clear and stable guidance to stakeholders in the patent system. Specifically, Intel supports the Office’s efforts to provide clarity on the allocation of the burdens of persuasion in a motion to amend, rather than allocating the parties’ respective burdens merely through decisions of the Board or other guidance

¹ For brevity, this comment often discusses procedures in the context of IPR, but many of the statements also apply to PGR and the Covered Business Method Program.

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memoranda. The use of rulemaking allows for comment and is more likely to promote clear guidance regarding an allocation of burdens to improve clarity and predictability and to minimize challenges that might follow from any implemented change.

C. Comments on Allocating the Burden of Persuasion for Motions to Amend

1. Proposed 42.221(d)(1) “A patent owner bears the burden of persuasion to show, by a preponderance of the evidence, that the motion to amend complies with the requirements of paragraphs (1) and (3) of 35 U.S.C. 326(d), as well as paragraphs (a)(2), (3), (b)(1), and (2) of this section”

Intel believes that this proposed rule appropriately places the burden on a patent owner, which is the party preparing and filing the motion.

2. Proposed 42.221(d)(2) “A petitioner bears the burden of persuasion to show, by a preponderance of the evidence, that any proposed substitute claims are unpatentable”

As Intel indicated in its response to the PTO’s request for comment on the Motion to Amend Practice and Procedures, particularly Questions 15 and 16, Intel continues to believe that the Office should allocate the burden of persuasion regarding patentability to the *moving* party.

First, allocating the burden to the patent owner is consistent with the general principle that the moving party has the burden to establish its entitlement to relief. Second, this allocation is consistent with the rule that the PTO followed prior to the *Aqua Products en banc* decision. Indeed, the *Aqua Products* court recognized that the traditional burden allocation rule could be re-implemented if proper rulemaking processes are followed. Finally, the current allocation of the burden could yield results that run counter to the interests of the PTO and the public. For example, if the patent owner is not required to establish that it has put forward a sufficient amount of evidence to satisfy the preponderance standard, there will likely be situations where the patent owner obtains a patent claim that does not satisfy the basic standards of patentability.

Additionally, placing the burden on the petitioner creates odd incentives. While it is apparently presumed that the petitioner will always provide a full-throated challenge to any claim amendment, there are circumstances in which it will not have such an incentive—e.g., if the proposed claim amendment creates a non-infringement argument that serves the petitioner’s own

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short-term interests. The better rule is to follow the traditional practice of placing the burden on the party seeking relief—here, the patent owner seeking a claim amendment.

3. Proposed 42.221(d)(3) “Irrespective of paragraphs (d)(1) and (2) of this section, the Board may, in the interests of justice, exercise its discretion to grant or deny a motion to amend for any reason supported by the evidence of record”

This proposed catch-all discretion for the motion to amend provides too much discretion without adequate guidance. As written, the proposed (d)(3) establishes, by rule, the Board’s discretion to grant or deny a motion to amend for reasons supported by the evidence of record, if warranted in the interests of justice. This provides little clarity as to how the Board will address a particular circumstance and does nothing to provide predictability.

For example, proposed (d)(3) provides no clarity on how the Board would decide if confronted with a motion to amend that fails to comply with the applicable statutory or regulatory requirements, and that lack of compliance occurred in good faith and is belied by the evidence of record.

Additionally, the Office continues to have a public interest function in preserving for the public any subject matter that does not meet the statutory requirements of patentability that is not satisfactorily addressed by the proposed (d)(3). While this function is best served by allocating the burden to the moving party, the Board should at a minimum be able to step in to provide an independent evaluation of the proposed amendments. The conditions where the PTO should step in include, *inter alia*:

- Where the proposed amendment does not address the ground of unpatentability that was granted in the decision on institution.
- Where the proposed amendment introduces a lack of clarity to the claims.
- Where the additional limitations of the claims serve to extend the length of the claim but do not further limit/define the overall novel/non-obvious features of a claim.
- Where the additional limitations in the proposed amendment do not contribute to a new, unexpected function to the claim as a whole.

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The proposed (d)(3) lacks sufficient clarity to provide stakeholders confidence that the PTO will exercise its public interest function. Importantly, the PTO should be careful to provide an independent assessment, and not rely exclusively on the issues raised or identified by the petitioner. The public—in addition to patent owners and post-grant proceedings petitioners—is a key constituency that the Office should take into account when considering the appropriateness of any change in policy. Altering the scope of issued patent claims, potentially many years after patents have issued, can dramatically impact the public, which has relied on the previously issued claims. But under the Proposal, there is no overt consideration of how changing the amendment procedure will impact those not directly involved in post-grant proceedings.

In addition to the substantial concerns noted above, Intel proposes that the parties' due process rights be protected if the Board exercises its discretion to grant or deny a motion to amend based on evidence of record that was not previously addressed by the parties with respect to the proposed substitute claims. Because the discretion is left to the Board and exercised by individual panels, Intel is concerned that proposed (d)(3) does not adequately specify procedural safeguards to ensure compliance with the due process requirements governing AIA trial proceedings. Such safeguards should be made clear in the final rule or comments to the final rule, should one be adopted.

Finally, Intel is concerned that proposed (d)(3) provides scant meaningful boundaries on when the Board may exercise its discretion. Specifically, there are no guideposts for a reviewing court to evaluate whether a given decision constitutes an abuse of discretion. In the interests of clarity for stakeholders, and with the goal of securing some reasonable deference for the rulemaking as a whole, the Office should provide further guidance on the contours and limits of the Board's discretion under proposed (d)(3).

The Office's expression that the Board will exercise its discretion under proposed (d)(3) "only in rare circumstances" (84 Fed. Reg. 56401, 56404) is insufficient for the scope of discretion provided in the proposed rule. The Office identifies three exemplary circumstances where the Board may "rare[ly]" exercise its discretion under proposed (d)(3): (i) where the petitioner has ceased to participate in the proceeding, (ii) where the petitioner remains in the proceeding but does not oppose the motion to amend, and (iii) "when the petitioner opposes the motion to

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amend and has failed to meet the burden of persuasion, but where there is easily identified and persuasive evidence of unpatentability in the record.” The recitation of these circumstances when the Board *may* exercise its discretion provides insufficient clarity and guidance for the stakeholders in the patent system.

D. Conclusion

Intel appreciates this opportunity to provide feedback on the Proposed Rules, and hopes that the comments can lead to a better implementation of the proposed new rules.