

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

In the Matter of)	
)	
Request for Comments on Trial)	Docket No. PTO-P-2014-0031
Proceedings Under the America Invents)	
Act Before the Patent Trial and Appeal)	
Board)	

**COMMENTS OF
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A. INTRODUCTION

The companies submitting these comments are innovators, patent holders, and potential or actual participants in the post-issuance review proceedings created by the America Invents Act (“AIA”). We appreciate this opportunity to provide input on the AIA post-issuance proceedings supporting fair and balanced trial procedures that affirm valid claims and efficiently eliminate invalid claims.

Congress enacted the *inter partes* and post-grant review proceedings (“post-issuance reviews”) in the AIA to “provide a meaningful opportunity to improve patent quality and restore confidence in the presumption of validity that comes with issued patents in court.” H.R. Rep. No. 112-98, pt.1, at 48 (2011). In doing so, Congress directed the PTO to implement the post-issuance reviews in order to achieve the greatest possible beneficial “effect . . . on the economy, the integrity of the patent system, the efficient administration of the Office, and the ability of the Office to timely complete proceedings.” AIA §§ 6(a) (amending 35 U.S.C. § 316(b)), 6(d) (amending 35 U.S.C. § 326(b)). To satisfy the Congressional mandate that post-issuance reviews serve as meaningful alternatives to litigation, the standards and procedures adopted by the PTO must provide would-be Petitioners with an efficient and effective adjudication of patentability so that the new proceedings will be used in lieu of district court litigation. Moreover, the Board’s procedures must ensure that the proceedings can be completed within the statutorily required but short time-frame of one year, while simultaneously providing a fair airing of the issues for both parties.

The rules governing AIA trials promulgated by the PTO and the procedures implemented by the Board over the past two years have admirably satisfied these goals. Without careful regulation of important aspects of the proceedings such as briefing, discovery, and claim amendments, AIA trials could become as costly and unwieldy as district court litigation—and the

Board's technical and patent law expertise may become unavailable to entities that would otherwise benefit from a high quality, efficient process for analyzing the validity of issued patents. The Board's focus on efficiency and timing are appropriate, allowing for AIA trials to function as a cost-effective litigation alternative to district court litigation. As a result, the post-issuance review proceedings have systematically improved patent quality, and funds that would otherwise have been expended defending patent suits in the federal courts have been put to a higher and better use.

As discussed in detail below, key aspects of current Board practices that should continue include:

- The Board should maintain its practice of applying the broadest reasonable interpretation to unexpired claims.
- The Board should maintain its practice of allowing only one substitute claim for each canceled original claim.
- The Board appropriately requires that proposed substitute claims and amendments be responsive to the ground of unpatentability.
- The Board appropriately requires that the Patent Owner bear the burden of proof in demonstrating that proposed amendments overcome assertions of invalidity.
- The Board should continue to apply the Garmin factors in evaluating discovery requests.
- The Board's current practice of issuing a final decision in particular cases despite settlements serves the public interest and should continue.

In response to questions posed by the PTO, we also explain below that the Board should rarely, if ever, allow discovery of a Petitioner regarding secondary considerations.

B. QUESTIONS

1. Under what circumstances, if any, should the Board decline to construe a claim in an unexpired patent in accordance with its broadest reasonable construction in light of the specification of the patent in which it appears?

a. BRI should apply to unexpired patent claims.

The Board should continue to apply the broadest reasonable interpretation (“BRI”) when interpreting claims of any patent that will not have expired by the time that the Board issues its validity decision. Only in the rare circumstances that a patent will have expired by that time, so that a Patent Owner cannot obtain amended claims, should the Board consider a more flexible approach.

The PTO has a long-standing practice of giving patent claims their broadest reasonable interpretation during examination and during other post-issuance proceedings such as reexamination, reissue and interference for good reason. Giving patent claims their broadest reasonable construction “serves the public interest by reducing the possibility that the claims, finally allowed, will be given broader scope than is justified.” *In re Yamamoto*, 740 F.2d 1569, 1571 (Fed. Cir. 1984).

Importantly, applying BRI during the 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 falls within the claims. Through BRI, the Board can “achieve a complete exploration of the applicant’s invention and its relation to the prior art.” *In re Zletz*, 893 F.2d 319, 321 (Fed. Cir. 1989). That way, “ambiguities [in the claim language] should be recognized, scope and breadth of language explored, and clarification imposed.” *Id.* “[U]ncertainties of claim scope [are] removed, as much as possible, during the administrative process” and the claims ultimately allowed by the PTO “are precise, clear, correct, and unambiguous.” *Id.* at 322. Thus applying BRI comports with the Congressional intent that the AIA proceedings “provide a

meaningful opportunity to improve patent quality and restore confidence in the presumption of validity that comes with issued patents in court.” H.R. Rep. No. 112-98, pt.1, at 48 (2011).

