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<https://www.regulations.gov>

Attention: Scott C. Weidenfeller, Vice Chief APJ
United States Patent and Trademark Office

Re: Proposed Rulemaking Regarding Use of Discretion in Instituting Trials before the Patent Trial and Appeal Board (PTO-C-2020-0055)

DISH Network Corporation, DISH Network L.L.C., DISH Technologies L.L.C, and Sling TV L.L.C. (collectively, hereinafter “DISH” or “Commenters”) submit these comments in response to the proposed rulemaking by the United States Patent and Trademark Office (the “Office”) relating to considerations for instituting trials before the Office under the Leahy-Smith America Invents Act (“AIA”).

DISH Network Corporation (NASDAQ: DISH) is a connectivity company that provides, through its subsidiaries, satellite DISH TV and streaming Sling TV services, a nationwide U.S. wireless carrier through Boost Mobile and is in the process of building the nation’s first cloud-native, Open RAN-based 5G broadband network. DISH has a substantial stake in the patent system as the holder of a significant patent portfolio, incoming and outgoing licensing of patents and a participant in numerous patent litigations.

At the outset, Commenters provide the following general principles that should guide the PTO’s rule-making efforts.

Discretionary Denials Frustrate The Delicate Balancing of Patent Owner and Public Interests Reflected in the AIA

The Supreme Court has characterized the creation of PTAB Trials as an “important congressional objective” of the AIA. *Cuozzo Speed Techs., LLC v. Lee*, 136 S.Ct. 2131, 2139-40 (2016) (citing H.R. Rep. No. 112-98, pt. 1, pp. 45, 48 (2011)). These proceedings protect “the public’s paramount interest in seeing that patent monopolies are kept within their legitimate scope.” *Oil States Energy Svcs., LLC v. Greene’s Energy Group, LLC*, 138 S.Ct. 1365, 1374 (2018) (citing *Cuozzo*).

This important Congressional objective was achieved only after a multi-year legislative journey, including numerous hearings and multiple rounds of draft legislation, which resulted in an enacted law that carefully balanced the competing interests of patent owners and the public. *See* S.Rep.No.111-18 at 14-15, 17-18 (2009); S.Rep.No. 110-259, at 18-19 (2007); Patent Quality Improvement: Post-Grant Opposition: Hearing before the Subcomm. on Courts, the Internet, and Intellectual Prop. of the H. Comm. on the Judiciary, 108th Cong. (June 24, 2004).

For instance, during the legislative process, the standard for instituting an *Inter Partes* Review (IPR) proceeding was raised to require a “showing of ‘a reasonable likelihood’ that a patent is invalid,” which Senator Kyl characterized during March 2011 debates on the AIA, as the test “currently used in evaluating whether a party is entitled to a preliminary injunction.” 157 Cong. Rec. S1360, S1375 (daily ed. Mar. 7, 2011). Additionally, a manager’s amendment to a predecessor bill to the AIA “added procedural limits to [PTAB Trial proceedings] in order to address patent owners’ complaints about serial challenges to patents.” Matal, Joe, A Guide to the Legislative History of the America Invents Act: Part II of II, 21 Fed. Cir. Bar J. 4 at 604. (hereinafter, “Matal”). These procedural limits included a limitation on the types of invalidity challenges available in an IPR, as well as broad estoppel provisions extending to grounds that were not even raised in the PTAB. 35 U.S.C. § 315(e), Matal at 616-617 (“many patent owners objected to repealing could-have raised estoppel, arguing that such a change would result in ‘duplicative administrative and judicial challenges.’ The *inter partes* review proposed by the 2010 Leahy-Sessions manager’s amendment thus maintained could-have-raised estoppel, as did all subsequent bills”).

