

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

In the Matter of)	
)	
Request for Comments on)	Docket No. PT0-P-2015-0053
Amendments to the Rules of Practice for Trials)	
Before the Patent Trial and Appeal Board)	

**COMMENTS OF
CISCO SYSTEMS, INC.; DELL INC.; GOOGLE INC.; ORACLE CORPORATION;
APPLIED MATERIALS, INC.; CABLELABS; GARMIN INTERNATIONAL, INC.;
HEWLETT-PACKARD COMPANY; JCPENNEY CORPORATION, INC.;
LEXMARK INTERNATIONAL, INC.; MICRON TECHNOLOGY, INC.;
NETAPP, INC.; RACKSPACE; SAMSUNG ELECTRONICS; SAP; SAS
INSTITUTE INC.; SPACE EXPLORATION TECHNOLOGIES CORP.; TRIMBLE
NAVIGATION LIMITED; VERIZON COMMUNICATIONS INC.; VIZIO, INC.**

Buddy Toliver CISCO SYSTEMS, INC. Mail Stop LWR04/3 5030 Sugarloaf Parkway Lawrenceville, GA 30044	Michele Connors DELL INC. One Dell Way, RR1-33 Round Rock, TX 78682
Laura Sheridan Suzanne Michel GOOGLE INC. 1600 Amphitheatre Parkway Mountain View, CA 94043	Mollybeth Kocialski ORACLE CORPORATION 7700 Technology Way Denver, Colorado 80237
Keith Weed APPLIED MATERIALS, INC. 3050 Bowers Avenue PO Box 58039 Santa Clara, CA 95052	Judson Cary CABLELABS 858 Coal Creek Cir. Louisville, CO 80027

<p>Sam Korte GARMIN INTERNATIONAL, INC. 1200 E. 151st St. Olathe, KS 66062</p>	<p>Matt Wade HEWLETT-PACKARD COMPANY 3000 Hanover Street Palo Alto, CA 94304-1185</p>
<p>Diane K. Lettelleir JCPENNEY CORPORATION, INC. 6501 Legacy Dr., MS 1122 Plano, TX 75024</p>	<p>Brent Lambert LEXMARK INTERNATIONAL, INC. 740 West New Circle Road Lexington, KY 40550</p>
<p>W. David Westergard MICRON TECHNOLOGY, INC. 8000 S. Federal Way Boise, ID 83707</p>	<p>Suvashis “V” Bhattacharya NETAPP, INC. 495 East Java Drive Sunnyvale, CA 94089</p>
<p>Van Lindberg RACKSPACE 1 Fanatical Place Windcrest, TX 78218</p>	<p>Karin Norton SAMSUNG ELECTRONICS 1200 New Hampshire Ave NW, Ste. 550 Washington, DC 20036</p>
<p>Anthony L. DiBartolomeo SAP 3999 West Chester Pike Newtown Square, PA 19073</p>	<p>Timothy K. Wilson SAS INSTITUTE INC. 701 SAS Campus Drive Cary, NC 27513</p>
<p>Rachel Lovejoy SPACE EXPLORATION TECHNOLOGIES CORP. 1030 15th Street NW, Suite 220E Washington, DC 20009</p>	<p>Aaron Brodsky TRIMBLE NAVIGATION LIMITED 10368 Westmoor Drive Westminster, CO 80021</p>
<p>Rachel M. McKenzie VERIZON COMMUNICATIONS INC. 1300 I Street NW Washington, DC 20005</p>	<p>Jerry C. Huang Avi Schwartz VIZIO, INC. 39 Tesla Irvine, CA 92618</p>

INTRODUCTION

AIA post-issuance proceedings have been in place for three years and continue to be efficient, fair, and balanced procedures for affirming patentable claims and eliminating unpatentable claims. Many of the companies submitting these comments also submitted comments in October of 2014 to provide their views on the topics and questions posed by the Office in the June 2014 Federal Register Notice (“October 2014 Comments”).¹ The Office’s consideration of that feedback in crafting the proposed rules and commentary in the August 20, 2015 Federal Register Notice is appreciated.

We generally support the proposed rules, but ask for careful implementation to ensure that the proceedings remain fair and balanced and promote the goal of patent quality. With respect to the proposed rule allowing new testimonial evidence in a patent owner’s preliminary response, the petitioner should have the ability to address threshold institution issues when raised. We also strongly agree with the Office’s proposal to view supporting evidence concerning disputed material facts in the light most favorable to the petitioner. We support the Board’s continued application of the framework for additional discovery set forth in the *Garmin* decision, and the continued case-by-case consideration of issues like real party in interest and multiple proceedings given their highly fact-dependent nature.

