

Memo

To: TrialRFC2018Amendments@uspto.gov
From: Kristy J. Downing
Date: 11/2/2018
Re: Comments on the PTO's October 2018 Request for Comments on the Motion To Amend Practice and Procedure in Trial Proceedings Under the America Invents Act Before the Patent Trial and Appeal Board

The following is submitted in response to the US Patent Office's Request for Comments on Motion [sic] To Amend Practice and Procedures in Trial Proceedings Under the America Invents Act Before the Patent Trial and Appeal Board issued October 29, 2018. 83 Fed. Reg. 54,319-326.

With respect to **Question 1** on whether the Patent Trial and Appeal Board should implement the Pilot Program for preliminary decisions on AIA motions to amend, the program seems to have promise. Typical claim-amendment processes at the Patent Office involve much more discussion between the deciding official and applicant/patent owner than current AIA practices. More (preliminary) exchange should bring the Board in congruence with the rest of the Office's amendment processes. Moreover, to the extent that a patent owner is willing to amend its claims it is in the best interest of the parties, the PTO and the public to facilitate narrowing claims.

I would add that it is a bit confusing that the pilot program is without a name or title. Perhaps the "AIA Motion to Amend Bifurcation Pilot Program" is suitable.

With respect to **Question 2** on the content of papers used with the pilot program, one might consider adding a claim limit for the program. As most patents include twenty claims or less this should not be a problem for most petitions; however, the Office has seen petitions for patents having hundreds of claims.. It may be difficult to conduct more procedure on patents having an exceptional number of claims without knowing the extent of burdens the new program will bring and how to mitigate the same.

Additionally, I am curious as to whether patent owners are encouraged to do an independent search for proposed substitute claims that present new limitations to the claims? If so, would an amendment to 37 CFR §42 be needed to incorporate §1.56's duty of candor with respect to prior art material to patentability or would the statement in §42.11 be satisfactory?

With respect to **Question 3** on the timeline for the new pilot program, the response time windows seem reasonable considering the PTAB's 12-month timeline for final written decision.

With respect to **Question 4** on applying the pilot program to every proceeding having a motion to amend, I would encourage the Board to apply the program as broadly as possible because it will yield more test data for the pilot. Should your workload increase perhaps the Board should consider increasing hiring to facilitate this. Fees generated from AIA trials can be used to pay for additional staff.

With respect to **Question 5** on what information to include with preliminary decisions, I would expect details on patentability commensurate with a non-final office action from the Central Reexamination Unit. Something comparable to claim "objections" may be appropriate in instances where allowance issues are easily curable. I would not, however, encourage the inclusion of information on "whether to discuss a settlement" as the same may be seen as legal advocacy rather than legal neutrality.

With respect to **Question 6** on the limitations on claims presented with the revised motion to amend, I think it is reasonable to limit revised motions to amend to narrower versions of the claims. Otherwise one undercuts the opportunity to receive preliminary feedback on the claims which is the primary goal of the pilot. Perhaps if a patent owner chooses to present claims that are not narrower than those in the original motion to amend doing so will forfeit participation in the pilot program and require the patent owner to show "good cause" as to why the additional/revised motion to amend is necessary under §42.121(c).

With respect to **Question 8** on the petitioner ceasing to participate in the trial or motion to amend process, when the CRU is enlisted for an advisory report the same should be based upon as comprehensive a search as possible. I see no need to limit the advisory report to the newly added limitations if art is discovered that is material to other limitations. If there is additional material prior art the Office (and public) will want to be apprised of it. In terms of weighing the Examining Corps' advisory report, it may be given the same weight as other opinions from the Examining Corps before the Board like final office actions and examining response briefs. For example, on *ex parte* appeals an applicant is required to demonstrate error in the examiner's analysis; §41.37(c), the same could be true for patent owners on motions to amend responding to advisory reports.

With respect to **Question 9** and enlisting the Examining Corps for other assistance, it may be prudent to enlist the CRU as a matter of habit for all proposed substitute claims. In order to allot for the petitioner to have greater time to consider an examiner's advisory report might I suggest borrowing two weeks from the period between the petitioner's sur-reply and oral hearing and giving the CRU one month to issue an advisory report from the filing of the original motion to amend as well as giving the petitioner one month from the first advisory report to oppose the MTA. Where a patent owner revises the MTA perhaps the CRU can have two weeks to provide a supplemental advisory report and the petitioner two weeks therefrom to opposed the revised MTA. Fees to the examining staff will likely have to be budgeted from existing AIA trials fee revenues.



With respect to **Question 10** on whether the motion to amend should be contingent upon an unpatentability ruling with respect to the original claims, I believe it should be contingent. That will encourage more participation as most patent owners will not want to needlessly forfeit claim scope.

With respect to **Question 12** on small and micro entities, it is difficult to consider the impact the pilot will have on these entities since so few are noticed in trials today. However, where a small or micro entity is the patent owner who has not asserted the patent in a litigation the Office might consider appointing counsel and paying attorney's fees and costs. It has been stated by the Office that where the petitioner is a small or micro entity AIA trials are more efficient than traditional litigation and thus already provide sufficient cost savings to such entities.

With respect to **Question 14** and allowing patent owners to opt out of the pilot program, it is difficult to appreciate why a patent owner would wish to opt out of the program. However, where the same is noted, feedback as to why may be desirable under the pilot program for future implementation and revision.

With respect to **Question 15** and whether the Office should engage in rulemaking to clarify the burden structure on motions to amend, I would encourage this. Rulemaking is necessary for the Office to take a stance on the burden structure after *Aqua Products* as the Board had other informative decisions pre-*Aqua* that were "overruled" with *Aqua*. If the Office is silent on rulemaking after an *Aqua* majority stated that the same was necessary at least to shift the burden of persuasion onto the patent owner stakeholders might be paranoid as to whether the Office might later change its position (again).

With respect to **Question 16** and what circumstances justify a finding of unpatentability, the Board should continue to apply the preponderance of the evidence standard on questions of patentability. 35 USC §316(e). The ultimate burden of proof is consistent regardless of how much of said burden is effectively "carried" by a party, e.g., the petitioner. Hopefully, the *Western Digital* burden structure will, however, motivate practitioners to be active in providing relevant evidence and argument to the Board as well as enable the Board to be fair in its expectations from patent owners in terms of only requesting reasonable proofs.

With respect to **Question 17** and the pilot program's impact on burden-structure rulemaking and *vice versa*, the pilot program already accounts for the burden structure in that it allows for a petitioner to have the final say through sur-replies. If the Office decides to change the burden-shifting structure such that the patent owner has the ultimate burden of proof on motions to amend (which is probably unlikely) then, of course, the pilot program will have to consider this with respect to response and reply opportunities.



I hope this is helpful. I am commenting on my own behalf and for the Just Intellectuals eNewsletter – an intellectual property law commentary.

Sincerely,

s/ Kristy J. Downing /