Construing claims broadly “is not unfair to the applicant (or, in this case, the patentee), because the applicant has the opportunity to amend the claims to obtain more precise claim coverage.” *In re Am. Academy of Science Tech Ctr.*, 367 F.3d 1359, 1364 (Fed. Cir. 2004). None of the Board’s many reasons supporting the use of BRI are undermined simply because a Patent Owner’s right to amend is not completely unfettered in the AIA trials. Moreover, as the Board has noted, Patent Owners have the additional ability to amend claims, beyond the AIA trials, through *ex parte* reexam and reissue proceedings. Indeed, arguments opposing the use of BRI in AIA trials cannot be squared with a Patent Owner’s ability to prosecute an *ex parte* reexamination of the same patent claims.¹ It would be unworkable for the PTO to apply two different constructions of the same patent claim at the same time during two separate reviews. This circumstance could force the office to simultaneously reject a patent claim in *ex parte* review, but accept the same claim in post-issuance review, in light of the same prior art reference.

The PTO and district courts have different functions, which justify different approaches to claim interpretation. The trial court’s responsibility is to review the validity of the patent presumed to have been duly issued by the expert agency, which justifies the “clear and convincing” evidence standard. On the other hand, the PTO has an entirely different role, that is, ensuring that patents are properly issued. The AIA reviews provide the PTO an opportunity to

¹ See 35 U.S.C. §§ 315(d), 325(d) (allowing the PTO to determine treatment of post-issuance reviews in conjunction with “another proceeding . . . involving the patent [that] is before the Office”).

correct a mistake made during the examination process. The PTO should therefore use the same approach to claim construction during AIA reviews as is used during examination of a patent.

b. The Board should clarify the circumstances in which it will not apply BRI to expired or nearly-expired claims.

Of course, patentees cannot amend expired claims and cannot obtain amended claims through the AIA procedures when a patent expires during the course of that procedure. In these very limited circumstances, the Board could consider applying a more flexible approach to claim interpretation that accounts for arguments made in the prosecution history and made during the course of the AIA proceeding as a mechanism to clarify the meaning of claims.

All parties would benefit from clarification of when the Board may apply a more flexible claim interpretation analysis than BRI. For instance, for petitions filed less than 18 months before a patent's expiration date, the patentee is unlikely to obtain amended claims before expiration, so the Board may decide not to apply BRI. The statutory requirement that the proceeding be completed within 18 months dictates that for petitions filed more than 18 months before expiration, the patentee will have an opportunity to obtain amended claims, and BRI should apply.

c. Providing a thorough explanation of the Board's claim construction analysis will support the integrity and efficiency of the trial process.

The parties and the integrity of the trial process benefit when the Board provides a thorough decision on claim construction. A good understanding of the Board's interpretation allows a Patent Owner to make appropriate and targeted amendments to overcome a rejection and a Petitioner to make the most salient validity arguments. A clear understanding of the Board's interpretation is especially important in light of the compressed time schedule of the AIA proceedings, which necessarily limits both parties' ability to respond. In addition, a

thorough explanation of the Board's claim interpretation will clarify the issues on appeal and in any concurrent infringement litigation.

2. What modification, if any, should be made to the Board's practice regarding motions to amend?

The Board's requirements for motions to amend provide an appropriate balance and should be retained. Patent Owners are given a fair opportunity to narrow their claims in response to the Petitioner's arguments, and Petitioners are given fair notice regarding the type of amendment they may need to rebut. The current practice, as summarized in Paper 32 of IPR2013-00419, promotes efficiency and prevents abuses that made *inter partes* reexamination ineffective as an alternative to district court litigation. Indeed, the Board should consider providing consistent guidance to parties along the lines suggested by this non-precedential opinion through a precedential opinion or other means.

a. The Board has appropriately developed a practice that only one substitute claim should be allowed for each challenged patent claim.

The Board practice that allows one substitute claim to replace each challenged claim comports with the goals of the post-issuance review processes, particularly the compressed timeline for final decision. The practice gives Patent Owners the incentive to come forward with their best substitute claim and present the strongest arguments for validity. Because the submission of substitute claims can trigger the need for additional prior art searches and invalidity arguments by the Petitioner, the number of substitute claims should remain small to keep the issues focused and the proceedings efficient. Allowing the patentee to expand the number of claims at issue during the proceeding, by contrast, would unnecessarily slow and complicate the proceeding, making it more difficult for the Board to meet the mandated timetable.

Allowing multiple substitute claims would also significantly discourage Petitioners from using the post-issuance proceedings, contrary to Congressional intent that the proceedings serve as a robust alternative to litigation. Petitioners have very little time during the proceeding to search for prior art relevant to the new claims and formulate new arguments. Despite this, they will still be estopped from raising future challenges to any substitute claims that are approved by the Board—a very significant disability given that the parties are often enmeshed in concurrent litigation. The magnitude of the problem multiplies with increasing numbers of claims, and the greater the number of substitute claims permitted, the greater the disincentive to use the AIA proceedings. This problem is not theoretical. Patent defendants often eschewed filing *inter partes* reexams because of the patentee’s unfettered ability to expand the number of claims and remodel them to improve litigation positions. By limiting substitute claims, the AIA and the Board’s practices create a more viable litigation alternative.

b. The Board appropriately requires that proposed substitute claims and amendments be responsive to the ground of unpatentability.

Post-issuance review is not the appropriate forum for Patent Owners to freely craft claims and obtain a range of new rights as might be done in a reexamination or reissue proceeding. It is a proceeding intended to test the patentability of patent claims and should, therefore, allow substitutions and amendments only to the extent necessary to respond to the particular unpatentability arguments presented.

