

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re: RIN 0651-AD01

For: **Notice of Proposed Rulemaking:
Changes to Implement Inter Partes
Review Proceedings**

**80 Fed. Reg. 50719
(August 20, 2015)**

**Comments In Reply To the Notice of Proposed Rulemaking Entitled “Changes to
Implement Inter Partes Review Proceedings”**

Via Internet to: trialrules2015@uspto.gov

Due: November 18, 2015

Mail Stop Patent Board
Director of the United States Patent and Trademark Office
P.O. Box 1450
Alexandria, VA 22313-1450

Attention: Lead Judge Susan Mitchell, Patent Trial Proposed Rules

Dear Judge Mitchell:

We commend the Office’s efforts to improve the AIA’s post-grant proceedings through additional rulemaking. In response to the Proposed Rulemaking (“Proposed Rules”) published August 20, 2015, at 80 Fed. Reg. 50719, and the Office’s request for public comments, we respectfully submit the following comments.

General Comments

The Proposed Rules would benefit from clarification with respect to general applicability and timing. For example:

1. Will the rules be applied to trials already in progress?
2. If so, will the proposed rules be applied to trials at every stage?
3. Or only trials having at least reached a particular milestone, such as institution?

Clarification on these points is essential well in advance of the implementation of these rules so that parties may plan accordingly. Moreover, the public would not be served if the PTAB judges are inconsistent in their application of the new rules with respect to general applicability and timing.

Rule-Specific Comments

The following comments pertain to specific rules for the proposed implementation of inter partes review proceedings.

1. 37 CFR §§ 42.107 and 42.207

The Office proposes to amend rules 42.107 and 42.207 to allow the patent owner to include new testimonial evidence in its preliminary response.

(a) Cross-examination. If trial is instituted, the rules do not address what weight, if any, the Board will give to the new preliminary response testimony when reaching its final written decision. For example, if a patent owner uses testimony from different experts for the preliminary response and the response, it is not clear under the Proposed Rules that the petitioner would be able to cross-examine the preliminary response declarant.

Proposed rules 42.108 and 42.208, discussed below, authorize a petitioner to “seek leave to file a reply” to a preliminary response that includes “supporting evidence.” Will a petitioner be allowed to cross-examine a patent owner’s preliminary response declarant before filing an authorized reply? If so, under what circumstances?

(b) Reliance on new testimony. If cross-examination of a preliminary response declarant is not permitted, then is a second patent owner declarant permitted to rely on the testimony of preliminary response declarant?

(c) Attempts to insulate witnesses. The current lack of clarity in the rules could lead to gamesmanship. We would appreciate clarification in the rules or Trial Practice Guide regarding the permitted use of pretrial testimony of a patent owner's witness. We are concerned that testimony of a pretrial patent owner's witness could be relied on by a subsequent patent owner's witness without the Petitioner ever being afforded the right to cross-examine the pretrial witness.

If the Proposed Rules do not contemplate that the preliminary response witness will be subject to cross-examination, the Office should clarify that new testimony used in a preliminary response: 1) will not be considered by the Board in reaching a final written decision; and 2) cannot be used to support subsequent patent owner testimony.

(d) General concerns.

We appreciate the idea behind providing a patent owner an opportunity to submit new declaratory evidence with its preliminary response. But we are also concerned about mini-trials over institution that both increase expense and largely duplicate issues that would be covered during trial. We therefore urge the Board to provide clear guidance in the Trial Practice Guide so patent owners may assess the value of submitting such evidence, just as it provided guidance on issues that are appropriate for preliminary responses. Moreover, the Board should make it clear that it will draw no negative inferences from a patent owner's decision not to submit new declaratory evidence. For instance, it may be challenging for patent owners to evaluate a case, find and engage new counsel, find and engage a qualified expert, and prepare a substantive declaration, all in the limited time available for a preliminary response.

2. 37 C.F.R. §§ 42.108 and 42.208

The Office proposes amendments to rules 42.108 and 42.208 adding language stating that “supporting evidence concerning disputed material facts will be viewed in the light most favorable to the petitioner for purposes of deciding whether to institute” a trial. These proposed rules also add that, “[i]f the patent owner submits supporting evidence with its preliminary response, the petitioner may seek leave to file a reply to the preliminary response in accordance with § 42.24(c).”