Moreover, the AIA included numerous other changes to patent law that had the effect of aiding patent owners in litigation, such as the creation of supplemental examination, the successful completion of which allows patent owners to avoid a judicial finding of unenforceability based on information considered during the supplemental reexamination, and the elimination of the failure to comply with the best mode requirement as a defense in patent litigation. 35 U.S.C. §§ 257(c), 282(b)(3); Matal at 545-551, 581-584.

Accordingly, in promulgating rules regarding the conduct of PTAB Trial Proceedings, the Office should ensure that the delicate balance achieved by Congress is maintained, and that the public interest is served by ensuring that PTAB Trial proceedings remain available to ensure that patent monopoly rights are kept to their proper scope.

Discretionary Denials Based On Co-Pending Litigation Are Inconsistent With The Congressional Balance of Stakeholder Interests Reflected in the AIA

Some PTAB decisions have suggested that PTAB Trials were intended by Congress to be an alternative to district court litigation, and on that basis have denied institution where a parallel district court litigation is already proceeding to resolution. *See NHK Spring v. Intri-Plex Techs., Inc.*, IPR2018-00752, Paper 8 at 20 (P.T.A.B. Sep. 12, 2018) (precedential) (“Institution of an *inter partes* review under these circumstances would not be consistent with ‘an objective of the AIA ...to provide an effective and efficient alternative to district court litigation.”). This reasoning is flawed and is inconsistent with the text and intent of the AIA, as confirmed in the legislative history and by the Supreme Court. In actuality, Congress intended for PTAB proceedings to proceed in

parallel with district court proceedings, even if the PTAB proceedings would not conclude until after a final judgment in the district court.

One important aspect of PTAB Trials that was debated by Congress and specifically expressed in the text of the AIA is the time-limit for filing an IPR petition. Earlier legislation had a 6-month deadline for seeking an IPR. S.23, 112th Cong. § 5(a), § 315(b) (2011) (engrossed bill as passed by Senate). The deadline for filing was subsequently extended before final passage because of the propensity of patent owners to assert “multiple patents with large numbers of vague claims, making it difficult to determine in the first few months of the litigation which claims will be relevant and how those claims are alleged to read on the defendant’s products.” 157 Cong. Rec. S5402, S5429 (daily ed. Sept. 8, 2011)(statement of Sen. Kyl). ***Thus, Congress enacted a one-year time-limit for filing an IPR, specifically to allow parallel district court litigation to develop sufficiently to crystalize the issues to be addressed in a subsequent PTAB Trial***, thereby making PTAB proceedings more effective at resolving the key invalidity disputes. Any use of the PTAB’s discretion to reject timely-filed petitions due to progress of a parallel district court action would therefore undermine the very rationale relied upon by Congress in setting the one-year time period.

Moreover, other aspects of the AIA and its legislative history confirm that Congress did not intend for even the conclusion of a district court trial to preclude the availability of the PTAB as a forum for litigating patent invalidity. For instance, prior to the AIA, section 317(b) of Title 35 required that an *inter partes* reexamination be terminated if a parallel civil action involving the requester resulted in a final judgment that the patent was not invalid. 35 U.S.C. § 317(b)(2006). Congress rejected that approach for PTAB Trials, permitting them to continue even if a district court action raising the same issue has completed. *See* H.R. Rep. No. 112-98, pt. 1, at 145 (2011), Matal at 612. The PTO should give effect to this important departure from the prior version of the statute. *SAS Institute Inc. v. Iancu*, 138 S.Ct. 1348,1355 (2018) (“Congress’s choice to depart from the model of a closely related statute is a choice neither we nor the agency may disregard”).