The Board’s current procedures promote efficiency by preventing Patent Owners from amending claims in ways unrelated to the Petitioner’s challenge. There is not time in the compressed AIA schedule for the Board and parties to address new, unrelated issues. Moreover, Petitioners cannot anticipate amendments unrelated to the validity challenge and, therefore, face particular difficulty in adequately addressing such amendments within the short timeframe of an

AIA trial. Despite that, Petitioners would still face estoppel on any allowed claims.

Accordingly, any changes to the Board's current practice would discourage use of the AIA proceedings and their value as litigation alternatives.

- c. **The Board appropriately requires that the Patent Owner bear the burden of proof in demonstrating that proposed amendments overcome assertions of invalidity.**

When a Patent Owner moves to amend a claim in response to an assertion of invalidity, the Board cannot conduct a search or an original examination of the claim. The Board is not a body of original fact finding and any attempt to behave like one would jeopardize the statutory deadline for the proceeding. 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 art in the Petition and art that would typically be located in an examiner's search.

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 validity issues at hand.

- d. **The Board should expand the page limits on motions to amend.**

For Patent Owners seeking to amend claims or add substitute claims, the Board's 15-page limit on the motion to amend may provide too little space to present the arguments needed to show how an amendment relates to and overcomes the asserted prior art. Addressing each of the conditions for amendment can require significant analysis. The Board should grant Patent Owners additional space to make these arguments while maintaining the 15-page limit in the

Rules. Thus, the procedure would be flexible for the Patent Owner who can make a showing that additional pages are needed, while still providing the Board with a meaningful limit to the motion to amend, avoiding unduly long and burdensome motions. And if a Patent Owner is granted extra pages, the Board can provide an appropriate amount of extra pages for the Petitioner to respond.

e. The Board should allow Patent Owners to cure minor issues.

The Board has typically been generous in allowing Patent Owners to cure minor defects in their motions to amend. The Board should continue this practice, while also expanding it to allow for curing of defects directed to failure to construe a claim term that the Board deems to be necessary, or failure to provide ample citations to support for the amended claim language. By allowing for this in a time-limited way, and allowing the Petitioner to respond, the Board can still maintain the efficiency of the proceedings, while recognizing that Patent Owners are still learning how to navigate the process.

3. Should new testimonial evidence be permitted in a Patent Owner Preliminary Response? If new testimonial evidence is permitted, how can the Board meet the statutory deadline to determine whether to institute a proceeding while ensuring fair treatment of all parties?

a. The Board should not permit new testimonial evidence in the Patent Owner Preliminary Response.

New testimonial evidence should not be permitted in the Patent Owner Preliminary Response. The introduction of new testimonial evidence 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. Moreover, with only six months for the pre-institution stage, the parties do not have time to properly develop a full record in advance of the institution decision.

The Patent Owner will not be prejudiced because it will have an opportunity to fully develop the record post-institution if trial is instituted. Conversely, if trial is not instituted, the Patent Owner had no need to submit new testimonial evidence.

b. The Board should define “new testimonial evidence.”

Disputes have arisen over what constitutes new testimonial evidence. And the Board has permitted arguably new testimonial evidence in a preliminary response in certain cases. *See, e.g.*, Paper 11, IPR2013-00265. In some cases, Petitioner has had no meaningful opportunity to cross-examine the witness or take discovery of facts that witness relies on. *Id.* The Board has adopted no procedure or rule on this topic. And the cases on this topic are infrequent enough that they provide unclear guidance. Accordingly, all parties would benefit from more guidance.

If a Patent Owner is introducing testimony that has not been subjected to cross examination by the Petitioner, then that testimony should be considered new testimonial evidence. The Board should not render the institution decision using untested testimony—even if it came from the file history of the challenged patent. If the new testimonial evidence leads to a denial of a ground or of an entire petition in the decision on institution, the Petitioner is left with little or no recourse to address the issues with the Board or on appeal.

4. Under what circumstances should the Board permit discovery of evidence of non-obviousness held by Petitioner, for example, evidence of commercial success for a product of the Petitioner? What limits should be placed on such discovery to ensure that the trial is completed by the statutory deadline?

a. The Board should very rarely, if ever, permit discovery of the Petitioner’s product.

The Board should very rarely, if ever, permit discovery of the Petitioner’s product. Such discovery requests are typically made under the guise of looking for evidence of commercial success to support validity of the patent as a secondary consideration, and it is difficult to imagine the circumstance under which such a request would be appropriate. Discovery on the

Petitioner's product could overwhelm the AIA trial process and completely sabotage the efficient procedure focused on validity that Congress intended to create.

For the Patent Owner to rely on the Petitioner's product to show the secondary indicia of commercial success, it must show that the patent actually covers the product, thereby turning a procedure that Congress designed only to consider validity into an infringement proceeding outside the expertise of the Board. The Board's consideration of whether the claims cover the Petitioner's product (i.e., infringement) would necessarily involve claim construction issues which are evaluated by the district court using a claim construction analysis different from the Board's BRI analysis. But as explained above, the Board appropriately applies the BRI standard. This difference further demonstrates the impracticality of importing infringement issues to the AIA proceedings for validity review.