(a) Disputed facts. Will disputed material facts include only those material facts for which there is contradictory testimony? Or if a patent owner’s supporting evidence raises a new material fact that is not addressed by the petitioner, but contrary to petitioner’s position, will that new fact be considered disputed? The Board should clarify what constitutes a disputed fact.

(b) Granting a reply. The rule provides no guidance about when a reply might be granted to a petitioner. The Board should offer clarification regarding the standards for granting a reply to a petitioner. For instance, is it only to be granted for good cause, or in the interest of justice? Or is the Board considering some other standard? Often a petitioner has no access to certain evidence a patent owner might proffer. If there is a case dispositive material fact that the petitioner did not address, but the patent owner raises, would the Board allow a reply to address that new fact raised by the patent owner?

(c) Further testimony. In the event a reply is granted, will the petitioner be allowed to provide testimonial evidence in support of it?

Again, we are generally concerned that the pre-institution phase will devolve into expensive mini-trials, which would be contrary to the “just, speedy, and inexpensive” resolution of the proceeding.

3. 37 C.F.R. § 42.24

The Office proposes setting word count limits for various documents under proposed rule 42.24.

(a) We welcome this proposed rule. It allows the parties the flexibility to present their case in the most effective manner. In particular, it allows the effective use of clarifying figures and diagrams.

4. 37 CFR § 42.11

The Office proposes to amend its current trial practice rules to include a Rule 11-type certification for all papers filed with the Board (*i.e.* all post-grant review proceedings) with a provision for sanctions for noncompliance (*i.e.* frivolous filings). Specifically, it proposes to amend 37 CFR § 42.11 to add “signing papers; representations to the Board; sanctions” to the title of the section, to designate existing text as paragraph (a), and to add paragraphs (b) through (d).

(a) During all proceedings before the Board, there is already a duty of candor and good faith. *See* 37 CFR § 42.11(a). The Office’s proposed change to 37 CFR § 42.11(a) is likely unnecessary and will provide little further deterrence to petitioners seeking to file petitions for improper purposes.

(b) Should the Office adopt proposed 37 CFR § 42.11(d) (motion for sanctions), the Office should include a requirement akin to the Federal Rules of Civil Procedure for

meeting and conferring with the opposing party before filing such motion for sanctions before the Board. Such a requirement will provide an accused party an opportunity to modify its behavior, withdraw a pleading, etc., to conserve judicial resources and encourage self-regulation of attorneys who practice before the Board.

5. 37 CFR § 42.100(b), 200(b) and 300(b)

The Office proposes to remove the “Broadest Reasonable Interpretation” (“BRI”) claim construction standard for expired patent claim terms. The Office proposes to: (i) amend 37 CFR §42.100(b) to add the phrase “that will not expire before a final written decision is issued” after “an unexpired patent.”; (ii) amend 37 CFR §42.200(b) to add the phrase “that will not expire before a final written decision is issued” after “an unexpired patent.”; and (iii) amend 37 CFR §42.300(b) to add the phrase “that will not expire before a final written decision is issued” after “an unexpired patent.”

(a) We welcome this proposed rule. The result of the amendment is that the *Phillips* claim construction standard would be used for claims in patents that will expire before a final written decision is issued.

(b) We request clarification regarding the application of this proposed rule. The Trial Practice Guide should clarify how a patent owner's disclaimer of patent term affects the implementation of the rule. For example, if, after a petition is filed, the patent owner disclaims the patent term such that the patent will expire before a final written decision is issued, will the claims be subject to a *Phillips* standard? And is this an instance where a petitioner would be granted a reply to clarify their arguments in light of the altered claim construction standard that would apply to the trial?

6. 37 CFR § 42.70

The Office proposes amending 37 CFR §42.70(b) to require at least seven, not just five, days before oral argument for exchange of exhibits to provide additional time for the parties to resolve disputes concerning demonstrative exhibits. We welcome this proposed rule without further comment.

Conclusion

Consideration of the above comments is respectfully requested.

Respectfully submitted,

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