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Sent: Thursday, October 16, 2014 8:31 PM

To: TrialsRFC2014

Subject: Comments on Trial Proceedings Under the America Invents Act Before the Patent Trial and Appeal Board

To the Board,

The following comments are submitted pursuant to the Patent Office's "Request for Comments on Trial Proceedings Under the America Invents Act Before the Patent Trial and Appeal Board, 79 Fed Reg. 36474-77 (June 27, 2014)." The submission date was extended to October 16, 2014 by the Patent Office.

I have represented patent owners and patent challengers in various forms of post-grant review proceedings and district court litigation. These comments are my own based on my experience in the field and conversations with others. These comments do not necessarily reflect the views of my colleagues, Klarquist Sparkman or its clients, and should not be attributed to any other entity. Also, the fact that a comment has or has not been offered does not mean that the undersigned agrees with current practice.

I commend the Board for taking the opportunity to seek feedback from the public.

Rick Mc Leod

Q1. 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?

A1: An assertion of broad patent scope by a patent owner ("PO") presented as an assertion of infringement, regardless of context (e.g., claim construction briefing, infringement contentions in a demand letter, interrogatory response, or Patent Rules) should be treated as an admission of claim scope that can be used to apply prior art against claim elements (and/or the claim as a whole) regardless of whether a review of the specification would lead to a narrower interpretation. Admissions regarding claim scope have long been a part of ex parte reexamination practice.

Such an admission could be made part of the claim interpretation expressly by reference to the source as an admission by the patent owner, noting that it adopted as an exception to the BRI.

Q2. What modifications, if any, should be made to the Board's practice regarding motions to amend?

Q2: No comment.

Q3. 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?

A3: If a patent owner intends to rely upon prior invention to antedate prior art, new testimonial evidence could be permitted. Because PO's are presumed to have access to such proof, courts that have patent specific rules usually require the PO to identify and produce all documentary evidence supporting prior invention along with infringement contentions. Testimony in the form of a declaration would not be expected to be more burdensome than the current requirements imposed by the courts.

For example, the Board could require testimonial and documentary evidence to be served upon the petitioner with patent owner's preliminary response. PO's witness(es) could be made available in the month following the PO's response, and petitioner could be permitted to submit observations on cross-examination within one month of the cross-examination. All of PO's evidence regarding prior invention upon which it relies could be required to be submitted as part of the Preliminary Response. This should give the Board ample opportunity to review testimony and documentary evidence on this issue prior to its decision on the petition.

In fast moving technology areas, there are often pre-critical date references that are not as close to the claimed invention as other prior art. In such cases, the petitioner may present multiple grounds, for example, citing a stronger reference that might be antedated in one ground, but including one or more pre-critical date references as an alternative ground for the same teaching.

By frontloading this issue, the Board gains a better vantage on which to decide the grounds for trial. If the PO has proven prior invention, then the Board can decline to institute trial on the relevant grounds at an earlier stage, and it can focus the trial on pre-critical date references if appropriate. If the PO fails to prove prior invention, then the Board can institute trial on the stronger post-critical date prior art, and decline to institute trial on other pre-critical date grounds that might not be as strong.

Q4. Under what circumstances should the Board permit discovery of evidence of non-obviousness held by the 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?

A4: No comment.

Q5. Should a patent owner be able to raise a challenge regarding a real party in interest at any time during a trial?

A5: No comment.

Q6. Are the factors enumerated in the Board's decision in *Garmin v. Cuozzo*, IPR2012-00001, appropriate to consider in deciding whether to grant a request for additional discovery? What additional factors, if any, should be considered?

A6: No comment.

Q7. 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,

A7: The extent of coordination should, to the first order, take into account the expressed interests of the parties involved. For example, when the same petitioner is involved multiple proceedings, the coordination is much simpler.

Where different petitioners are involved, coordination should not be forced upon the petitioners to avoid due process concerns, but also prejudice. For example, petitioners may proffer different claim interpretations (e.g., indefiniteness in a CBM vs. a specific construction in an IPR). A PO should not be able to leverage this bare fact to allege that its claim construction is correct because different petitioners present different claim interpretations.

Q8. 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?

A8: If multiple petitions are filed against a patent, the Board generally should not stay or terminate any proceeding solely because there is a "first-filed" petition. Petitioners may have varying views on the strength of particular prior art references and claim construction issues. Each may have access to different information as well because there may be concurrent litigation as different stages of discovery with respect to each.

Q9. Under what circumstances, if any, should a copending 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?

