



American Intellectual Property Law Association

December 3, 2020

Attn: Scott C. Weidenfeller, Vice Chief Administrative Patent Judge
Mail Stop Patent Board
Director of the United States Patent and Trademark Office
P.O. Box 1450
Alexandria, VA 22313-1450

Via Federal eRulemaking Portal: <https://www.regulations.gov>

Re: Request for Comments on Discretion to Institute Trials Before the Patent Trial and Appeal Board
[Docket No. PTO-C-2020-0055]

Dear Judge Weidenfeller:

The American Intellectual Property Law Association (“AIPLA”) is pleased to have the opportunity to present its views to the United States Patent and Trademark Office (“Office”) in response to the Request for Comments on Discretion to Institute Trials Before the Patent Trial and Appeal Board published in 85 Fed. Reg. 203 (October 20, 2020) (“October 2020 Notice”).

Founded in 1897, the American Intellectual Property Law Association is a national bar association of approximately 8,500 members who are primarily engaged in private or corporate practice, in government service, and in the academic community. AIPLA members represent a wide and diverse spectrum of individuals, companies, and institutions involved directly or indirectly in the practice of patent, trademark, copyright, trade secret, and unfair competition law, as well as other fields of law affecting intellectual property. Our members represent both owners and users of intellectual property. Our mission includes helping establish and maintain fair and effective laws and policies that stimulate and reward invention while balancing the public’s interest in healthy competition, reasonable costs, and basic fairness.

AIPLA appreciates the Office’s efforts to improve AIA trial proceedings, which have become pervasive since their initial implementation in September 2012, including the Office’s focus on improving fairness to all parties and providing a framework to achieve more consistency and predictability in these proceedings. In the last few years, the Office has taken noticeable strides to address concerns of stakeholders, including through designation of decisions as precedential or informative, implementation of Standard Operating Procedure 2, establishing Precedential Opinion Panel review, implementing the pilot program for motions to amend, providing guidance memoranda, and updating the Trial Practice Guide. AIPLA previously has expressed opinions on several issues relevant to the October 2020 Notice.¹

¹ *Proppant Express Investments, LLC v. Oren Technologies, LLC*, Case no. IPR2018-00914 (December 28, 2018) (Brief of Amicus Curiae AIPLA in Support of Neither Party) (commenting on circumstances in which the Director may grant a motion for self-joinder), available at https://www.aipla.org/docs/default-source/advocacy/judicial/aipla-amicus-brief---proppant-express.pdf?sfvrsn=44af02ca_0; AIPLA Comments on PTAB Procedural Reform Initiative, at 4-5 (July 14, 2017) (commenting on the need for guidance in addressing serial/multiple petitions), available at <https://www.aipla.org/docs/default-source/advocacy/documents/aipla-letter-on-ptab-procedures-7-14->

Notice and Comment Rulemaking

AIPLA generally supports notice and comment rulemaking as the preferred mechanism to address the conduct of AIA trial proceedings. The AIA explicitly calls for rulemaking to define procedures and practices related to institution of trial proceedings. 35 U.S.C. §§ 316 and 326 provide that “[t]he Director shall prescribe regulations . . . setting forth the standards for the showing of sufficient grounds to institute a review under section[s] 314(a) [and subsections (a) and (b) of 324].” The statute further provides that “[i]n prescribing regulations under this section, the Director shall consider the effect of any such regulation on the economy, the integrity of the patent system, the efficient administration of the Office, and the ability of the Office to timely complete proceedings instituted under this chapter.” *Id.*

The implementation of the standards for deciding whether to institute are best addressed in a consistent and predictable way through rulemaking in accordance with the Administrative Procedure Act. *See* Administrative Procedure Act, 5 U.S.C. § 551 *et seq.* While AIPLA appreciates the Office’s efforts in designating decisions as precedential and in implementing Precedential Opinion Panel (POP) review, these mechanisms for guidance do not provide the same degree of stakeholder input as notice and comment rulemaking. Formal rulemaking also advantageously allows development of policy to suit a wide range of situations, rather than relying upon development through fact-specific cases. Accordingly, the adopted rules need not be tailored to the specific set of facts at issue in a particular case. In addition, regulations are generally longer lasting and provide for more consistency and predictability in practice before the Office.

