



21 December 2018

Acting Deputy Chief Administrative Patent Judge Jacqueline Wright Bonilla or  
Vice Chief Administrative Patent Judge Michael Tierney  
Mail Stop Patent Board  
Director of the U.S. Patent and Trademark Office  
P.O. Box 1450  
Alexandria, VA 22313-1450

Via email: [PTABNPR2018@uspto.gov](mailto:PTABNPR2018@uspto.gov)

Re: PTAB Request for Comments 2018

Dear Judges Bonilla and Tierney:

Intellectual Property Owners Association (IPO) appreciates the opportunity to respond to the USPTO's request for comments, published on 29 October 2018 in the *Federal Register*, concerning proposed Motion to Amend (MTA) Practice and Procedures in Trial Proceedings Under the America Invents Act (AIA) Before the Patent Trial and Appeal Board (PTAB or Board).

IPO is an international trade association representing companies and individuals in all industries and fields of technology who own, or are interested in, intellectual property rights. IPO's membership includes about 200 companies and more than 12,000 individuals who are involved in the association either through their companies or as inventor, author, law firm, or attorney members. IPO membership spans over 30 countries. IPO advocates for effective and affordable IP ownership rights and offers a wide array of services, including supporting member interests relating to legislative and international issues; analyzing current IP issues; providing information and educational services; and disseminating information to the public on the importance of IP rights.

Our answers to questions posed by the USPTO in the request for comments are below.

### **1. Should the Office modify its current practice to implement the proposal summarized above and presented in part in Appendix A1? Why or why not?**

IPO supports implementing PTAB's proposed modification to the MTA rules on a pilot basis. IPO, however, has concerns that the proposed timing of papers to be filed will pose an undue burden on the parties. For example, IPO questions whether four weeks between the Patent Owner (PO) Reply (or PO revised MTA) and the Petitioner Sur-Reply (or Opposition if revised MTA) will provide enough time for the petitioner to conduct a supplemental prior art search (if there is a revised MTA), take the deposition of the PO's expert, and prepare both a Reply to the PO Response and Petitioner Sur-Reply to the MTA (or Opposition if a revised MTA). Similarly, IPO questions whether four weeks between the Petitioner Opposition (if revised MTA) and the PO Reply will provide enough time for the PO to take the deposition of the petitioner's expert and

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Milbank Tweed

Executive Director  
**Mark W. Lauroesch**

prepare both a regular PO Sur-Reply and PO Reply to Petitioner's Opposition to the revised MTA. See next question for a proposal to address the compressed timeline.

**2. Please provide comments on any aspect of the proposed amendment process, including, but not limited to, the content of the papers provided by the parties and the Office and the timing of those papers during an AIA trial.**

At the request of either party, the schedule should include an optional conference call with the panel shortly after the Preliminary Decision on the MTA (e.g., one week later) to discuss with the parties whether changes to the default schedule are warranted. The panel should schedule the call as soon as possible after a request. The parties must meet and confer in good faith before the call. If an agreement is reached, the parties should provide the panel with a proposed modified schedule before the call with the panel. The panel should take into account whether the PO intends to file a revised MTA when adjusting the schedule. For example, if the PO does not intend to file a revised MTA, the remainder of the dates can be extended as there will no longer be a PO Reply or Petitioner Sur-reply to a revised MTA. Where appropriate, the panel should also consider reducing the 1.5-month period before the oral hearing and/or extending the date of the oral hearing to closer to the 12-month deadline from institution (i.e., extending the hearing beyond the traditional 9.5-month date).

IPO agrees that Sur-Replies may not rely on new declarations and may only refer to evidence already in the record and deposition testimony.

**3. How does the timeline in Appendix A1 impact the parties' abilities to present their respective cases? If changes to the timeline are warranted, what specific changes are needed and why?**

See the prior section.

**4. If the Office implements this proposal, should the Board prepare a preliminary decision in every proceeding where a patent owner files a motion to amend that proposes substitute claims?**

IPO recommends that the Board issue a preliminary written decision when a PO uses this new procedure. A preliminary written decision should help both the PO and petitioner refine any further responses, and should give the PO guidance in preparing any revisions to its motion to amend. One of the main purposes of this proposal is to provide a viable mechanism for a PO to amend claims as part of the AIA trial proceeding process. A key part of this proposal provides the PO with a second opportunity to amend its claims. Providing a non-binding preliminary decision following a motion to amend should aid the PO in this process.