Beyond that, the Patent Owner would need to show that the Petitioner's product was commercially successful and that the success was caused by the patented feature and not other features of the product. This latter issue is almost always difficult to demonstrate by the Patent Owner and evaluate for its own product, let alone the added complexity of performing the analysis on a Petitioner's product. The view would necessarily be based on evidence far outside the realm of the typical validity analysis and would vastly expand the range and expense of an AIA proceeding.

b. Limiting discovery on the Petitioner's products is appropriate.

Sharply limiting discovery on the Petitioner's products in the proceeding is appropriate. It avoids what amounts to a fishing expedition for evidence which the Patent Owner would use principally in the district court. It is also consistent with how the PTO treats secondary considerations in every other PTO proceeding. There, Patent Owners and patent applicants can raise secondary considerations and commercial success to support their validity arguments, but

their principal source is the commercial success of their own products (and perhaps authorized licensees). Sound administrative practice suggests that the same practice should be used in AIA proceedings.

5. Should a Patent Owner be able to raise a challenge regarding a real party-in-interest at any time during trial?

a. Patent Owners should be required to raise challenges in response to the petition or in the first filing after institution.

To prevent gamesmanship and to conserve the resources of the Board, Patent Owners should be required to raise challenges regarding a real party in interest in their response to the petition or first filing following the Board's decision to institute a proceeding. Later challenges should be allowed, but only upon a showing that the argument could not have been raised earlier. Without such a rule, Patent Owners may hold a potential challenge in the hopes of having its claims affirmed, and then raise it when they fear losing, or have lost. This would waste significant Board resources.

b. The real party-in-interest should be fixed as of the petition filing date.

The Board cannot be reevaluating changing real party-in-interest (or privy) facts over the course of the trial. For clarity, the Board should establish a rule or precedential opinion stating that the real party-in-interest (and privity) is determined based on the facts in existence at the time of petition filing. See 35 U.S.C. 315(b).

6. Are the factors enumerated in the Board's decision in *Garmin v. Cuozzo*, IPR 2012-000001, appropriate to consider in deciding whether to grant a request for additional discovery? What additional factors, if any, should be considered?

a. The *Garmin* factors and their explanation are appropriate.

The factors and, importantly, the explanation of those factors as set forth in *Garmin* are appropriate. The Board strikes a fair balance that permits parties to obtain meaningful discovery while preventing the expensive, over-discovery often prevalent in district court cases. In

particular, factors 1 and 5 together limit the excesses often seen with the district court discovery standard.

The Board has stressed its desire to maintain the one-year trial schedule, which we agree is important. One threat to that goal is the discovery process. Parties seeking burdensome discovery or seeking discovery late in the trial process could cause severe schedule disruption and significant expense.

Garmin factor 5 accounts for disruptions to the schedule of *Inter Partes* Review. The same standard applies to CBM reviews and presumably PGRs. The Board should continue to place emphasis on schedule disruption and develop the factor with thorough opinions. Parties that require discovery potentially disruptive to the schedule should be strongly encouraged to raise discovery issues with the Board early in the trial process—even pre-institution. For example, parties often know during the pre-institution phase that certain discovery may be desired. Those parties could be encouraged to raise the discovery issues with the Board pre-institution rather than waiting until the scheduling conference.

7. **How should multiple proceedings before the USPTO involving the same patent be coordinated? Multiple proceedings before the USPTO include, for example: (i) two or more separate AIA trials; (ii) an AIA trial and a reexamination proceeding; or (iii) an AIA trial and a reissue proceeding.**
 - a. **The Board should continue its current approach to coordinating multiple AIA trials.**

The Board's current approach to coordinating two or more separate AIA trials adequately balances the interests of the parties with efficiency considerations. The Board's decisions indicate that it takes a case-by-case approach to managing two or more separate AIA trials, while generally promoting the following principles: (1) instituting each AIA petition based on the merits of that petition without consideration of other petitions concerning the patent and (2) avoiding coordinating proceedings when doing so would jeopardize the Board's ability to

complete trial in each case within 12 months after institution. Absent agreement by the parties involved, efficiency considerations should not trump these two principles.

Even when these two principles are met, coordination may not be appropriate. The Board should consider formalizing two additional considerations when determining whether to coordinate multiple AIA trials. First, the Board should consider whether each individual Petitioner will be adequately represented in a coordinated proceeding. Second, the Board should consider whether coordination is needed to limit the burden of multiple proceedings. By formalizing these considerations, parties will know what issues deserve focus in the scheduling motions.

b. The Board should provide uniform information on coordinating AIA trials and reexamination/reissue proceedings.

For an AIA trial and a reexamination or reissue, the ability for Patent Owners to amend and add new claims raises unique coordination challenges. All parties would benefit from uniform and published information on the Board's procedures for coordinating these various Patent Office procedures.

Once a patent is subject to an AIA petition, any reissue or ex parte reexamination proceeding that involves claim amendments or proposed new claims should be automatically stayed until after a final written decision is entered in the AIA proceeding. This approach ensures that legislative intent is realized and that the benefits of AIA trials remain intact, while providing Patent Owners the ability to petition for, but not proceed with, Patent Office proceedings that could moot or undercut a pre-pending AIA proceeding. A party can move for the stay to be lifted earlier on showing of good cause. (See response to Question 9 for procedures for lifting a stay.)