Among the advantages noted above, precedential rulemaking is also entitled to *Chevron* deference when an agency has statutory authority to prescribe regulations. *See Cuozzo Speed Techs. v. Lee*, 136 S.Ct. 2131, 2140 (2016) (citing *U.S. v. Mead Corp.*, 533 U.S. 218, 229 (2001); *Chevron, U.S.A., Inc. v. Natural Resources Defense Council, Inc.*, 467 U.S. 837, 842–43 (1984)). In contrast, at least three judges on the Federal Circuit contend that POP decisions should be given no deference. *Facebook, Inc. v. Windy City Innovations, LLC*, 973 F.3d 1321, 1347–48 (Fed. Cir. 2020) (Prost, Plager, & O’Malley, additional views). The judges commented that the AIA does not indicate “that Congress either intended to delegate broad substantive rulemaking authority to the Director to interpret statutory provisions through POP opinions or intended him to engage in any rulemaking other than through the mechanism of prescribing regulations.” *Id.* at 1350. Likewise, the additional views expressed that Congress did not “delegate authority to the Board to interpret statutory provisions through generally applicable POP opinions.” *Id.* And lastly, the judges commented that “there is nothing in the AIA that displaces our obligation under the Administrative Procedure Act to review the Board’s legal conclusions without deference to the trial forum.” *Id.* Regardless of whether designating decisions as precedential or issuing POP opinions can provide more consistency and

[201797eaf6c385ba4bb2adfdc2941f7aad81.pdf?sfvrsn=feb9794_0](https://www.aipla.org/docs/default-source/advocacy/documents/aipla-comments-on-proposed-ptab-rules113fe5c6dc804f7180f5539d724cc585.pdf?sfvrsn=9ebfaa32_4);

AIPLA Comments in Response to Proposed Amendments to the Rules of Practice for Trials Before the PTAB, at 11 (Oct. 21, 2015) (commenting on limiting multiple proceedings), available at

https://www.aipla.org/docs/default-source/advocacy/documents/aipla-comments-on-proposed-ptab-rules113fe5c6dc804f7180f5539d724cc585.pdf?sfvrsn=9ebfaa32_4;

AIPLA Response to the Request for Comments on Trial Proceedings Under the America Invents Act Before the PTAB, at 10–11, 19–20 (Oct. 16, 2014) (commenting on handling multiple proceedings), available at

[https://www.aipla.org/docs/default-source/advocacy/documents/aipla-comments-to-uspto-on-aia-trial-proceedings-before-ptab-10-16-14-\(1\).pdf?sfvrsn=88293c96_4](https://www.aipla.org/docs/default-source/advocacy/documents/aipla-comments-to-uspto-on-aia-trial-proceedings-before-ptab-10-16-14-(1).pdf?sfvrsn=88293c96_4).

predictability at the Board level, it seems clear that these benefits will not extend to review of Board decisions by the courts unless there is Notice and Comment Rulemaking by the Office.

AIA Trial Proceedings and the Institution Decision

The Leahy-Smith America Invents Act (AIA) created administrative *inter partes* review (IPR) and post grant review (PGR) proceedings in which any person other than the patent owner can challenge the patentability of an issued patent by filing with the Director a petition requesting cancellation of one or more claims of a patent. 35 U.S.C. §§ 311–319 (IPR) and 321–329 (PGR). Creating an adjudicatory process within the Office for the limited purpose of reviewing and, if necessary, cancelling improperly issued patent claims was a significant part of Congress’s extensive patent reform under the AIA. These proceedings generally permit review of patentability in under one year from institution. The AIA establishes procedures specific to the patent review proceedings, and delegates to the agency the authority to promulgate procedural rules adapted to the agency resources and the statutory procedures, as discussed above. *See* 35 U.S.C. §§ 316 (IPR) and 326 (PGR).