The Supreme Court has also rejected the argument that PTAB Trial proceedings are intended to be a “surrogate for court proceedings.” *Cuozzo*, 136 S.Ct. at 2143-44. Instead, the Court has noted that “the burden of proof is different than in the district courts” and that “the purpose of the proceeding is not quite the same as the purpose of district court litigation” because, unlike district court litigation, “*inter partes* review helps protect the public’s paramount interest in seeing that patent monopolies are kept within their legitimate scope.” *Id.* (internal quotation and alteration omitted). *See also Oil States*, 138 S.Ct. at 1374 (same). The parallel nature of district court proceedings and possibility of slower PTO proceedings was expressly addressed in *Cuozzo*. The Court recognized that such parallel proceedings can lead to the result that a “district court may find a patent to be valid, and the [PTO] **may later cancel that claim** in its own review,” however this “possibility of inconsistent results is **inherent to Congress’ regulatory design.**” *Cuozzo*, 136 S.Ct. at 2146.

Accordingly, the text, legislative history, and prior Supreme Court holdings confirm that the PTAB should not rely on the fact that activities have occurred in a parallel district court proceeding to deny petitions. To the contrary, Congress explicitly designed PTAB Trials to take advantage of the developments in a parallel district court action to make the PTAB Trial program

more effective at furthering the “public’s paramount interest” in limiting patents to their legitimate scope.

With these guiding principles in mind, Commenters offer the following suggestions regarding the particular questions in the Request for Comments:

Serial Petitions and Multiple Petitions

With regard to cases of “serial” and “multiple” petitions, the overriding principle that the Office should apply in determining whether to institute is the standard Congress expressly adopted: reasonable likelihood that the petitioner would prevail on the merits. *See* 35 U.S.C. § 314(a). In making this merits inquiry, Congress suggested that the Office consider “whether...the same or substantially the same prior art or arguments previously were presented to the Office.” 35 U.S.C. § 325(d). Thus, the statutory language itself provides the primary mechanism by which the Office should exercise its discretion: whether a new argument is being presented that is reasonably likely to succeed. This mechanism acts to protect Patent Owners against repeated PTAB proceedings because earlier-filed IPRs are likely to present the best prior art, and any subsequent filings would need to explain how the new art is not cumulative over art previously presented in earlier IPRs. *The mere existence of a prior petition filed by an entity unrelated to a petitioner should never be used, by itself, as a factor weighing against institution.* Nothing in the AIA supports this practice, and it is inconsistent with the balance of public and private rights established by Congress in the AIA.

However, the Office should consider whether prior petitions have been filed by the petitioner, or by the petitioner’s privy or real parties in interest, because the AIA expressly states that such other petitions, once completed, estop the petitioner from continuing with a subsequent proceeding. *See* 35 U.S.C. § 315(e)(1) (estopping a prior petitioner, or real party in interest or privy of the prior petitioner from “request[ing] or maintain[ing] a proceeding” before the PTAB). Therefore, it would be consistent with Congress’s regulatory design for the Office to exercise its discretion not to institute a proceeding when the party filing that proceeding would be estopped from continuing with that proceeding due to an earlier-filed proceeding that is likely to finish first. This mechanism protects against repeated filings by an accused entity or others acting on its behalf.

Commenters note that the current statutory text already provides Patent Owners with control over the burdens imposed on them by repeated PTAB proceedings brought by different entities. In particular, when Patent Owners space out their assertion and litigation efforts, targeting multiple different entities over several years, there is the potential for multiple different IPRs to be filed, as the AIA gives each accused entity a different window in which to file an IPR. *See* 35 U.S.C. § 315(b). This can potentially lead to multiple rounds of IPRs on the same claims, involving different art and arguments. However, when Patent Owners target multiple accused infringers at one time, the IPR window for all such entities will close around the same time. In that scenario, the AIA gives the PTAB numerous procedural devices to minimize the burden on the Patent Owner, such as stay, consolidation, or coordinated scheduling of the proceedings. *See* 35 U.S.C. §§ 315(d), 316(a)(4).