8. What factors should be considered in deciding whether to stay, transfer, consolidate, or terminate an additional proceeding involving the same patent after a petition for AIA trial has been filed?

Multiple petitions generally arise in three situations. First, multiple parties join or file the same petition. This situation typically happens when a Patent Owner sues multiple parties, and those parties want to retain the right to challenge the patent if the original Petitioner settles with the Patent Owner. Second, multiple parties file petitions based on different art and arguments. In this situation, the parties independently seek to present the Board with multiple reasons to invalidate the patent. And third, the same party files multiple petitions based on different art and arguments. In this situation, the single party is typically using the multiple petitions to address the petition page limitations and to present multiple theories.

The following subsections describe the particular factors that should be considered.

a. The Board should consolidate proceedings resulting from identical petitions.

As for the first situation, if the Board institutes trial based on the same ground advanced by multiple Petitioners, then the trials presumptively should be consolidated with the earliest filed petition date and the Petitioners required to select a single lead and backup counsel. (See CBM2014-00013, paper 14) This consolidation will minimize the burden on the Patent Owner and streamline the Board's process. To rebut the presumptive consolidation, the opposing party should show good cause using the following factors: (1) the grounds advanced by a Petitioner would not be adequately presented in a consolidated proceeding; (2) the consolidation would prevent the Board from issuing its final decision within one year; (3) an extension of the AIA trial beyond 12 months from institution would cause undue prejudice to the opposing party; and (4) failure to consolidate would not cause undue prejudice to the non-moving party.

b. The Board should coordinate, but not consolidate, proceedings resulting from different petitions and different Petitioners.

As for the second situation, the Board should consider each petition at the institution stage on its merits. And if the Board has instituted trials based on different grounds advanced by different Petitioners, then the Board should permit each Petitioner to fully develop and argue its case. The Board can coordinate the schedules, but formal consolidation is not appropriate if an individual Petitioner is denied the right to fully present its grounds. Depriving a Petitioner from presenting its full invalidity arguments, while applying estoppel at both the Patent Office and the district courts, is unfair.

Typically, multiple AIA proceedings in the second situation will be initiated somewhat close in time because the proceedings will be linked to district court litigations also initiated closely together in time. For example, if the Patent Owner sues five alleged infringers, the suits are typically filed on the same day. The five alleged infringers would each have one year to file an IPR petition. And because it takes four to six months to assemble a petition, most IPR petitions stemming from a litigation campaign will be filed within six months of each other. This closeness in filing provides the Board with the ability to coordinate schedules and prevent undue burden on the Patent Owner.

c. The Board should consolidate proceedings resulting from multiple petitions from the same Petitioner if the schedule allows.

As for the third situation, the Board should consider each petition on the merits at the institution stage. If the Board institutes on multiple petitions, the trials should be consolidated if the schedule would permit the Board to issue a final decision within 12 months of institution. Insofar as possible, the trials should be coordinated so that scheduling dates occur at the same time, in particular if multiple petitions are filed on the same claim at about the same time. An

established and reliable practice of coordinating dates will prevent potential gamesmanship on the schedule.

9. Under what circumstances, if any, should a co-pending reexamination proceeding or reissue proceeding be stayed in favor of an AIA trial? If a stay is entered, under what circumstances should the stay be lifted?

- a. The Board should stay all co-pending reexams and reissues automatically once an AIA trial is instituted.**

To streamline the AIA trial process, the Board should stay all co-pending reexams and reissues automatically once a trial is instituted. If either party wants the stay to be lifted, the moving party should make a showing of good cause. Factors considered for evaluating good cause include: (1) no potential for inconsistent decisions; (2) no likely duplicative work for the Board; and (3) no significant disruption to the trial schedule.

- b. The Board should automatically lift the stay for a reissue at the conclusion of a post-issuance review.**

At the conclusion of an AIA trial proceeding based on the original petition, a stay for a reissue proceeding should be automatically lifted, and the reissue proceeding allowed to continue. The Board's decisions as related to existing claims and existing claim limitations would be binding on the Patent Owner and the examiner. Estoppel applies to any further Patent Office proceedings, and the Board should notify the examiner handling the reissue of any AIA decisions.

If the Patent Office reissues the patent with amended or new claims, the reissue patent should be treated as a new patent for purposes of the one-year AIA time limit for filing a petition and for estoppel purposes. Accordingly, Petitioners would not be precluded from filing a new petition directed at new and amended claims resulting from reissue.

c. The Board should automatically join an existing AIA trial and a pending reexam and lift the stay of reexam once the AIA trial is complete.

The stay issue for reexams is more difficult than for reissues. The Board has declared that new claims added in a reexamination do not result in a new patent. (See IPR2013-00315) Accordingly, the one-year time limit for filing an IPR petition could potentially apply to claims that were not even in existence during the one-year window, although that cannot be Congress' intent. Under the current rules, claims amended or added during reexam may never be eligible for an AIA challenge when 1) the Patent Owner filed suit on the original patent and 2) the amended/new claims issue more than one year after service of the complaint. Nothing in the legislative history indicates that Congress intended this type of loophole.