The institution of a review proceeding is discretionary under 35 U.S.C. §§ 314(a) (IPR) and 324(a) (PGR), and 37 C.F.R. §§ 42.108(a) (IPR) and 42.208(a) (PGR). *See Cuozzo Speed Techs.*, 136 S.Ct. at 2140. Under 35 U.S.C. §314(a), “[t]he Director **may not authorize** an inter partes review to be instituted **unless** the Director determines that the information presented in the petition filed under section 311 and any response filed under section 313 shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.” (Emphasis added). Under 35 U.S.C. § 324(a), “[t]he Director **may not authorize** a post-grant review to be instituted **unless** the Director determines that the information presented in the petition filed under section 321, if such information is not rebutted, would demonstrate that it is more likely than not that at least 1 of the claims challenged in the petition is unpatentable.” (Emphasis added). In addition to the discretionary authority the Director has to institute a review proceeding, there is additional discretionary authority granted under 35 U.S.C. § 325(d) that applies to both IPR and PGR proceedings and provides that “the Director may take into account whether, and reject the petition or request because, the same or substantially the same prior art or arguments previously were presented to the Office.” And under both 35 U.S.C. §§ 316(e) (IPR) and 326(e) (PGR), the petitioner has the burden of proving a proposition of unpatentability by a preponderance of the evidence.

In implementing AIA trial proceedings, the Office must balance tensions between the just, speedy, and inexpensive resolution of these proceedings, on the one hand, and fairness to the patent owner and petitioners, on the other. Although these proceedings can represent a less expensive alternative to litigation for raising certain patentability challenges to a patent, the proceedings are not an unfettered opportunity for any potential litigant to raise such challenges. As the Supreme Court has noted, the objective of these proceedings is to give the Office significant power to revisit and revise earlier patent grants. *See Cuozzo*, 136 S.Ct. at 2139–2140 (citing H.R. Rep. No. 112-98, pt. 1, at 45, 48) (2011) (explaining that the statute seeks to “improve patent quality and *restore confidence in the presumption of validity that comes with issued patents.*”) (emphasis added). Congress noted its intent that the proceedings provide a faster, less costly alternative to district court litigation, and provide safeguards to prevent harassment of patent owners from abusive serial challenges:

[T]he bill would improve the current *inter partes* administrative process for challenging the validity of a patent. It would establish an adversarial *inter partes* review, with a higher threshold for initiating a proceeding and procedural safeguards to prevent a challenger from using the process to harass patent owners. It also would include a strengthened estoppel standard to prevent petitioners from raising in a subsequent challenge the same patent issues that were raised or reasonably could have been raised in a prior challenge. The bill would significantly reduce the ability to use post-grant procedures for abusive serial challenges to patents. These new procedures would also provide faster, less costly alternatives to civil litigation to challenge patents.

See 157 Cong. Rec. S952 (daily ed. Feb. 28, 2011) (statement of Sen. Grassley).

If a patent is vulnerable to multiple attacks, that vulnerability not only devalues the challenged patent, but the practice also engenders a chilling effect on the value of U.S. patents as a whole. The Director's prudent exercise of the statutory discretions can serve as a critical bulwark against abuse of AIA trial proceedings while still allowing for review of issued patents. Decisions whether to institute should be based, in part, on circumstances and standards that will help promote predictability, incentivize and promote investment in innovation, prevent gamesmanship by both petitioners and patent owners, and protect the public from patents that did not merit a presumption of validity when issued.

Multiple Petitions

AIPLA supports the Office providing standardized guidance through rulemaking that provides factors for deciding whether to exercise the Director's discretion to institute review for subsequently filed petitions under 35 U.S.C. §§ 314(a), 324(a), or 325(d). As a general rule, the same patent should not be subject to repeated trial proceeding challenges before the Office. This general rule flows both from fairness to the patent owner and from the need for efficiency. Specifically, patent owners deserve some level of "quiet title" or confidence that an issued patent is no longer subject to invalidation by the Office. Fairness to accused infringers and the need to protect the public interest may be reason for creating exceptions to the general rule, however, and thereby allow multiple and/or subsequent reviews of a patent in certain situations. Preferably, reasons for allowing more than one petition per patent (other than in joinder situations) should be delineated in rules so that petitioners can more clearly understand what they need to establish to invoke such an exception, and so patent owners can challenge any insufficiency in these reasons. The rules should be designed to prevent gamesmanship—by both petitioners and patent owners.