Commenters do not mean to suggest that petitioners, their privies or real-parties-in-interest should be permitted to file numerous petitions against a single claim set. When multiple petitions

are filed by a single accused entity at or around the same time, the Office should consider whether due to claim numerosity (*e.g.* the patent contains more than 20 claims and/or more than 3 independent claims), priority date issues, or multiple plausible claim constructions, more than one IPR should be permitted in order to permit the petitioner to fully-present a set of grounds that would address all challenged claims under the various plausibly correct priority dates or claim constructions.

Proceedings in Other Tribunals

With regard to proceedings in other tribunals, such as the district court, as noted above, the Congressional design of PTAB Trial proceedings, including the setting of the one year statutory deadline for filing an IPR from the day of service of a district court complaint, was expressly based on taking advantage of fact and issue development in parallel proceedings. 35 U.S.C. § 315(b), 157 Cong. Rec. S5402, S5429 (daily ed. Sept. 8, 2011) (statement of Sen. Kyl). Accordingly, it is entirely inconsistent with the text and intent of the AIA for the PTAB to rely on the fact that activities have occurred and will occur in a parallel district court proceeding as a basis to deny PTAB Trial petitions. Instead, those parallel activities are supposed to help the parties crystalize the issues to be raised in the PTAB Trial, and used by the Office as part of its determination of whether the petition is likely to succeed on the merits and in its ultimate final written decision.

The question of whether the parallel proceeding will complete before the end of the PTAB proceeding (or the related question of whether the parallel proceeding will be stayed in favor of the PTAB proceeding) is simply irrelevant to the regulatory design established by Congress in the AIA. As noted, Congress expressly rejected pre-existing statutory language that would have required the PTAB to cease its proceedings if a parallel proceeding reached a final judgment on patent validity. *See* 35 U.S.C. § 317(b)(2006); H.R. Rep. No. 112-98, pt. 1, at 145 (2011); Matal at 612. This explicit and intentional choice by Congress should be reflected in the Office's rulemaking by eliminating from consideration the question of whether the parallel proceeding will be complete before the PTAB's final written decision.

Moreover, using this approach creates a nationally uniform standard that would reduce gamesmanship in venue selection. A standard for institution that is based on whether a district court overseeing a parallel litigation would stay its proceedings in favor of a PTAB Trial or issue aggressive trial schedules would encourage patent owners to file cases in district courts that favor such approaches. This kind of forum-shopping should not be encouraged by Office rulemaking. *Cf. Micron Technology, Inc. v. Rambus Inc.*, 645 F. 3d 1311 (Fed. Cir. 2011) ("forum-shopping should be discouraged"). Indeed, "forum shopping creates economic inefficiency in the legal system" and increases litigation because in a uniform system "parties would be more likely to settle." Kimberly A. Moore, "Forum Shopping in Patent Cases: Does Geographic Choice Affect innovation?", 83 J. Pat. & Trademark Off. Soc'y 558, 561-2 (Aug. 2001). Moreover, a system that allows "manipulability of the administration of law...erodes public confidence in the law and its enforcement and creates doubts about the fairness of the system." *Id.* at 589. Thus, to encourage the fair and uniform administration of justice, the Office should not take into account the possibility of district court stay or aggressive trial schedule when determining whether to institute a PTAB Trial.

To the extent the Office or other commenters are concerned that parallel proceedings in the district court and the PTAB would lead to wasted resources or inconsistent results, Congress has already determined that those risks are outweighed by the public benefits flowing from properly limited patent monopolies. *Cuozzo*, 136 S.Ct. at 2146 (“the possibility of inconsistent results is inherent to Congress’ regulatory design.”). Moreover, any burden or wasted resources incurred by the Patent Owner could be rectified by the Patent Owner itself proposing a stay of the parallel litigation.

Conclusion

Commenters thank the Office for the opportunity to comment on its proposed rulemaking and encourage the Office to revisit its use of discretionary denials of PTAB Trial petitions in view of the foregoing.

Respectfully submitted,

A handwritten signature in blue ink that reads "James Hanft". The signature is stylized and includes a long horizontal flourish extending to the right.

James E. Hanft