To prevent Petitioners from facing new claims and amendments that were never subject to AIA trials, the Board should automatically join an existing AIA trial and the pending reexam. The Board would then need to retain jurisdiction over the reexam until the reexam certificate is issued. By retaining jurisdiction, the one-year time limit and estoppel provisions will not prevent the original Petitioner from challenging the amended/new claims. The Board should provide the Petitioner with a short time (e.g., 60 days) after the NIRC issues to file an amended petition that addresses the claim amendments and new claims resulting from the reexam.

In more detail, the proposed procedures include consideration of the following steps. Any party can seek to vary these steps by showing good cause.

- Board stays the reexam during the AIA trial on the original claims in the patent;
- Board issues the final decision on the original instituted claims;
- Board retains jurisdiction over the reexam and lifts the stay;
- CRU continues reexamination of patent;
- If CRU provides NIRC on amended/new claims, Petitioner is granted right to file an updated petition to address the new or amended claims;

- Board sets trial schedule for updated petition; and
 - Board issues an updated final decision to address amended/new claims and new claims.
10. **Under what circumstances, if any, should an AIA trial be stayed in favor of a co-pending reexamination proceeding or reissue proceeding. If a stay is entered, under what circumstances should the stay be lifted?**
- a. **In almost all circumstances, the Board should not stay an AIA trial in favor of a co-pending reexamination or reissue proceeding.**

Staying an AIA trial would rarely be appropriate under typical circumstances. One of the primary benefits of an AIA trial is the certainty that it will conclude in a short period of time. Any policy that reduces that certainty significantly reduces the effectiveness and attractiveness of the AIA procedures. The Board's current drive to finish all AIA trials within 12 months of institution is a primary reason for the success and popularity of AIA trials.

AIA trials should take priority in all situations but for the situation in which the trial efforts would very likely be an unproductive use of the parties' efforts or administrative resources. With regards to pending reexamination/reissue proceedings, trial efforts could be unproductive in one specific situation, when the issuance of new or amended claims is imminent. For example, if the central reexamination unit (CRU) has issued a NIRC indicating the allowability of amended/new claims but the revised patent has not yet issued, the new, but unissued claims are not yet eligible for an AIA trial.

In the narrow and infrequent circumstance where a party identified a pending claim which is about to issue, the Board should consider waiting to issue a decision on institution until the claim issues to allow the amended/new claims to catch up to the other claims in the existing patent. If the stay commenced prior to the Patent Owner's preliminary response, the effect on the schedule and the statutory requirements would be minimal. When the claim issues, the

Board should then establish a schedule that enables a party, like the Petitioner, to bring the new/amended claims into the AIA trial, if appropriate.

11. Under what circumstances, if any, should a co-pending reexamination proceeding or reissue proceeding be consolidated with an AIA trial?

- a. **The Board should not consolidate a copending reexamination or reissue with an AIA trial.**

While the Board has jurisdiction over reexams and reissues, the Board should not take over the examination. The CRU is better equipped than that Board to examine new and amended claims. The CRU has experienced examiners and well-established procedures. Moreover, the Board is not equipped to properly search for prior art.

Any attempt by the Board to add the examination process to an AIA trial would very likely result in the Board delaying a final decision beyond 12 month from institution. In fact, the examination process, if integrated with the AIA trial, could push the Board beyond 18 months for a final decision.

**12. How should consolidated proceedings be handled before the USPTO?
Consolidated proceedings include, for example: (i) consolidated AIA trials; (ii) an AIA trial consolidated with a reexamination proceeding; or (iii) an AIA trial consolidated with a reissue proceeding?**

The Board should maintain the difference between formally consolidated proceedings and informally coordinated proceedings. Coordination aligns the schedules of multiple AIA proceedings and creates efficiencies. Formal consolidation, however, could negatively impact the rights of each Petitioner to fully argue its positions and potentially limit the Board's ability to fully evaluate the issues of patentability presented by the Petitioner(s). Moreover, with estoppel applying upon the issuance of the Board's final decision, limiting the Petitioner's ability to present its case could cause severe harm. Any efficiency benefits must be weighed against this

harm. The coordination and consolidation issues typically arise in three situations. Each situation is addressed separately below.

a. **The Board should be cautious when approaching formal consolidation for different Petitioners bringing different grounds.**

For multiple AIA proceedings involving different Petitioners and different grounds, formal consolidation should be approached cautiously. In a consolidated proceeding involving multiple Petitioners, the Board should permit each Petitioner to have the full scope of briefing and discovery. The Patent Owner can seek to restrict page limits under an “in the interest of justice” standard by showing (1) non-shortened page limits will cause undue prejudice to Patent Owner and (2) Petitioner will not be prejudiced by shortened page limits. As for other discovery, each Petitioner should be permitted ample discovery, including deposition time of an overlapping Patent Owner expert. Similarly, the Patent Owner should be permitted ample discovery against each Petitioner, including deposition time of an overlapping Petitioners’ expert. Either party can seek to shorten the expert deposition time by showing, under the interest of justice standard, that (1) limited deposition time will not cause undue prejudice to the non-moving party and (2) full deposition time will cause the moving party undue prejudice.