AIPLA encourages the Office to adopt rules that recognize that 35 U.S.C. § 325(d) addresses many of the same policy considerations that have driven decisions grounded in 35 U.S.C. §§ 314(a) and 324(a). Accordingly, AIPLA supports rulemaking that would address the factors applied under both sections of the statute.

Serial Petitions

1. Should the Office promulgate a rule with a case-specific analysis, such as generally outlined in General Plastic, Valve I, Valve II and their progeny, for deciding whether to institute a petition on claims that have previously been challenged in another petition?

AIPLA supports rulemaking to provide guidance in deciding whether to institute a petition on a patent that has previously been challenged in another petition. In general, we favor a presumption that once a patent has been challenged in an AIA trial proceeding, that patent should not be subject to repeated subsequent challenges. We also recognize that there may be valid exceptions, however, in which case subsequent challenges may be appropriate. The factors set forth in *General Plastic, Valve I*, and *Valve II* provide a good starting point for such rulemaking. These factors include:

1. whether the same petitioner previously filed a petition directed to the same claims of the same patent;
2. whether at the time of filing of the first petition the petitioner knew of the prior art asserted in the second petition or should have known of it;
3. whether at the time of filing of the second petition the petitioner already received the patent owner's preliminary response to the first petition or received the Board's decision on whether to institute review in the first petition;
4. the length of time that elapsed between the time the petitioner learned of the prior art asserted in the second petition and the filing of the second petition;
5. whether the petitioner provides adequate explanation for the time elapsed between the filings of multiple petitions directed to the same claims of the same patent;
6. the finite resources of the Board; and
7. the requirement under 35 U.S.C. § 316(a)(11) to issue a final determination not later than 1 year after the date on which the Director notices institution of review.

General Plastic Ind. Co., Ltd., v. Canon Kabushiki Kaisha, IPR2016-01357 Paper 19, at 9–10 (PTAB Sep. 6, 2017) (precedential). The *Valve I* and *Valve II* cases further emphasize that the *General Plastic* factors can be applied when multiple petitions are filed by different petitioners, causing the Office to “consider any relationship between those petitioners when weighing the *General Plastic* factors.” *Valve Corp. v. Elec. Scripting Prods., Inc.*, IPR2019-00062 Paper 11, at 9–10 (PTAB Apr. 27, 2019) (precedential) (“*Valve I*”); *Valve Corp. v. Elec. Scripting Prods., Inc.*, IPR2019-00064 Paper 10, at 10–11 (PTAB May 1, 2019) (precedential) (“*Valve II*”).

As noted above, AIPLA supports a presumption that institution should be denied if the patent has previously been challenged in another petition. A presumption of this type starts the analysis of follow-on petitions with relative certainty, giving patent owners something closer to quiet title and giving petitioners greater certainty when deciding whether to invest in filing an AIA trial petition. Starting from that presumption, however, the proposed rules should enable the Office to equitably consider the conduct of both petitioners and patent owners in deciding whether the presumption has been overcome.

Rulemaking should further enumerate factors and/or circumstances that might allow the petitioner to overcome the presumption that follow-on petitions will be denied. AIPLA supports starting rulemaking from the *General Plastic* factors. For example, factor 1 requires considering “whether the same petitioner previously filed a petition directed to the same claims of the same patent.” If the petitioner establishes that the earlier petition was filed by an unrelated party this would favor institution. Factor 2 requires considering “whether at the time of filing of the first petition the petitioner knew of the prior art asserted in the second petition or should have known of it.” As with factor 2, if the petitioner establishes reasons why it could not have known of newly asserted prior art this would favor institution. Importantly, the rules should incentivize petitioners to identify the best art when filing their first petition. Subsequently conducted searches, or searches for references that would “fill a gap” do not favor institution.

