

November 18, 2015

BY E-MAIL (PTABTrialPilot@uspto.gov)

ATTN: Scott R. Boalick
Vice Chief Administrative Patent Judge
Patent Trial and Appeal Board, U.S. Patent and Trademark Office

RE: NYIPLA Comments in Response to “Request for Comments on a Proposed Pilot Program Exploring an Alternative Approach to Institution Decisions in Post Grant Administrative Reviews,” Federal Register Notice, August 25, 2015, Vol. 80, No. 164 (80 FR 51540).

Introduction

The New York Intellectual Property Law Association (“NYIPLA”) is a professional association comprised of over 1,500 lawyers interested in Intellectual Property law who live or work within the jurisdiction of the United States Court of Appeals for the Second Circuit and the District of New Jersey, and members of the judiciary throughout the United States as *ex officio* Honorary Members. The Association’s mission is to promote the development and administration of intellectual property interests and educate the public and members of the bar on Intellectual Property issues. Its members work both in private practice and government, and in law firms as well as corporations, and they appear before the federal courts and the United States Patent and Trademark Office (“USPTO”). The NYIPLA provides these comments on behalf of its members professionally and individually and not on behalf of their employers.

The NYIPLA applauds the USPTO for the work it has done and its efforts in implementing post grant administrative review procedures as part of the America Invents Act (“AIA”). The Federal Register published a “Request for Comments on a Proposed Pilot Program Exploring an Alternative Approach to Institution Decisions in Post Grant Administrative Reviews” in the Federal Register on August 25, 2015, 80 FR 51540 (Vol. 80, No. 164)

(hereinafter, “Pilot Program”), wherein the USPTO requested comments on a proposal where the USPTO would institute a Pilot Program that would utilize a single administrative patent judge (“APJ”) to determine whether to institute review in a post grant proceeding. The NYIPLA welcomes and appreciates efforts by the USPTO to improve post grant procedures, including specifically soliciting comments from the public. The NYIPLA is pleased to provide these comments in an effort to improve the administration of the post grant reviews by the USPTO.

Background

It is appreciated that the USPTO is not faced with an easy task given the number of post grant proceedings filed each year. The Federal Register notice points out that since September 16, 2012, the PTAB has received over 3,600 petitions, instituted trials on over 1,500 petitions, has issued over 2,200 decisions on institutions and provided over 450 written decisions. In the Federal Register Notice the USPTO sets forth a Pilot Program that would select certain inter partes review (“IPR”) petitions for review by a single APJ who would decide whether to institute an IPR trial. The program would be limited to IPRs and would run three (3) to six (6) months. The current method of determining whether to institute an IPR trial uses three APJs. It is contemplated under the Pilot Program that the single judge who decides whether to institute the petition would remain on the three APJ panel that ultimately renders the final written decision in the IPR. Under the Pilot Program, if the petition is granted, two additional APJs would later be assigned to conduct the IPR trial. The USPTO would use the results of the Pilot Program to determine whether and to what degree to implement the approach more generally in the future.

The USPTO requested comments on whether it should implement the Pilot Program as well as three questions specific to the proposal. The USPTO also seeks any other suggestions for

conservation and more efficient use of resources of the PTAB. The NYIPLA would like to take this opportunity to provide its view on the Pilot Program.

Discussion

The NYIPLA provides comments below on each question proposed by the USPTO in the Pilot Program.

1. Should the USPTO Conduct the Single-APJ Institution Pilot Program as Proposed to Explore Changes to the Current Panel Assignment Practice in Determining Whether to Institute Review in a Post Grant Proceeding?

The NYIPLA believes that the USPTO should not institute the Pilot Program. There are several reasons why the NYIPLA believes that it would not be beneficial for the USPTO to use a single APJ to render a decision on whether to institute a post grant proceeding, or to implement the Pilot Program.

The NYIPLA understands the USPTO's efforts to conserve resources and make efficient use of its personnel. Under the current model, The USPTO has a panel of three APJs decide whether to institute a trial, and then normally, if the trial is instituted, has the same three APJs conduct the trial. The USPTO would like to institute the Pilot Program to determine whether using a single APJ to decide whether or not to institute the IPR would offer any cost benefits, and free up APJs to attend to other matters, thereby making the PTAB more efficient.

First, deciding on whether to grant an IPR is an important, critical step in the IPR process. Given its importance, the NYIPLA does not think it would be beneficial or wise to reduce resources at the institution stage. The NYIPLA believes that the insight of all three APJ is beneficial to determining whether or not to institute an IPR. One of the reasons for this position is the inability of a Petitioner to appeal any decision to institute an IPR proceeding to the Court of Appeals for the Federal Circuit ("Federal Circuit"). See *In RE Cuozzo*, 778 F.3d 1271

(Fed. Cir. 2015). This is particularly important as the PTAB is often granting partial institutions on some of the claims in the petition and the Petitioner has no appeal rights with respect to the non-instituted claims. As such, it is critical that the PTAB perform a thorough review by at least three APJs at the institution phase. The NYIPLA is of the opinion that the interaction, brainstorming and collective thoughts of the three APJs results in higher quality institution decisions and is worth the additional costs.