b. **The Board should not presumptively restrict page limits following a consolidation of multiple proceedings involving the same Petitioner but different grounds.**

For multiple AIA proceedings involving the same Petitioner but different grounds, formal consolidation does not present the risk that an individual Petitioner will be blocked from advancing preferred grounds. But even in a single-Petitioner situation, undue narrowing of page limits by the Board could force that Petitioner to drop important grounds and reduce the chance that the Board will consider all of the issues material to patentability. If the Petitioner has paid the fee for multiple petitions and trial has been instituted on the different grounds in those

petitions, the Petitioner should be permitted to fully develop those grounds because the Petitioner will be estopped when the Board issues the final written decision. A significantly shortened page limit for consolidated trials threatens the Petitioner's ability to advance the instituted grounds. To assist the parties with planning, the Board should establish a practice that for petitions instituted on different grounds, page limits are not necessarily restricted due to the consolidation. Patent Owner can move to shorten the page limits under a good cause standard by showing (1) non-shortened page limits will cause undue prejudice to Patent Owner and (2) Petitioner will not be prejudiced by shortened page limits. This allows the Petitioner to advance issues relevant to patentability and would provide the Board discretion to limit the pages in certain circumstances.

Similarly, the Board should remedy a split in its recent precedent to clarify that 35 U.S.C. Section 315(c) does not preclude the first Petitioner from joining its own trial. Compare IPR2012-00022, Paper 66 with IPR2014-00508, Paper 18. Permitting such joinder when appropriate will promote efficiencies and prevent gamesmanship, for example, if a Patent Owner files an amended complaint asserting additional claims after the one-year deadline.

c. The Board should treat consolidated proceedings involving different Petitioners and the same grounds as a single trial.

For multiple AIA proceedings involving different Petitioners and the same grounds, formal consolidation presents fewer procedural and substantive concerns because each Petitioner's grounds will be considered in the decision on institution. In this situation, the Board should designate the lead and backup counsel from the first-filed petition as the single point of contact for all Petitioners. The Board should also treat the multiple trials as a single trial for discovery limits and page limit purposes. Any party can seek additional page limits and discovery under the good cause standard by showing that (1) the limits cause hardship to the

moving party and (2) increasing the limits will not cause undue hardship to the non-moving party.

13. Under what circumstances, if any, should a petition for an AIA trial be rejected because the same or substantially the same prior art or arguments previously were presented to the USPTO in a different petition for an AIA trial, in a reexamination proceeding or in a reissue?

a. The Board should treat each petition independently and apply its existing procedures to guard against abuses and inefficiencies.

As explained in connection with Question 8, multiple parties may file substantially identical petitions on the same patent. This situation typically happens when a Patent Owner sues multiple parties, and those parties want to retain the right to challenge the patent in the case that the original Petitioner settles with the Patent Owner. The Board's existing procedures adequately deal with this situation. The current procedures prevent harassment of Patent Owners while providing Petitioners with the right to present an invalidity case.

The purpose of AIA trials is to invalidate patents that were improperly granted. If a Petitioner can show that its challenge has a reasonable likelihood of success (or more likely than not for PGRs), then the petition should be granted. If the Petitioner is repeating previously-rejected arguments, the Board's current procedures enable it to efficiently reject those arguments. And if a subsequent Petitioner relies on the same prior art but articulates new arguments, then the Board should consider the newly proposed grounds and not simply reject it under 35 U.S.C. Section 325(d) as they did in IPR2013-00506, Paper 9. If multiple Petitioners are submitting duplicative arguments in multiple AIA proceedings, then the Board has procedures in place for joinder. These procedures protect against abuses and inefficiencies.

14. What circumstances should constitute a finding of good cause to extend the 1-year period for the Board to issue a final determination in an AIA trial?

a. The Board should continue to strive for completion of each trial in one year.

The Board's current focus on completing trials within the one-year period has been a major driver of the widespread adoption of the AIA procedures. The Board should continue this focus and strive to complete every trial within one year.

One of the significant efficiency benefits of AIA trials is the early resolution of validity issues and the reduction of overlapping district court activity. Because the majority of AIA trials have corresponding district court litigation, any extension of the one-year period could impact the district court litigation. Courts have cited the one-year period as a reason for granting stays of district court litigation. Any regular extension of the one-year period could reduce the willingness of district courts to grant stays pending an AIA trial outcome. District courts, for example, often cited the lengthy pendency of pre-AIA *inter partes* reexams as a reason for denying stays. Accordingly, in the cases where district court litigation is co-pending, extensions should rarely be granted. And even in cases where no litigation is pending, underlying disputes very likely exist. These disputes typically benefit from speedy resolution.

15. Under what circumstances, if any, should live testimony be permitted at the oral hearing?

a. Live testimony is rarely needed in an AIA trial.

The Board's current procedures strike a balance between efficiency and the need for live testimony. Live testimony is rarely needed in an AIA trial because all facts are developed on the written record. Live fact witnesses that are restricted to repeating facts already in the record will add little to an AIA trial beyond additional costs.

AIA proceedings have been appropriately structured so that the Board’s determination of patentability of the challenged claims can occur without the evaluation of the credibility of fact witnesses by live testimony. Therefore live testimony will rarely be needed for this evaluation.