General Plastic factors 3, 4, and 5 all relate to timing of the follow-on petition relative to prior AIA trials or the identification of new art. Factor 3 requires considering “whether at the time of filing of the second petition the petitioner already received the patent owner’s preliminary response to the first petition or received the Board’s decision on whether to institute review in the first petition.” The facts relevant to this inquiry are a matter of public record. As discussed below, rulemaking should require petitioners to address these facts as part of justifying the relative timing. Factor 4 requires considering “the length of time that elapsed between the time the petitioner learned of the prior art asserted in the second petition and the filing of the second petition.” Consistent with factor 4, rulemaking should require the petitioner to identify the timing and circumstances that led to the discovery of the art asserted in the follow-on petition. Specifically, if the petitioner establishes that the timing reflected reasonable diligence, it would neutralize this factor. The inquiry defined in factor 5 arguably relates to the timing issues identified in factor 3, as it requires considering “whether the petitioner provides adequate explanation for the time elapsed between the filings of multiple petitions directed to the same claims of the same patent.” If the petitioner justified the relative timing of the follow-on petition, it could neutralize facts identified under factor 3. For example, actions of the patent owner might justify filing a second petition, particularly when a later petitioner had no involvement in an earlier proceeding and the timing of a patent owner’s subsequent assertion or litigation conduct against the petitioner precipitated the filing of a later petition. The petitioner’s diligence could also favor instituting review when evaluating the relative timing of the follow-on petition.

Lastly, AIPLA supports rulemaking that gives the Director discretion to deny institution as a means of satisfying the statutory one-year time limit for making a final determination. This discretion is currently recognized under *General Plastic* factors 6 and 7, which require considering “6. the finite resources of the Board; and 7. the requirement under 35 U.S.C. § 316(a)(11) to issue a final determination not later than 1 year after the date on which the Director notices institution of review.” Neither petitioners nor patent owners should bear the burden of addressing these issues. Situations that would justify exercise of such discretion should be exceptionally rare.

Placing the burden on petitioners in the manner described above should not impinge upon the space limitations already imposed on petitions by the rules. Accordingly, AIPLA encourages rulemaking that would allow petitioners to file a separate paper justifying the follow-on petition, of the type already allowed in the context of parallel petitions. *See* PTAB Consolidated Trial Practice Guide, at 59–61 (Nov. 2019) (hereinafter “TPG”). And the patent owner should be

allowed to respond in its preliminary response or by filing a separate paper, as in current practice. *Id.*

AIPLA believes this approach would provide some protection to patent owners against multiple challenges. Simultaneously, this approach would provide petitioners a means for requesting review of a patent when equity favors departing from the general presumption against follow-on petitions.

2. Alternatively, in deciding whether to institute a petition, should the Office (a) altogether disregard whether the claims have previously been challenged in another petition, or (b) altogether decline to institute if the claims have previously been challenged in another petition?

While AIPLA supports predictability in trial challenges under the AIA, the decision whether to institute is not necessarily amenable to the bright line rules proposed here. For all of the reasons discussed above, it would not be appropriate to disregard prior challenges nor to ignore them. Rather, any proposed rulemaking should provide factors for determining whether institution is appropriate, coupled with a clear presumption that the burden is on a subsequent petitioner to establish why such factors should authorize a departure from the general rule.

Parallel Petitions

3. Should the Office promulgate a rule with a case-specific analysis, such as generally outlined in the Consolidated Trial Practice Guide, for deciding whether to institute more than one petition filed at or about the same time on the same patent?

AIPLA supports rulemaking to provide guidance in deciding whether to institute more than one petition filed at or about the same time on the same patent. In general, we favor a presumption that a patent should not be challenged in multiple proceedings and we agree with the Office's assessment that multiple petitions are not necessary in the vast majority of cases. We also recognize that there may be valid exceptions, however, in which case more than one challenge may be appropriate. The factors outlined in the Consolidated Trial Practice Guide generally provide a good starting point for such rulemaking. By requiring petitioners to rank their petitions and explain the differences between the petitions, the Office places a de facto burden on petitioners to justify filing multiple petitions. AIPLA supports rulemaking that would formally place the burden on petitioners to explain why more than one petition is needed.

