

Comments by **Canon Inc.** (“**Canon**”) on Motion to Amend Practice and Procedures in Trial Proceedings under the America Invents Act before the Patent Trial and Appeal Board [Docket No. PTO-P-2018-0062]

December 14, 2018  
Canon Inc.

**1. The proposed rule change regarding motion to amend practice in AIA trial proceedings should not be applied retroactively under the name of the pilot program.**

According to the proposed Motion to Amend Practice and Procedures, the USPTO plans that it will implement the pilot program shortly after the comment deadline for this Request for Comments, which ends on December 14, 2018. It is also explained that “The Office may implement the pilot program so that the new procedure is used in every AIA trial proceeding involving a motion to amend where the Board issues a decision to institute a trial after the implementation date of the pilot program.” (emphasis added) and “Once implemented as a pilot program, the new amendment procedure would be the only option available for amending claims in AIA proceedings.” Accordingly, every AIA proceeding, for which petition had been filed before this rule change was proposed, becomes subject of application of this rule change although the petitioner never had chance to know this change would be happened. This practice has retroactive effect for applying the proposed rule change, and thus is against a due process. Especially, this retroactive application of the rule change will harm petitioner’s legitimate interests in the AIA proceedings which they already had.

When the USPTO previously proposed the rule change of claim construction standard for interpreting claims in AIA proceedings last time, number of public comments thereon questioned the proposed retroactive application of the rule in the same way. In response to such comments, when the USPTO adopted the new rule, the USPTO decided that the new rule would not be retroactively

applied, and instead would apply only to AIA petitions filed on or after the effective date of the new rule.

We, Canon, respectfully disagree to the proposed rule change as fully described below; however, even if the USPTO would adopt the proposed rule change, we believe it is mandatory not to apply the new rule retroactively in order to avoid unnecessary disruption and to secure smooth transition of the rule change.

**2. This proposed rule change regarding motion to amend practice is inconsistent with reasoning for the rule change of claim construction standard previously shown by the USPTO, and is also inappropriate from institutional point of view. Thus it should not be adopted.**

(1) USPTO characterizes AIA proceedings inconsistently in between the claim construction standard and the motion to amend practice.

For the claim construction standard of AIA trial proceedings, the USPTO changed the rule to the Phillips standard, which is employed by the district court litigation, by stating that “the change will lead, among other things, to more consistency and harmonization with the federal courts and the ITC.”

On the other hand, this time, the proposed rule change of the amendment gives the patent owners a chance to further amend the claim based on the preliminary decision by the Board, just like examination procedures under the ordinary course of patent prosecution. That is, the new amendment process regards AIA proceedings just as if they are analogous to, or a part of, prosecution process, and thus applies the same procedure as the examination procedure.

This is inconsistent with the USPTO’s decision to align the AIA proceedings with the district court litigations, when it changed the claim construction standard.

Many of the comments were submitted to the USPTO to object the rule change. Those advocated that the claim construction standard should be remained as the BRI (broadest reasonable interpretation) standard, because essence of the AIA proceedings is a second look at an earlier granted patent, and accordingly, a part of examination of a patent. Nevertheless, the USPTO did not listen to this opinion because of the reason that AIA proceedings shall be consistent with the district court litigation.

This time, the USPTO plans to implement another rule change, which appears to be based on assumption that AIA proceedings are as if a part of the examination process. It shows that the USPTO is self-contradictory.

Moreover, under the current circumstance that the claim construction standard has been already changed to the Phillips standard, if the proposed rule change of the amendment is adopted, the claims would be construed under the Phillips standard with narrower interpretation than BRI from the outset. In addition to the above, the patent owners have another chance to amend the claims to make them to overcome prior art reference presented by petitioners and maintain validity thereof in consideration with the Board's preliminary decision. That would weigh heavily in favor of the patent owners only, and would not be an appropriate system for reviewing the validity of patents because it lacks a healthy balance of parties in interest.

(2) This proposed rule change increases procedural burden of petitioners in AIA proceedings.

Under the proposed rule change, a patent owner will have multiple chances to amend its claims, and therefore the amendment process takes longer period and number of briefs to be exchanges is increased, and consequently, burden on a petitioner will be significantly increased. The biggest problem is that this rule change is aimed to ultimately maintain validity of patents by amending the claim multiple times and by limiting the scope of claim owing to assistance of the Board and also the petitioner. Therefore, under the new rule, the petitioner

will end up by cooperating with the patent owner at its own burden and expense so that the patent owner will be able to maintain validity of its patent.

(3) Concept of this rule change is against intended purpose of the AIA review at the time of its institution.

This proposed rule change is rendering the original purpose of AIA review meaningless and working against it. The original purpose of AIA review is intended to revisit the patent which should have not been issued as long as examination had been properly conducted without error or oversight, and to invalidate such patent with a second look if appropriate. Because of the above second look, the low quality patents should be eliminated, and as a result, overall quality of the issued U.S. patents could become secured and improved.

As mentioned above, this proposed change of the amendment rule aims only somehow to maintain validity of patents even after multiple amendments, irrespective of inherent quality of patents and patented inventions. That is different from the legislative intent for the AIA review, and thus should not be justified.

(4) This proposed rule change cannot contribute to development of the U.S. industry.

We believe that long-term development of the U.S. industry and enhancement of competitiveness of the U.S. industry would be established by the patent system that properly examines patent applications based on invention inherently worth protecting and issues patents for such legitimate inventions with appropriate scope. On the other hand, under the proposed approach, numerous patents, which are formally valid (with repeated amendments under the narrow claim construction) but not useful or valuable in view of their claimed invention, would be created. We suppose that existence of such kind of

patents will not meet the originally intended purpose of the patent system, and thus, those created patents will not contribute to development of the U.S. industry; rather, they would impede it because such patents could be obstacle to business activities.