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Sent: Monday, November 07, 2011 5:33 PM
To: ai_a_implementation
Subject: Inter partes review

Patterson Thuent e Suggestions for Group 2 Rulemakings:
Subgroup 5 – Umbrella Rules Package for Trial Section Review Proceedings

The law firm of Patterson Thuent e Christensen Pedersen (“Patterson Thuent e”) appreciates the opportunity to provide input with respect to the Request by Janet Gongola for Public Comments Urged for Group 2 Proposed Rule Makings, dated October 28, 2011 on the USPTO America Invents Act (AIA) website. The suggestions contained in this email are submitted with respect to Group 2 Rulemakings – Subgroup 5 – Umbrella Rules Package for Trial Section Review Proceedings.

Patterson Thuent e is a firm with significant experience in the areas of ex parte reexamination, inter partes reexamination and interference practice. The firm is also nationally recognized for its expertise with respect to the AIA. Patterson Thuent e represents a wide and diverse spectrum of individuals, companies, and institutions before the United States Patent and Trademark Office.

The comments submitted herewith reflect the general views of Patterson Thuent e and do not necessarily reflect the view of opinions of any individual members of the firm, or any of their clients. Patterson Thuent e understands that the USPTO will not directly respond to these suggestions, and Patterson Thuent e reserves the right to formulate specific comments pursuant to formal rule promulgation with respect to the Group 2 Rulemakings.

With respect to Subgroup 5 – Umbrella Rules Package for Trial Section Review Proceedings, Patterson Thuent e has the following suggestions:

5.1 Motion Based Rules Model

Patterson Thuent e urges the Office to propose an umbrella rules package based on some combination of the current rules for contested matters and trademark oppositions that utilize a motion practice based model.

5.2 Require Electronic Filing

We suggest that the Office require the use of electronic filing and electronic service for any review proceedings.

5.3 Confirmation of No Estoppel

We suggest that the Office require a declaration or acknowledgement by a petitioner for any of EPX, IPX, IPR, PGR or BMR that certifies that the petitioner is not subject to any of the estoppel provisions applicable to the relevant proceeding.

5.4 Use a Standing Order

We suggest that the Office use a Standing Order, similar to the current interference practice, for establishing detailed scheduling and procedural matters that are not specifically handled by the umbrella rules package.

5.5 Standard for “Sufficient Grounds”

We suggest that the Office not use the current “new non-cumulative technological teaching” standard for determining whether there is a “substantial new question of patentability” for initiating an ex parte reexamination; instead, the Office should promulgate a new standard based on whether there is a legal or technical issue presented that was not previously considered during original prosecution or during another previously concluded post issuance proceeding.

5.6 Set Time Period for Patent Owner Preliminary Response at 2 Months, Extendible by 1 Month

We suggest that the Office establish the time period for the Patent Owner preliminary response under Section 313/323 to be 2 months that would be

extendible upon petition to the designated APJ for up to 1 additional month.

5.7 Use an APJ to Determine Whether to Initiate a Review

Patterson Thuente urges the Office to delegate the authority of the Director determine whether to initiate a review proceeding to an Administrative Patent Judge (APJ) designated to run the review with the Central Reexamination Unit (CRU) preparing an initial recommendation for review and final approval by the APJ.

5.8 Allow for a Supervisory Petition Review of the Initial Decision

Although a denial of a review petition is not appealable, Patterson Thuente urges the Office to allow for supervisory review of that determination by petition to the Director, similar to the current practice of using a 1.181(a)(3) petition for supervisory review before a final agency action is established for the denial of a review petition. The Office should also explicitly establish the limited conditions under which patent owners may petition the Director to vacate a granted proceeding based on alleged ultra-vires action by the Office (circumstances where there is no discretion provided by statute to initiate the proceeding, or where the Office has acted "in flagrant defiance" of statutory requirements). Such practice would reduce the potential for collateral proceedings for writs of mandamus/prohibition in the District Courts.

5.9 Scope of Review

We suggest that the Office promulgate rules that place the entire patent, and all prior art references and grounds cited in the request, under the review jurisdiction once a review is initiated, regardless of which claims or references are found to meet the requirements for initiating a review. While current practice in reexamination permits partial reexaminations, it is believed that placing the entire patent under the jurisdiction of the PTAB for purposes of the review will simplify the proceedings, eliminate the current complexities of petition versus appeal, simplify issues with respect to the impact of estoppels, and better accomplish the intent of Congress that USPTO review be a true alternative to the District Courts in resolving disputes between parties as to the validity of patents. Such practice would also expedite the proceedings, in that petition practice related to the partial denial of requests would be avoided.

5.10 No Petition

We suggest that the Office establish by rule that no other petitions to the Director are permitted once a review is initiated so as to eliminate the potential for any delay in the schedule.

5.11 Claim Amendments by Patent Owner

We suggest that the Office require by rules and a Standing Order that a patent owner must propose any claim amendments within 1 month after a determination to initiate the review (see timeline in 5.21 below for suggested deadlines).

5.12 New Proposed Grounds of Rejection

We suggest that the Office require by rules and a Standing Order that a petitioner must propose any new grounds of rejection in response to an amendment of the claims by the patent owner within 1 month from any such amendments (see timeline in 5.21 below for suggested deadlines).