AIPLA supports rulemaking that would require petitioners to supply an explanation in a separate paper, and that provides patent owners a response in a separate paper, in the manner outlined in the Consolidated Trial Practice Guide. *See* TPG, at 59–61.

The Consolidated Trial Practice Guide outlines two examples of circumstances in which more than one petition may be necessary, specifically where a large number of claims have been asserted in litigation, or where there is a dispute about priority date requiring arguments under multiple prior art references. In order to streamline the process and make it more uniform and predictable, AIPLA supports rulemaking that would outline specific factors (e.g., many claims being challenged, challenges that require alternative prior art or alternative claim construction arguments) in which the Director would consider institution of parallel petitions. In the example where the parties dispute priority dates or claim construction, the petitioner should address how

the different grounds across multiple petitions are materially different. Additionally, the Consolidated Trial Practice Guide notes that “the Board finds it unlikely that circumstances will arise where three or more petitions by a petitioner with respect to a particular patent will be appropriate.” AIPLA agrees and supports rulemaking requiring the petitioner to separately justify any third or subsequent parallel petition.

4. Alternatively, in deciding whether to institute more than one petition filed at or about the same time on the same patent, should the Office (a) altogether disregard the number of petitions filed, or (b) altogether decline to institute on more than one petition?

While AIPLA supports predictability in trial challenges under the AIA, the decision whether to institute is not necessarily amenable to bright-line rules, and it would be not be appropriate to disregard the number of petitions filed nor to ignore them. Rather, they should be factors in determining whether institution is appropriate coupled with a clear presumption that the burden is on the petitioner to establish why such factors should authorize a departure from the general rule. The Trial Practice Guide notes that “the Board finds it unlikely that circumstances will arise where three or more petitions by a petitioner with respect to a particular patent will be appropriate.” TPG, at 59. AIPLA agrees that circumstances requiring more than two parallel petitions should be rare and supports rulemaking that would establish a presumption against institution of more than two parallel petitions.

Proceedings in Other Tribunals

*5. Should the Office promulgate a rule with a case-specific analysis, such as generally outlined in *Fintiv* and its progeny, for deciding whether to institute a petition on a patent that is or has been subject to other proceedings in a U.S. district court or the ITC?*

AIPLA supports rulemaking to provide guidance in deciding whether to institute a petition on a patent that is or has been subject to other proceedings in a U.S. district court. Proceedings pending before the ITC, however, should not serve as a basis for denying institution in AIA trials.² In general, we favor rules that avoid overlapping effort and/or conflicting decisions in different forums, meaning that the Office should not consider validity challenges raised in an IPR if the same or substantially the same validity challenges will be resolved in another forum before the Board would issue a final written decision on those challenges. Congress envisioned the PTAB as a cost-effective *alternative* to litigation in the district courts.

As noted above, AIPLA supports rulemaking that takes into account overall efficiencies and avoids duplicating resources in appropriate circumstances. We also recognize that there may be valid exceptions, however, in which case simultaneous challenges may be appropriate. Although imperfect, the factors set forth in *Fintiv* provide a starting point for such rulemaking. These factors are:

1. whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted;

² ITC findings on validity do not carry any preclusive effect in other venues. *See Tex. Instruments Inc. v. Cypress Semiconductor Corp.*, 90 F.3d 1558, 1569 (Fed. Cir. 1996). In addition, the ITC cannot cancel invalid claims. Thus, the comments in this section are directed to parallel district court proceedings.

2. proximity of the court's trial date to the Board's projected statutory deadline for a final written decision;
3. investment in the parallel proceeding by the court and the parties;
4. overlap between issues raised in the petition and in the parallel proceeding;
5. whether the petitioner and the defendant in the parallel proceeding are the same party; and
6. other circumstances that impact the Board's exercise of discretion, including the merits.

