

November 17, 2015

The Honorable Michelle K. Lee  
Under Secretary of Commerce for Intellectual Property  
and Director of the United States Patent and Trademark Office  
600 Dulany Street  
P.O. Box 1450  
Alexandria, VA 22313  
<http://www.regulations.gov> (docket number PTO-P-2015-0055)

**Re: USPTO Request for Comments on Proposed Pilot Program Exploring an Alternative Approach to Institution Decisions in Post Grant Administrative Reviews**

Adobe Systems Inc., Altera Corporation, Application Developers Alliance, Hewlett-Packard Inc., Hewlett-Packard Enterprise, Intel Corporation, Oracle Corporation, and Xilinx Inc. commend the U.S. Patent and Trademark Office (USPTO) on its continued commitment to patent quality. We are pleased to provide our response to the USPTO's Federal Register request for comments on its proposed pilot program under which the determination whether to institute an Inter Partes Review (IPR) will be made by a single Administrative Patent Judge (APJ).

The United States' economic growth is, and has always been, tied to innovation. The ability of U.S. corporations to continue to innovate depends upon a strong patent system with high quality patents. Indeed, Congress's stated intent for AIA proceedings was that they should "provide a meaningful opportunity to improve patent quality and restore confidence in the presumption of validity that comes with issued patents in court." H.R. Rep. No. 112-98, pt.1, at 48 (2011). Because IPR proceedings play an increasingly important role in determining which patents satisfy these standards and will continue to be enforceable, the decision to institute an IPR proceeding must continue to be made after a careful and deliberative process that focuses on whether the petitioner has met its burden of proof. This non-reviewable decision has significant impact not only on the

petitioner and the patent owner, but also on the public at large. For these reasons, we believe that a three-judge panel is necessary for the USPTO to maintain the tempered, consistent, and deliberative process that has been the hallmark of institution decisions in IPR proceedings since their introduction in 2012.

### **Pilot Program Proposal**

While we appreciate and applaud the USPTO's efforts to improve its efficiency in handling AIA post grant proceedings, we have strong concerns with the proposed pilot program to have a single Administrative Patent Judge make IPR institution determinations.

The USPTO's decision whether to institute IPR proceedings is a critical one, yet there is no right to appeal the determination under current law. Specifically, 35 U.S.C. Section 314(d) provides that "[t]he determination . . . whether to institute an inter partes review under this section shall be final and nonappealable." *See also In re Cuozzo Speed Technologies, LLC*, 778 F. 3d 1271, 1277-78 (Fed. Cir. 2015) (finding that section 314(d) "prohibits review of the decision to institute IPR even after a final decision," except in exceptional circumstances where a writ of mandamus is available). The institution of IPR proceedings can have significant effects on the parties involved, and where there is parallel litigation involved, it can significantly impact a stay of the parallel patent litigation. To ensure that IPR proceedings continue to meet the stated goal of ensuring patent quality while recognizing their important impact on the parties and the public, the institution determination must continue to be made carefully and deliberatively. Considering the importance of the determination and the inability to appeal, whether the PTAB institutes an IPR petition should not be reduced to a single point of decision. Doing so would run the risk of creating an IPR APJ "lottery" where the decision to institute a petition might be determined just as much by to which PTAB judge the petition is assigned as it is by the merits of the petition itself.

In the current three-judge panel, at least two of three judges must reach consensus on the IPR institution decision. This consensus-building will often require thoughtful discussion and deliberation between the judges, leading to more tempered and consistent

standards for institution. Quality and consistency are central to the continuing success of the IPR process. Indeed, the model has been shown to work well in the Federal Courts of Appeal, where the careful deliberation of a multi-judge panel is used to develop a more consistent and reasoned interpretation of the law.

Every Administrative Patent Judge brings different legal and technological experiences and expertise to the deliberative process. Using a single Administrative Patent Judge in the IPR institution determination means the loss of the expertise and insight that the other two judges would have otherwise contributed to the process. Although a single judge might accidentally overlook something important while reviewing the record, it is significantly less likely that all three judges would miss the same thing. There can be no dispute that a panel drawing from the diverse experience and technological expertise of all three judges will reach a better, more informed, and more thoroughly considered decision about institution than a single judge would working alone. Because of the importance of the IPR institution decision, we believe that the more deliberative three-judge process is necessary to meet Congress's stated goals and provide fairness to the parties.

The USPTO's request states that the primary driving force of the proposed pilot program is to prevent strain on the PTAB's ability make timely decisions. With all due respect, we doubt that the proposed single-judge pilot program will actually result in significant time savings. The same institution decision must be drafted regardless whether a single-judge or three-judge panel considers the petition. And if institution is granted, the other two judges will still need to review all of the materials and "come up to speed" on the claims, the patent, and the prior art, just as they would have had to have done under the existing process. Thus, for instituted proceedings, there may be virtually no time saved and efficiency gained. Moreover, under the proposed system, the two "new" judges will need to "come up to speed" during the post-institution period, increasing their post-institution workload and putting additional pressure on the panel's ability to make final determinations within the one-year deadline. Regardless, considering the critical impact that a decision to institute has on the parties and the

public, resources spent to ensure a more careful, deliberative decision about whether to institute an IPR petition are absolutely necessary and should remain a USPTO priority.

### **Conclusion**

For these reasons, we respectfully opposes the proposed pilot program. IPR institution decisions should continue to be made by a three-judge panel to maintain the tempered, consistent, and deliberative determinations that are so valued by the parties and critical to Congress's and the USPTO stated goal of maintaining patent quality.

Sincerely,

Adobe Systems Inc., Altera Corporation, Application Developers Alliance, Hewlett-Packard Inc., Hewlett-Packard Enterprise, Intel Corporation, Oracle Corporation, and Xilinx Inc.