**5. What information should a preliminary decision include to provide the most assistance to the parties in presenting their case? For example, is there certain information that may be particularly useful as the parties consider arguments and**

**evidence to present in their papers, how issues may be narrowed for presentation to the Board, and/or whether to discuss a settlement?**

Preliminary written decisions should provide an initial indication whether the amended claims would be patentable. In addition, helpful information might include an indication whether the PO has met all procedural requirements set forth in 37 C.F.R. §§ 42.121, 42.221 or any other applicable laws or regulations.

**6. If the Office implements this proposal, should there be any limits on the substance of the claims that may be proposed in the revised motion to amend? For example, should patent owners be permitted only to add limitations to, or otherwise narrow the scope of, the claims proposed in the originally-filed motion to amend?**

POs should be able to submit amendments that narrow the scope of existing patent claims, but without any other limitations over and above the requirements set forth in 37 C.F.R. §§ 42.121, 42.221 or any other applicable laws or regulations. PO might need to amend claim limitations added in the original MTA that the panel found unacceptable in the Preliminary Decision on MTA.

**7. What is the most effective way for parties and the Office to use declaration testimony during the procedure discussed above? For example, how and when should parties rely on declaration testimony? When should cross-examination of declaration witnesses take place, if at all, in the process? At what stage of briefing should a party be able to rely on cross-examination (deposition transcripts) testimony of a witness?**

In the MTA context, declaration testimony should be allowed to accompany the following briefs: PO MTA; Petitioner Opposition to MTA; PO Reply; PO revised MTA; Petitioner Opposition to revised MTA; PO Reply to Opposition to revised MTA. New declaration testimony should **not** accompany either of the Sur-Replies. Declaration testimony is appropriate, for example, to explain why any amendment either narrows or expands the scope of the claim(s), explain why the specification either supports or does not support any claim amendments, provide evidence of the level of skill in the art at the time of the invention, authenticate prior art or explain why the prior art has not been authenticated, provide evidence of whether prior art may or may not disclose claim limitation(s), and explain why a person of skill in the art would either combine or not combine the prior art.

To be consistent with the Board's desire not to have any deposition testimony on the MTA subject matter prior to the preliminary decision on the MTA, the Board should strike or give no weight to any deposition testimony relied on in any MTA briefing prior to the preliminary decision.

**8. If a petitioner ceases to participate in an AIA trial and the Board solicits patent examiner assistance regarding a motion to amend, how should the Board weigh an examiner advisory report relative to arguments and evidence provided by a patent**

**owner? What type of assistance or information should a patent examiner provide? Should prior art searches by examiners be limited to those relevant to new limitations added to proposed substitute claims and reasons to combine related to such limitations?**

If a petitioner stops participating in an AIA trial and the Board requests the assistance of a patent examiner, the patent examiner's report and prior art searches should be limited to references relevant to the new limitations in the substitute claims. Proceeding otherwise would result in an MTA reopening patent prosecution, which is not the purpose of the AIA proceedings and would discourage use of the procedure by POs. The Board can, at its discretion, adopt the examiner's advisory report with some or no changes. If the examiner provides an analysis, presumably in the form of an office action, the Board should treat the office action under the same standard as any decision of an examiner in prosecution.

**9. Should the Board solicit patent examiner assistance in other circumstances, and if so, what circumstances? For example, should the Board solicit patent examiner assistance when the petitioner remains in the AIA trial but chooses not to oppose the motion to amend?**

It could be appropriate for the Board to solicit participation of the patent examiner when there is a motion to amend and the petitioner remains in the AIA trial, but only if there is evidence to question whether the petitioner lacks adversarial motivation. Such examiner participation should only be drawn upon if it can be exercised in a timely manner in keeping with Congress' intent that the AIA proceedings be expeditious.

**10. Should a motion to amend filed under the proposed new process be contingent or non-contingent? For purposes of this question, "contingent" means that the Board 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 in the current proposal); and "non-contingent" means that the Board will provide a final decision on the patentability of substitute claims in place of determining the patentability of corresponding original claims.**

An MTA filed under the proposed new process should be contingent such that PTAB will only make a patentability determination on the MTA if the original claims are found unpatentable. This is the current practice of PTAB, which should not be changed because it guarantees the PO the full scope of its invention.

**11. If the Office implements the proposal in which the Board issues a preliminary decision on a motion to amend, as discussed above, should any additional changes be made to the current default trial schedule to accommodate the new practice?**

As stated above in response to Question 2, the proposed timeline for filing an MTA and Opposition to an MTA (as well as the papers filed after a Preliminary Decision on the MTA) are fairly tight and the USPTO should consider adding some flexibility into this process wherein interim deadlines could be extended as well as extending the deadline

for the Final Written Decision for up to six months (for good cause). The USPTO should articulate a list of factors that the PTAB will consider in granting request to extend the deadlines.