Expanding the use of live testimony would raise procedural and evidentiary issues. Because witness testimony has already been entered into the trial record and relied upon by the sponsoring party and cross examination has occurred, the nature and content of the additional live testimony would have to be determined by the parties (or the Board). The presentation of evidence by the live witness might or might not be probative of a particular issue and could unduly highlight a witness’s personality in the proceeding, while not furthering the Board’s primary task of evaluating the probity of the evidence before the Board.

16. What changes, if any, should be made to the format of the oral hearing?

a. The Board should not change the format of the oral hearing.

The current format of the oral hearing is appropriate because it is efficient and prevents 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.

17. What other changes can and should be made in AIA trial proceedings? For example, should changes be made to the Board’s approach to instituting petitions, page limits, or request for rehearing practice?

- a. **The Board should consider making Preliminary Responses mandatory with certain disclosure requirements.**

The Board should consider making Preliminary Responses mandatory and require the Patent Owner to provide certain information, *e.g.* proposed claim construction and antedating facts. Making certain disclosures mandatory does not increase the burden on the Patent Owner. Rather, making early disclosures mandatory merely shifts the Patent Owner’s current obligations to an earlier phase of the process so the entire process can unfold efficiently.

Many practitioners currently counsel Patent Owners against providing a Preliminary Response. Thus, the Board and the Petitioner lose the opportunity to learn important information earlier in the proceeding.

First, the Patent Owner should be required to advance its proposed claim construction positions in the Preliminary Response or state its position that no terms require construction. Currently, the Board is forced to institute based solely on the Petitioner’s claim construction arguments. The Board should have the benefit of both parties’ arguments in order to help it reach the broadest reasonable interpretation of the claims. Mandatory disclosure in the Preliminary Response adds no additional burden to the Patent Owner. It merely shifts the Patent Owner’s obligations from the Patent Owner response to the Preliminary Response in a manner that benefits the timely consideration of the issues by the Board.

One area that will be made more efficient by this change is the construction of means terms. In many cases involving 112(f), the Board has made tentative constructions and ordered the Patent Owner to address the tentative constructions in its Response – with final constructions to be included in the final written decision. By requiring the Patent Owner to address claim

construction in the Preliminary Response, the Board and the parties have the ability to address all types of construction issues in an informed way from the earliest stages of the process.

Second, for any Patent Owner attempting to antedate a reference, the Patent Owner should be required to state whether there will be antedating references and, perhaps be required to provide the earliest priority date for each challenged claim and the dates of conception and actual reduction to practice. By providing this information early in a proceeding, Patent Owners promptly place Petitioners on notice about an important aspect of the proceeding which was unknowable when the petition was filed and otherwise would be unknown until much later in the proceeding. This early notice, which would come within 90 days of Petitioners' filing a petition, provides Petitioners with the opportunity to timely address the information, potentially with supplemental evidence. Otherwise, Petitioners may not know about the Patent Owner's antedating strategy until the Patent Owner Response, which would be filed nine months after the petition was filed. This early notice will also help the Board address redundancy issues that arise during selection of grounds on which to institute.

b. The Board should move any action on redundancy to after institution of a post-issuance review.

The Board's current application of the redundancy argument is inappropriate and exposes Petitioners to great risk. Petitioners pay a fee and are given a limited number of pages to challenge a patent. All arguments that Petitioners present within those pages should be given full consideration. Nothing in the statutory language or congressional record suggests that Congress intended the Board to refuse to consider legitimate invalidity challenges at the pre-institution stage.

A more appropriate solution to handling potentially redundant invalidity arguments is to move any action on redundancy to post institution. The Board should institute on all appropriate

grounds and then require the Petitioner to select a representative ground or grounds on which to move forward. Once the Patent Owner has filed its Patent Owner Response, the Petitioner can intelligently select the non-redundant grounds that it wants to pursue. Further, after the Patent Owner has presented its defenses, the Petitioner can articulate to the Board why a particular ground is not redundant.

But under the current procedure, the Petitioner must select grounds without any visibility into the Patent Owner's claim construction positions or even the Patent Owner's conception and reduction-to-practice dates. By forcing the Petitioner to select blindly from multiple grounds, the Board puts the Petitioner at an unnecessary disadvantage.

c. The Board should continue its practice of issuing final decisions despite settlement.

The Board's current practice of issuing final decisions in particular cases despite settlement should continue. If the Board has done the work to issue the final decision, the public benefits from that final decision. Issuing the decision has few public-policy drawbacks, because the parties can finalize settlement earlier in the AIA trial before the Board has had the opportunity to form its opinion.

d. The Board should establish a common timeline for exchanging demonstratives and objections.

Prior to the oral hearing, the Board should establish a timeline for exchanging demonstratives and objections. Under current procedures, demonstratives are exchanged too close to the hearing to permit parties to remedy the objectionable material. Parties are forced to raise their objections during the hearing.

At a minimum, the timeline should provide enough time for the parties to revise demonstratives in light of the objections. And preferably, the timeline should provide enough

time (1) for the parties to address the objections with the Board through a telephone hearing and
(2) for the Board to rule on the objections.