Our detailed comments are below and are organized into two sections: (1) topics for which the Office has proposed rule changes and (2) topics that do not have proposed rules associated with them.

I. Topics with Proposed Rule Changes

A. Claim Construction Standard

We support the Office’s proposed rule on the claim construction standard, applying a *Phillips*-type construction where a patent is expiring as the Office has always done in its post-grant proceedings. The proposed rule strikes the right balance, recognizing that in situations

¹ See Comments of Cisco Systems, Inc. et al. in response to Request for Comments on Trial Proceedings Under the America Invents Act Before the Patent Trial and Appeal Board, found at http://www.uspto.gov/sites/default/files/ip/boards/bpai/cisco_et_al_20141016.pdf.

where it is evident at the time the petition is filed that amendment is not possible because the patent will expire, a *Phillips*-type construction is appropriate, but in *all other situations* the broadest reasonable interpretation should be applied. Applying BRI during AIA proceedings leads to clearer patent claims that align with inventors' understanding of their inventions and provides the public with better notice of what subject matter is claimed. It is also justified by the role of the Office in determining *patentability* of a claim, and not *validity* as is the function of a trial court.

As for implementing this change, for a petition on any patent expiring within eighteen months from the filing of that petition, the petitioner's briefing should apply a *Phillips*-type construction. A bright line rule is needed to avoid unnecessary and inefficient dual constructions. Of course, for those patents that have already expired at the time a petition is filed, a *Phillips*-type construction should also be applied as is currently the case.

The Office has also asked for feedback on whether a patent owner should be able to forego the right to amend in exchange for a *Phillips*-type construction, even where expiration is not imminent. As the Office has correctly pointed out, such a framework is unworkable, creating issues with timing and the need for duplicative claim construction briefing as it would be impossible to determine which standard would apply at the time a petition is filed. The Office would also be required to set forth two claim constructions in the institution decision, which would be burdensome and counter to the goal of judicial economy. In addition, allowing for this would raise the issue of other proceedings before the Office on the same patent, and whether amendments would be lost in those proceedings as well. As the October 2014 Comments also emphasized, the appropriate claim construction standard for the Office to apply is the broadest reasonable interpretation, and the Office should only veer from that standard in the very limited circumstance of an expiring or already-expired patent.

B. Patent Owner's Preliminary Response

The October 2014 Comments opposed the ability for a patent owner to provide new testimonial evidence in the preliminary response, raising the concern that doing so risks

converting the institution decision into something it was not intended to be, without the benefit of adequate discovery procedures afforded the parties at trial.²

We appreciate the Office's rationale for proposing to allow a patent owner to provide new testimonial evidence in the preliminary response and can support this change, but we urge the Office to also afford petitioners an opportunity to reply to any threshold issues prior to institution to fairly implement this framework. These threshold issues include questions like CBM-eligibility of a patent, identity of the real party in interest, and statutory bar issues under 35 USC § 315(b). While there is a relatively short timeframe for the Board to issue its institution decision following the submission of the patent owner's preliminary response, the impact of not allowing for this when a threshold issue is in question may result in a non-appealable institution decision foreclosing a petitioner's ability to challenge the patent at issue.

We also strongly support the Board's proposal to resolve factual disputes created by this new testimonial evidence in favor of the petitioner. Doing so is critical to the fairness of the expanded preliminary response, given the inability for the petitioner to cross-examine the patent owner's declarant.

C. Oral Hearing

We support the Board's proposed rule requiring demonstratives to be served at least seven business days before the oral argument.

We also support the Board's maintenance of the current hearing format, which is appropriate for maintaining the efficiency of the post-grant process and preventing gamesmanship sometimes associated with district court trials. Unlike district court trials, all facts and arguments relevant to an AIA trial must be submitted by written document—meaning that new facts cannot and should not come out during the AIA hearing. The purpose of the oral hearing is to permit the parties to draw attention to particular facts and arguments in the record. The current hearing format allows the Board to question attorneys on key facts and arguments in the written record. There will very rarely be a reason to deviate from this format, and we agree with the Board's case-by-case consideration of any requests to do so.

² See October 2014 Comments at 9-10.