Apple Inc., v. Fintiv, Inc., IPR2020-00019 Paper 11, at 6 (PTAB Mar. 20, 2020). Through proper consideration and weighting of these factors, clear rulemaking can reduce the expense and uncertainty that would otherwise be created if challenges proceed in parallel in different forums.

As stated in the Consolidated Trial Practice Guide, the implementing regulations are "aimed at streamlining and converging the issues for decision." TPG, at 2. Where a separate proceeding is on course to resolve questions of validity that are also before the PTAB, clear guidance to resolve institution in favor of streamlining and converging the issues for decision is desirable.

Fintiv factors 1, 2, and 4 go to the notion that the PTAB should not engage in work that overlaps that of the separate proceeding. For example, factor 1 requires considering "whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted." Although the existence of a stay may identify whether the parallel litigation is active, AIPLA notes that the query over whether "one may be granted" is entirely speculative and has led plaintiffs to seek district court venues where a stay is unlikely. AIPLA supports rulemaking that would favor institution if litigation is stayed, but otherwise rely on the other factors. Factor 2 requires considering "proximity of the court's trial date to the Board's projected statutory deadline for a final written decision." The Director should also consider evidence concerning whether a scheduled trial date is likely to be moved.

Factor 4 requires considering "overlap between issues raised in the petition and in the parallel proceeding." AIPLA notes that this factor has been found to be heavily weighted in many decisions related to parallel proceedings. *See* Babcock & Train, "PTAB Factors For Instituting IPR: What The Stats Show," LAW360 (Sep. 18, 2020), [available at https://www.law360.com/articles/1309742/ptab-factors-for-instituting-ipr-what-the-stats-show](https://www.law360.com/articles/1309742/ptab-factors-for-instituting-ipr-what-the-stats-show). AIPLA supports rulemaking that requires petitioners to establish that the issues in a parallel pleading do not overlap, to the same extent that estoppel under 35 U.S.C. § 315(e) or 35 U.S.C. § 325(e) would apply based on the grounds asserted in the petition. The Office should not exercise its discretion to deny institution if the same or substantially the same grounds are not at issue in the IPR and the parallel forum. In addition, evaluating the patent owner's disclosure of asserted claims and infringement contentions can factor into the decision.

Factor 3 requires considering "investment in the parallel proceeding by the court and the parties." This factor serves to protect the effort already expended in the parallel proceeding and serves to give deference to proceedings that are relatively advanced. AIPLA supports incorporating factor 3 into rulemaking, recognizing that it may support denying institution even when the parallel proceeding may conclude substantially after the requested AIA trial.

Factor 5 requires considering “whether the petitioner and the defendant in the parallel proceeding are the same party.” AIPLA supports rulemaking that would expand upon the inquiry, by requiring the petitioner to address the relationship between the petitioner and the defendant in the parallel proceeding. If the petitioner and the defendant in the parallel proceeding are found to be the same party or in privity, this would favor denying institution.

Factor 6 allows the PTAB to consider “other circumstances that impact the Board’s exercise of discretion, including the merits.” Consistent with its general preference for rulemaking and predictability, AIPLA supports rulemaking that specifically identifies the other circumstances considered by the PTAB.

6. Alternatively, in deciding whether to institute a petition on a patent that is or has been subject to other proceedings in district court or the ITC, should the Office (a) altogether disregard such other proceedings, or (b) altogether decline to institute if the patent that is or has been subject to such other proceedings, unless the district court or the ITC has indicated that it will stay the action?

While AIPLA supports predictability in trial challenges under the AIA, the decision whether to institute is not necessarily amenable to bright line rules, and it would not be appropriate to disregard other proceedings nor to ignore them. Rather, the existence and nature of parallel proceedings should be factored into the PTAB’s institution decision, as discussed above.

Other Considerations

7. Whether or not the Office promulgates rules on these issues, are there any other modifications the Office should make in its approach to serial and parallel AIA petitions, proceedings in other tribunals, or other use of discretion in deciding whether to institute an AIA trial?