The NYIPLA also believes that three judge dynamic may be inadvertently influenced in a negative way during the trial if one of the three judges includes a judge that made the solo decision to institute. Keeping in mind the different standards between institution (“reasonable likelihood”) and the final determination (“preponderance of the evidence”), the initial APJ may have a vested interest in showing that his/her initial determination to institute the IPR was the correct decision.

Lastly, the NYIPLA questions whether or not having a single APJ institute the IPR would in practice be more efficient and conserve resources. The concern is that a single APJ may be less inclined to deny the petition, resulting in more petitions being granted which would require more PTAB resources. If all three APJs feel that a petition does not merit review, then they are likely to gain strength and comfort from each other's opinion, and deny the petition. But if a single APJ is presented with a close call about whether to allow a patent of dubious validity to stand, as the sole arbitrator and decision maker, he/she would be less inclined to deny the petition in a situation where a three APJ panel would have had the opportunity to arrive at a consensus and have no hesitancy in denying the petition. Thus, having a single-APJ decide the petition may result in more work for, and encumber more resources of, the USPTO.

2. What are the Advantages or Disadvantages of the Proposed Single APJ Institution Pilot Program?

The advantages of such a Pilot Program are the potential savings in resources required by PTAB to determine whether or not the PTAB should institute a petition.

The disadvantages of such a Pilot Program is that it puts too much power in one APJ to determine the fate of a petition, when, based at least on the *Cuozzo* decision and recent jurisprudence, the Petitioner has no right to appeal the partial or complete denial of the petition to the Federal Circuit or expanded PTAB panel. The NYIPLA understands the Petitioner can ask the PTAB to “reconsider” the merits of the institution decision, but it has been our experience that those requests are rarely granted.

The NYIPLA understands the USPTO’s rationale for not allowing petitioners to “opt in” or “opt out” of this Pilot Program as described in the Federal Register notice. However, even with this understanding, the Pilot Program treats some petitions differently than others. The NYIPLA believes consistency is an important aspect of the PTAB proceedings and the PTAB rules should be implemented consistently in accordance with the AIA.

3. How Should the USPTO Handle a Request for Rehearing of a Decision on Whether to Institute Trial Made by a Single APJ?

To the extent the PTAB decides to implement this Pilot Program, the USPTO should consider some appeal or “reconsideration” procedure where an expanded PTAB panel consisting of three APJs, including the one APJ involved in the decision to institute the IPR, reviews the APJ’s initial decision. The NYIPLA understands that this may defeat the whole purpose of the Pilot Program as most petitioners that have petitions denied will request reconsideration by the three APJ panel. However, the NYIPLA recommends that the PTAB consider some “check” in the process to insure the initial single APJ’s analysis is correct. We emphasize that according to

recent statistics, approximately 80% of current IPRs are involved in parallel district court litigation so these decisions to institute an IPR are critical and need to be thoroughly evaluated before a final decision on institution is made.

4. What Information Should the USPTO Include in Reporting the Outcome of the Proposed Single APJ Institution Pilot Program?

We believe the information that the PTAB is currently providing in decisions to institute an IPR should be the same in any decision made by a single APJ. In particular, the APJ's analysis of the prior art patents and printed publications in light of the scope of the claims, and whether the detailed description provided by the petitioner satisfies the IPR standard to institute an IPR should form part of any report on the decision on whether or not to institute an IPR.

5. Are There Any Other Suggestions for Conservation and More Efficient Use of the Judicial Resources at the PTAB?

It would be helpful for the stakeholder community to better understand how the PTAB uses the "Patent Attorney Program" as explained in the PTAB's PPAC presentation from May 2015. Slides 33 and 34 of that presentation provide information about the program, but it would be helpful to include that information and any updates in any final Federal Register notice that implements this Pilot Program. More specifically, it would be helpful to better understand the role of the patent attorneys, how many are in the PTAB group, and how many the PTAB plans on hiring. As an analogy, stakeholders appreciate that district court judges use clerks to help them with certain administrative matters and legal research. It would be helpful to understand the role of the PTAB patent attorney. Similarly, slides 35 and 36 of the May PPAC presentation provide information about the PTAB support staff. It would be helpful to receive an update on the PTAB support staff including to what extent they can and currently do handle administrative work for the APJs, so the APJs can focus on the substantive aspects of the PTAB process.

Thank you for giving the NYIPLA the opportunity to provide feedback on the Pilot Program. We look forward to providing the USPTO with additional feedback in the future on patent quality and other matters.

Respectfully submitted,

/Dorothy Auth/

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