5.13 Claim Construction in Reviews

We suggest that the Office establish by rules and a Standing Order that provide for a claim construction process that would run from month 2 to month 4 (see timeline in 5.21 below for suggested deadlines). We also suggest that the Office promulgate rules that would use the Phillips and Markman legal standards for claim constructions in review proceedings, as opposed to the Yamamoto broadest reasonable interpretation standard that is used in ex parte reexamination. The rationale for using broadest reasonable interpretation stems from a line of cases in the early 20th century that adopted the different standard in large part because the patent owner could "freely" amend the claims to clarify any ambiguities during original examination while the patent application was still pending and was also not

yet published. In the context of a post-issuance review proceeding that is subject to intervening rights for any claim amendments, this rationale is no longer valid. Moreover, the use of two different legal standards for claim construction for post-issuance validity challenges (one for district courts and one for Patent Office proceedings) necessarily involves the possibility of different results for the same patent, dependent upon which path is chosen for the validity challenge. As the Supreme Court noted in *Graham*:

"While we have focused attention on the appropriate standard to be applied by the courts, it must be remembered that the primary responsibility for sifting out unpatentable material lies in the Patent Office. To await litigation is - for all practical purposes - to debilitate the patent system. We have observed a notorious difference between the standards applied by the Patent Office and by the courts. While many reasons can be adduced to explain the discrepancy, one may well be the free rein often exercised by Examiners in their use of the concept of "invention." In this connection we note that the Patent Office is confronted with a most difficult task.... This is itself a compelling reason for the Commissioner to strictly adhere to the 1952 Act as interpreted here. This would, we believe, not only expedite disposition but bring about a closer concurrence between administrative and judicial precedent."

5.14 Combined Discovery Periods

We suggest that the Office establish by rules and a Standing Order that the standard schedule provide for a single combined discovery period that runs from month 2 to month 6 with written discovery completed prior to testimony discovery, and with no differentiation between fact and expert discovery (see timeline in 5.21 below for suggested deadlines).

5.15 Estoppel Cutoff at End of Discovery Period

We suggest that the Office establish by rules and a Standing Order that provide for that motions with respect to any newly discovered prior art end at the end of the discovery period, with the estoppel provisions not applying to prior art discovered after this cutoff as the rules would not permit the Petitioner to have raised arguments based on any such late discovered prior art in the review proceeding.

5.16 Rebuttal Evidence Prior to Oral Hearing

We suggest that the Office establish by rules and a Standing Order that provide for the option for rebuttal evidence being presented up to the oral hearing, although rebuttal evidence after the close of the discovery period would need to be admitted by motion practice.

5.17 Cross-briefing Timelines

We suggest that the Office establish by rules and a Standing Order that provide for cross-briefing period from month 7 to month 8.5 in which each party would have the opportunity to submit a main brief, a reply brief and a rebuttal brief (see timeline in 5.21 below for suggested deadlines).

5.18 Graduated Page/Word Count Limits

We suggest that the Office establish rules that provide for reasonable page/word count limits on briefings and motion that are graduated based on the number of proposed grounds/claims being considered, and that can be further adjusted as necessary by motion.

5.19 Live Testimony at Final Hearing

We suggest that the Office establish rules that provide for the option for live testimony at the final hearing at least by motion practice.

5.20 Settlement Window

We suggest that the Office interpret the settlement window for a Trial Section review proceeding as being consistent with the estoppel provision so as to provide the longest opportunity for the parties in considering settlement up to the final written decision by the PTAB.

5.21 Scheduling to Meet 12/18 Month Deadlines

We suggest that the Office establish by rules and Standing Order a default schedule that would result in an oral hearing at month 9, with an initial decision of the PTAB by month 10, and requests for reconsideration and a final written decision by month 12. Adjustments to the default schedule could be made by motion, but in no event would the oral hearing be scheduled later than month 15. A suggested timetable for the default schedule is set out below.

Month (-6/-5)	->	Petition Filed
Month (-4/-3) months after petition, extendible by 1 month)	->	Patent Owner Preliminary Response (2 months after petition, extendible by 1 month)
Month (0) review of memo prepared by CRU)	->	APJ determination on Petition (after review of memo prepared by CRU)
Month (0.5) Petitioner (attorney of record, mandatory discovery, preliminary list of motions)	->	Initial Filings by Patent Owner and Petitioner (attorney of record, mandatory discovery, preliminary list of motions)
Month (1)	->	Patent Owner Proposed Claim Amendments
Month (1.5) motions	->	APJ decision on initial authorized motions
Month (2) Amended Claims	->	Petitioner New Proposed Grounds for any Amended Claims
Discovery (interrogatory, document production, request for admission)	->	Both Parties - Start of Written Discovery (interrogatory, document production, request for admission)
Month (2.5) Constructions	->	Both Parties - Submit Claim Constructions
Month (3) Constructions Replies	->	Both Parties - Submit Claim Constructions Replies
Month (4)	->	APJ decision on claim construction
Discovery (direct testimony by deposition)	->	Both Parties - Start of Testimony (direct testimony by deposition, cross-examination and redirect by both parties)
Month (6)	->	End of Discovery Period
Month (7)	->	Both Parties - Submit Briefs
Month (8)	->	Both Parties - Submit Replies
Month (8.5)	->	Both Parties - Submit Rebuttals
Month (9)	->	Oral Hearing before APJ Panel
Month (10)	->	Initial Written Decision by APJ Panel
Month (10.5)	->	Request for Reconsideration
Month (11)	->	Replies to Request for Reconsideration
Month (12)	->	Final Written Decision

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