D. Word Count

We support the Board's proposed rule changing from page count to word count for the petition, preliminary response, patent owner response, and petitioner's reply brief. We appreciate the administrative efficiencies that will be gained in doing so.

E. Rule 11-Type Certification

We support the Board's proposed rule adding a Rule 11-type certification in AIA proceedings. However, we believe this proposed rule to be a clarification of what are already requirements for parties before the Board and actions the Board can take under the existing sanctions regulations.

II. Topics without Proposed Rule Changes

A. Patent Owner's Motions to Amend

We believe that the Board's reference to the decision in *MasterImage 3D, Inc. v. RealD Inc.*, Case IPR2015-00040, and its clarification on what "prior art of record" and "prior art known to the patent owner" encompass, are appropriate. The *MasterImage 3D* decision clarified the previous decision in *Idle Free System, Inc. v. Bergstrom, Inc.*, Case IPR2012-00027, and specifies a reasonable corpus of prior art for a patent owner to distinguish in moving to amend its claims. Going forward, the Board should continue to clarify motion-to-amend practice as needed through the decision process.

We also provide our continued support for the patent owner to bear the burden of proof on patentability of proposed amendments. As set forth in the October 2014 Comments, when a patent owner moves to amend a claim in response to an assertion of unpatentability, the Board cannot conduct a search or an original examination of the claim. And because the claims will be added to the patent without examination if the patent owner's motion is granted, the patent owner fairly bears the burden of proof to show that amended claims are valid over the prior art of record and prior art known to the patent owner pursuant to its duty of candor. This is not an onerous or unfair burden for patent owners to bear. Patent owners typically make arguments for why amendments overcome the prior art as a matter of course. Placing the burden on the patent

owner simply recognizes that the Board will allow those amendments if the arguments are convincing, and reject them if not. Any other procedure would result in a rule permitting amendment as a matter of right, regardless of how it related to the patentability issues at hand.

B. Additional Discovery and Obviousness

We support the Board's continued application of the factors outlined in *Garmin v. Cuozzo*, IPR2012-00001, which allow the Board to strike a fair balance that permits parties to obtain meaningful discovery while preventing the expensive over-discovery often prevalent in district court cases. The first *Garmin* factor in particular, requiring “more than a possibility and mere allegation,” has played an important role in the Board’s ability to strike this balance, as it requires that the party requesting discovery already be in possession of a threshold amount of evidence or reasoning tending to show *beyond speculation* that something useful will be uncovered. We support the Board’s continued ability to flexibly apply the *Garmin* framework, including this important factor, on a case-by-case basis.

In the context of obviousness and secondary considerations, we have concerns with the Office’s statement that “a conclusive showing of nexus between the claimed invention and the information being sought through discovery is not required at the time the patent owner requests additional discovery.” In considering motions for additional discovery on this basis, we urge the Board to require a strong nexus showing in its application of the *Garmin* factors. We agree with the Office’s comment that an infringement contention or allegation will not suffice, as it does not show commercial success of the product tied to the claimed feature and not others.

C. Real Party in Interest, Extension of One Year Period to Issue a Final Determination, and Multiple Proceedings

Each of these issues - real party in interest, extending the one-year statutory trial length, and handling of multiple proceedings on the same patent - is highly fact-dependent. Given this, we support the Board’s continued case-by-case approach to addressing these questions as they arise in proceedings.

With respect to real party in interest, we also believe that these challenges should be raised as early as possible by a patent owner to prevent gamesmanship and to conserve the resources of the Board. After three years of AIA proceedings, real party in interest issues are

regularly raised by patent owners as part of their overall strategy, whether or not there is a good faith basis to do so. Given this, the Board should require a showing that the argument could not have been raised earlier, and continue its diligent approach to addressing these arguments as they arise.

D. Redundancy

We understand that the Board is under pressure to meet its statutory timeframe for instituting trials and issuing final written decisions in AIA proceedings, and therefore must make certain decisions to streamline proceedings to the extent possible. However, we believe the issue of redundancy remains an important one with respect to providing petitioners, and patent owners, with clarity as to the impact of estoppel. While we appreciate the Board's recent decision in *Apotex Inc. v. Wyeth LLC*, IPR2015-00873, Paper No. 8, finding that a petitioner is not estopped under 35 USC § 315(e)(1) from raising grounds that were found to be redundant, there are no decisions addressing the impact of such a finding under 35 USC § 315(e)(2). We ask that the Office continue to review this unsettled issue, paying particular attention to district court and Federal Circuit decisions addressing it.