**12. What impact would implementing the proposals above have on small or micro entities who participate as parties in AIA trial proceedings?**

Costs might increase for the parties. There should be no cost increase caused by the PO MTA or the Petitioner Opposition to MTA. Any increased cost would be incurred by the additional briefing and/or MTA contemplated by the proposed new MTA procedures. The additional costs may vary widely, depending on the number of issues to be addressed and the billing rates and efficiency of the lawyers who do the work.

**13. Should the Office consider additional options for changing the timing and/or the Board's procedures for handling motions to amend that are not covered by the proposals above? If so, please provide additional options or proposals for the Office to consider, and discuss the advantages or disadvantages of implementation.**

The Board should consider clarifying whether and how POs can use reissue and reexamination in parallel with AIA trials.

**14. Should the Office consider not proceeding with the pilot program in AIA trials where both parties agree to opt-out of the program?**

For the reasons explained above, IPO recommends that the Board remain flexible to modifying the MTA schedule in each proceeding.

The Office has stated on prior occasions that POs can use reexamination or reissue to amend claims. See e.g., *Idle Free Sys., Inc. v. Bergstrom, Inc.*, IPR2012-00027, Paper 26 (June 11, 2013). In practice, the Board has not given POs clear guidance on how to make use of reissues or reexaminations and has often handled these proceedings inconsistently. POs have a statutory right to file a reissue or reexamination at any time. 35 U.S.C. §§ 251 and 302. The Director, however, has the right to stay, transfer, consolidate, or terminate any such reexamination and frequently exercises that right. 35 U.S.C. §§ 315(d) and 325(d). IPO therefore would like to see the Board provide a more consistent and predictable approach for how POs can use reexamination and reissue to amend claims.

**15. Should the Office engage in rulemaking to allocate the burden of persuasion regarding the patentability of proposed substitute claims in a motion to amend as set forth in the *Western Digital* order? What are the advantages or disadvantages of doing so?**

IPO favors rulemaking to allocate the burden of persuasion on proposed substitute claims in an MTA as set forth in the *Western Digital* order. The Office should issue regulations clarifying that the PO bears the burden of persuasion that the motion to amend complies with both the statutory and regulatory requirements set forth in 35

U.S.C. § 316(d)(1)(B) and 37 C.F.R. § 42.121. The regulations should clarify that the petitioner bears the burden of persuasion by a preponderance of the evidence that the proposed substitute claims are not patentable. Further, IPO recommends that the Board codify the rules set forth in its prior rulings. *See Western Digital Corp. v. Spex Tech., Inc.*, IPR2018-00082, paper 13 (PTAB, Apr. 25, 2018) (Informative Decision) (“[T]he Board determines whether substitute claims are unpatentable by a preponderance of the evidence based on the entirety of the record, including any opposition by the petitioner,” where the patent owner has been on notice of the potential basis for such a finding of unpatentability.) (citing *Bosch Automotive Serv. Solutions LLC v. Matal*, 878 F.3d 1027, 1040 (Fed. Cir. 2017)(“[W]here the challenger ceases to participate in the IPR and the Board proceeds to final judgment, it is the Board that must justify any finding of unpatentability by reference to the evidence of record in the IPR.”)).

**16. If the Office continues to allocate the burden as set forth in the *Western Digital* order, under what circumstances should the Board itself be able to justify findings of unpatentability? Only if the petitioner withdraws from the proceeding? Or are there situations where the Board itself should be able to justify findings of unpatentability when the petitioner remains in the proceeding? What are the advantages or disadvantages?**

"The indispensable ingredients of due process are notice and an opportunity to be heard by a disinterested decision-maker." *Abbott Labs. v. Cordis Corp.*, 710 F.3d 1318, 1328 (Fed. Cir. 2013) (citing *Caperton v. A.T. Massey Coal Co.*, 556 U.S. 868, 876–81, 129 S. Ct. 2252, 173 L. Ed. 2d 1208 (2009)). Under the new procedures, in most instances, the PO should have notice based on the Board's preliminary decision of the potential grounds for a finding of unpatentability of proposed substitute claims set forth in the patent owner's initial MTA. However, the same is not necessarily true for proposed claims in a second MTA, for which there is no preliminary decision.

**17. If the Office adopts the current proposal including a preliminary decision by the Board on a motion to amend, do the answers to questions 15 and 16 change?**

No.

We again thank the USPTO for permitting IPO to provide comments and would welcome any further dialogue or opportunity to provide additional information.

Sincerely,



Henry Hadad  
President