



PTO-P-2018-0062

December 14, 2018

Andrei Iancu  
Director  
United States Patent and Trademark Office,  
Department of Commerce  
P.O. Box 1450, Alexandria, VA 22313-1450

Re: Submission Concerning the Proposed Amendment Process in Trial Proceedings under the America Invents Act Before the Patent Trial and Appeal Board

Dear Mr. Director:

First of all, allow us to express our gratitude for your providing us with an opportunity to submit our comments for the public consultation on the proposed amendment process in AIA trial proceedings, that is, trial proceedings under the America Invents Act (“AIA”) before the Patent Trial and Appeal Board (the “PTAB”).

We are the Japan Electronics and Information Technology Industries Association (“JEITA”), one of Japan’s largest industry organizations, primarily constituted by stakeholders including electronics and information technology (IT) businesses. Our Patent Committee has 21 member companies, of which 13 members are among the top 50 companies in terms of the number of patents granted in the U.S.

These companies, being patent owners and at the same time manufacturers, have active worldwide presences, including in Japan and the U.S.

We believe that our unique position as being representative of both patent owners and manufacturers allows us to gain insight on patent policy measures from a well-balanced point of view. Based on this insight, we would like to make a submission hoping to be of assistance to your making an informed decision on revising the amendment process.

**1. Fundamental Point of Issue**

A patent should be invalidated if the scope of protection granted is found to be broader than as otherwise should have been granted, because such patent has a risk of causing unexpected damage or disadvantage to a third party. At the same time, it is necessary to prevent an invalidation of a patent which would otherwise have been patented, because this would be against proper protection of inventions.

We understand that the proposed amendment process takes into account the study conducted by the USPTO, which shows that the motion to amend has been denied in 90% of AIA trials, and seeks to develop a proper amendment process that can avoid the invalidation of patents which would otherwise have been patented.

## **2. Approaches to Solution**

One possible approach for preventing an invalidation of patents which would otherwise have been patented may be to provide a patent owner with greater opportunity to amend claims. However, if the patent owner is given excessive opportunity to amend claims in AIA trial proceedings, this could cause unexpected disadvantage to the other party to the trial (the AIA trial petitioner).

Meanwhile, the AIA trial proceedings have been introduced to reduce unnecessary litigations by providing inexpensive means to review patents with the potential of being invalidated. For delving into the best approaches to be taken, this background and goal of introducing the AIA trial proceeding system must be also taken into account so as to ensure that patents containing grounds of invalidity will not survive.

Against this backdrop, we believe that the USPTO should carefully consider a well-balanced system that is fair to all parties and stakeholders in the course of revising the amendment process in AIA trial proceedings and implementing a pilot program.

In the section below, we submit our comments regarding some of the questions presented on pages 23 to 27 of the USPTO' notice (Docket No. PTO-P-2018-0062) which we have particular concerns about.

## **3. Comments**

### **3-1. Regarding Q3. "the timeline" in Appendix A1**

We are concerned about the proposed timeline in Appendix A1 wherein the petitioner and patent owner would have only 1 to 1.5 months to reply, which is insufficient for them to consider the case or investigate evidence of invalidity. This proposed timeline could also make proceedings and documents for making depositions or declarations more complicated, imposing a greater burden on the PTAB. The purpose of this proposed procedural change is to provide a patent owner with sufficient opportunity to amend, and as one possible approach to achieve this, we would suggest allowing a patent owner to introduce two amendment options in accordance with the current patent owner's response time and without changing the current timeline. This means that patent owners are able to simultaneously submit (i) a main request and (ii) an auxiliary request by filing only one Motion to amend at the current patent owner's response time, and those can be considered in parallel per the current timeline and rules. Auxiliary claim set requests have been used successfully in European Patent Office examination and opposition proceedings for years. This approach would enable the PTAB to omit making a preliminary decision, which could reduce its burden.

### **3-2. Regarding Q5. "Preliminary decision"**

A preliminary decision, although it is non-binding, can assist the patent owner in considering

whether or not to further amend the claims and also assist the parties in elaborating their replies. In addition, it can also contribute to solving the dispute by encouraging the parties to discuss a settlement. According to the USPTO' notice explaining the current status, a preliminary decision indicates (1) whether the patent owner would prevail in establishing that the motion to amend meets statutory and regulatory requirements, and/or (2) whether the petitioner would prevail in establishing the unpatentability of any proposed substitute claims. However, a preliminary decision would be more useful to both parties if it further provides to the extent possible the reasons why the PTAB has judged the patent owner or petitioner to be prevailing in either case or the claim construction that the PTAB has reached based on the federal district court's standard.

**3-3. Regarding Q6. "Revised motion to amend"**

Suppose a case in which the PTAB would accept a patent owner's revised motion to amend, whose content is irrelevant to an opposition filed by the petitioner or a preliminary decision made by the PTAB, under the same requirements as those applied to the original motion to amend (i.e., not introducing a new matter to the original claims or expanding the scope of claims; being supported by the specification and the original application). In that case, the petitioner's opposition and the PTAB's preliminary decision would go to waste, which would be unfair to the petitioner and would increase the burdens on the examiner and the petitioner, posing an obstacle to speedy proceedings. To avoid such situation, we would propose some restrictions on the content of the revised motion to amend, such as to prohibit the revised motion from introducing a new issue or adding a new element to the claim rather than narrowing the scope of elements of the claim.

In addition, the USPTO should make it clear that if a patent owner files a revised motion to amend, the original motion would be treated as being withdrawn.

**3-4. Regarding Q10. "Contingent or non-contingent"**

We consider that a motion to amend should be "contingent" (meaning that the PTAB will provide a final decision on the patentability of a proposed substitute claim only if it determines that a corresponding original claim is unpatentable), as currently proposed. In common practice, a party that has been sued for infringement would file a petition for AIA trial proceedings. In infringement litigation, proceedings would be conducted based on the original claims, so the allegedly infringing party (the AIA trial petitioner) would desire the PTAB to determine at least whether the original claims are patentable.

If a motion to amend is "non-contingent," the PTAB will provide a final decision on the patentability of substitute claims in place of determining the patentability of corresponding

original claims. This means that the PTAB would make no ruling on the patentability of the original claims that are being examined in the infringement litigation. It would be unfair that the allegedly infringing party (the AIA trial petitioner) would be deprived of the substantial opportunity to obtain the PTAB's decision on the patentability of the original claims.

**3-5. Regarding Q13. "Proposed Pilot Program" (scope of implementation)**

The last paragraph on page 21 of the USPTO' notice states that the USPTO may implement the pilot program for every AIA trial proceeding involving a motion to amend "where the PTAB issues a decision to institute a trial" after the implementation date of the pilot program. This means that the pilot program will be implemented retrospectively with regard to all AIA trial proceedings for which a petition for trial has been filed before the implementation date of the pilot program. Such a rule change after the filing of petitions for AIA trial proceedings would be unfair to the petitioners because they file petitions on the basis of the rules that are in effect as of the time of the filing. Therefore, we consider that the pilot program should be implemented only with regard to AIA trial proceedings for which a "petition for trial is filed" after the implementation date of the pilot program, rather than those for which the "PTAB issues a decision to institute a trial" after that date.

**3-6. Regarding Q14. "Proposed Pilot Program" (opt-out)**

The approach of not implementing the pilot program in AIA trial proceedings if both parties agree to opt out of the program would be fair and well-balanced. We consider that the USPTO should adopt this approach.

Respectfully Submitted,

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