In addition to the issues discussed above, the PTAB has identified precedential decisions that describe factors that should be evaluated when deciding whether institution should be denied under 35 U.S.C. § 325(d). Section 325(d) states, in relevant part:

In determining whether to institute or order a proceeding under this chapter, chapter 30, or chapter 31, the Director may take into account whether, and reject the petition or request because, the same or substantially the same prior art or arguments previously were presented to the Office.

AIPLA supports rulemaking to provide guidance in deciding whether to institute a petition in situations where the issues overlap with prior matters before the Office. The factors set forth in *Becton*, *Dickinson* and *Advanced Bionics* provide a good starting point for such rulemaking. These factors include:

- (a) the similarities and material differences between the asserted art and the prior art involved during examination;
- (b) the cumulative nature of the asserted art and the prior art evaluated during examination;
- (c) the extent to which the asserted art was evaluated during examination, including whether the prior art was the basis for rejection;

- (d) the extent of the overlap between the arguments made during examination and the manner in which petitioner relies on the prior art;
- (e) whether petitioner has pointed out sufficiently how the examiner erred in its evaluation of the asserted prior art; and
- (f) the extent to which additional evidence and facts presented in the petition warrant reconsideration of the prior art or arguments.

Becton, Dickinson & Co. v. B. Braun Melsungen AG, IPR2017-01586 Paper 8, at 17–18 (Dec. 15, 2017) (precedential as to § III.C.5, first paragraph). The PTAB has subsequently distilled these factors into two considerations:

- (1) whether the same or substantially the same art previously was presented to the Office or whether the same or substantially the same arguments previously were presented to the Office; and
- (2) if either condition of first part of the framework is satisfied, whether the petitioner has demonstrated that the Office erred in a manner material to the patentability of challenged claims.

Advanced Bionics, LLC v. Med-El Electromedizinische Geräte GmbH, IPR2019-01469 Paper 6, at 8 (PTAB Feb. 13, 2020) (precedential). In *Advanced Bionics*, the PTAB recognized that *Becton, Dickinson* factors (a), (b), and (d) pertain to art and arguments evaluated and made during examination. *Id.* at 10. Likewise, *Becton, Dickinson* factors (c), (e), and (f) relate to whether the petitioner has demonstrated material error by the Office. *Id.*

As discussed above, these factors may apply in circumstances related to serial petitions and parallel proceedings. Accordingly, AIPLA encourages the Office to adopt rules that recognize and address the significant overlap between discretionary denial of institution under 35 U.S.C. §§ 314(a) and 324(a), on one hand, and denial under 35 U.S.C. § 325(d), on the other. Although a single set of factors is unlikely to address all situations, fairness is likely supported by first evaluating whether § 325(d) applies.³ If not, then the considerations relevant to § 314(a) or § 324(a) should be considered. Proceeding in this manner avoids conflating the considerations applied to these separate statutory bases.

Lastly, AIPLA notes that Congress has provided means other than AIA trials for challenging issued patents. *Ex parte* reexamination is always an option, subject to the Office’s guidance on the interplay between AIA trials. *See* Notice Regarding Options for Amendments by Patent Owner Through Reissue or Reexamination During a Pending AIA Trial Proceeding 84 Fed. Reg. 16,654 (April 22, 2019). IPR and PGR should be limited for each patent, serving to provide an alternative to more costly district court litigation. As discussed above, the presumption should therefore be that each patent will only be subject to a single AIA trial, subject to equitable analysis under the factors discussed above that may justify multiple AIA trial proceedings.

³ AIPLA notes, however, that petitioner should not initially bear the burden of distinguishing all art of record. Rather, the analysis under § 325(d) should begin with the patent owner coming forward with evidence that prior art or arguments previously presented to the Office were the same or substantially the same as those asserted in the petition.

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AIPLA appreciates the opportunity to provide feedback to the Office on the Request. AIPLA looks forward to further dialogue with the Office with regard to the issues raised above.

Sincerely,

A handwritten signature in black ink that reads "Vincent E. Garlock". The signature is written in a cursive style with a large, prominent 'V' at the beginning.

Vincent E. Garlock

Executive Director

American Intellectual Property Law Association