A9: A co-pending reexamination proceeding or reissue proceeding could be stayed until such time at the Board issues a final written decision. In the event that broader claims are cancelled, the AIA estoppel provision prevents the patent owner from seeking substantially similar claims in other proceedings.

Q10. Under what circumstances, if any, should an AIA trial be stayed in favor of a copending reexamination proceeding or reissue proceeding? If a stay is entered, under what circumstances should the stay be lifted?

A10: No comment.

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

A11: No comment.

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.

A12: No comment.

Q13. 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 proceeding?

A13: No comment.

Q14. 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?

A14: Where multiple proceedings have been initiated against the same patent (or a family of patents), and it would be efficient (and appropriate) to consolidate those proceedings save for the deadline imposed by the earliest filing, the Board should find that good cause exists to delay the earliest proceeding(s). If necessary, a later filed proceeding may be accelerated to permit consolidation.

In the event that a replaceable, key participant (e.g., an expert witness) becomes unexpectedly unavailable (e.g., due to death, disability, or other non-fault factor), this should constitute good cause, and an appropriate delay permitted for the replacement..

Q15. Under what circumstances, if any, should live testimony be permitted at the oral hearing?

A15: Where the Board has a specific inquiry that it would like to have answered by a witness, live testimony should be permitted. In some trials, a judge has asked counsel, what a witness meant by certain testimony. The probative value of counsel's answer to such a question is speculative, especially as there is likely no opportunity for counsel to confer with the witness.

In conjunction with Q16 below, such questions might be best handled if the Board informs the parties that a specific witness be present at hearing.

Q16. What changes, if any, should be made to the format of the oral hearing?

A16: Hearings likely would be more productive if the Board were to submit specific issues that it would like addressed by the parties at oral hearing. Similar to pre-trial memoranda that are used in district court litigation, this allows the parties to devote significant preparation to areas of concern, rendering the process more efficient.

Q17. 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?

A17: Two constructive comments are provided below.

a) Petition/Response Page Limits

Based on observations and practice, petitioners have been forced to file multiple petitions to address the validity of large number of claims. The base filing fee for each proceeding allows for the challenge of a specified number of claims, with additional claim requiring additional fees, but providing no additional space to address such claims.

Patents that contain more than the "average" number of claims (e.g., 20) may be logically expected to require more space. At the same time, it is wasteful to file multiple petitions that must contain duplicative matter (e.g., proposed claim construction, redundant element mapping for similar independent claims as when there are 40 method, 40 apparatus, and 40 CRM claims in a patent).

An alternative approach would provide for an automatic page extension tied to the excess claim fee. For example, if the petitioner pays to challenge thirty claims, a modest page extension would allow an additional page for each dependent claim, two pages for each independent claim in excess of three.

Patent owner should be given the same extension, subject to the petitioner's actual filing. For example, some types of claim drafting may allow for the efficient grouping of claims (e.g., where method, apparatus, and CRM or MPF claims reflect the same claim elements). Thus, if the challenger used only seventy pages to challenge the thirty claims, then the patent owner should be limited to a seventy page response.

In sum, automatic page extensions would save the Board and the parties the added burden of joinder motions and duplicate filings in multiple proceedings, as well as reducing some of the effort is addressing multiple petitions on the merits. Additionally, it should alleviate some of the concerns regarding page limits in general.

b) Grounds for Trial

In many cases, the Board has granted trial under section 102, but denied trial under section 103 for a given set of claims. There are often good reasons for alleging anticipation where the case is a close call between obviousness and anticipation. For example, § 102 removes the need to present or argue evidence of "secondary considerations," which may be highly contentious and require additional briefing and/or supplemental discovery. Further, the challenger generally won't have evidence or knowledge of these facts prior to filing.

Claim construction is also an issue. A prior art reference may anticipate a claim under a broad construction, but only render the claim obvious under a narrower one.

Limiting the trial of claims to anticipation unduly constrains the proceeding, particularly as the Board's claim interpretations are often "preliminary" and subject to revision in the "Final Written

Decision." Even if the Board considers anticipation a stronger ground initially, it is cold comfort to allow "obvious" patent claims to escape review because trial has been limited to anticipation.

This concern could be ameliorated somewhat if the Patent Owner were required to introduce its proposed claim construction (along with all supporting evidence as in Q3 above). Currently, the Patent Owner is not required to address claim interpretation prior to its Response. This change would allow the Board to provide a definitive claim construction in its Initial Decision. NB: Such construction might be subject to being broadened at a later time in view of a claim construction opinion in a concurrent litigation, but this will not happen often and could be addressed in motion practice.

Best Regards,

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