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September 16, 2014

**BY E-MAIL (TrialsRFC2014@uspto.gov.)**

ATTN: Scott R. Boalick  
*Vice Chief Administrative Patent Judge (Acting)*  
*Patent Trial and Appeal Board*  
*U.S. Patent and Trademark Office*

**RE: NYIPLA Comments in response to “Request for Comments on Trial Proceedings Under the America Invents Act Before the Patent Trial and Appeal Board” (Federal Register notice, June 27, 2014, Vol. 79, No. 124)**

**Introduction**

The New York Intellectual Property Law Association (“NYIPLA”) is a professional association comprised of over 1,500 lawyers interested in IP law who live or work within the jurisdiction of the United States Court of Appeals for the Second Circuit, and members of the judiciary throughout the United States as ex officio Honorary Members. The Association’s mission is to promote the development and administration of intellectual property interests and educate the public and members of the bar on IP issues. Its members work both in private practice and government, and in law firms as well as corporations. The NYIPLA provides these comments on behalf of its members professionally and individually and not on behalf of their employers.

In a request for comments on trial proceedings under the America Invents Act before the Patent Trial and Appeal Board appearing in the Federal Register of June 27, 2014, the USPTO requested comments on all aspects of the administrative trials including the administrative trial proceeding rules and trial practice guide. The NYIPLA is pleased to provide comments to improve the PTAB administrative trial proceedings.

The NYIPLA applauds the PTAB for the work it has done since the passage of the AIA in September 2011. As evidenced by the record 190 IPR/CBM petitions filed in June 2014, the PTAB proceedings have quickly become a critical aspect of the U.S. patent system. This is especially true in light of recent statistics indicating that more than 80% of PTAB proceedings pertain to patents that are involved in parallel district court litigation.

**Discussion**

The Federal Register notice is broken down into two parts, namely a request for comments on non-rule matters and 17 questions posed by PTAB to garner feedback on specific PTAB rules.

With respect to the non-rule matters, we note that the eight PTAB roundtable presentations in April and May of 2014 were particularly helpful including, of course, the PTAB roundtable held in New York on April 17, 2014 that the NYIPLA was pleased to coordinate with the USPTO. We encourage the USPTO to continue conducting such roundtables as they provide helpful information to practitioners and provide us with an opportunity to meet USPTO representatives working on such matters. In addition, we encourage the USPTO to continue conducting webinars such as the one on July 29, 2014 with Judge Boalick and Ms. Gongola to discuss this Federal Register notice. Moreover, the recording and availability on the PTAB website of the USPTO/Denver PTAB roundtables and July webinar were particularly helpful as many practitioners

were not able to attend any PTAB roundtables or listen to the webinar. We encourage the USPTO to continue such roundtables and webinars.

We are aware that over the past year the PTAB website has been revamped to include additional information with respect to PTAB statistics, precedential and informative decisions, and other PTAB resources. This revamping has been beneficial to practitioners. We request that such upgrades continue as the PTAB website remains one of the primary sources of information for practitioners. In addition, it was well documented during the PTAB roundtables that the PTAB's Patent Review Processing System ("PRPS") is a relatively basic IT system, simply designed in a short-time period to receive PTAB filings starting in September 2012. The Federal Register notice stated that the USPTO is working on replacing the current PRPS system with a "PTAB End-to-End" information technology system (referred to by the USPTO as "PTAB E2E") that will include more robust searching and reporting capabilities. Judge Boalick mentioned during the July webinar that the PTAB E2E is scheduled to be installed in 2016. We encourage the USPTO to install the new PTAB E2E system as soon as reasonably possible, preferably before 2016.

The PTAB has placed particular emphasis on the use of the PTAB trial practice guide. Practitioners rely on it significantly during PTAB proceedings and the PTAB commonly references it in its decisions. However, as the numbers of petitions and final written decisions have grown, the trial practice guide has not kept pace. Practitioners believe that the PTAB is imposing requirements greater than those required by the trial practice guide. This has raised a number of obvious concerns with practitioners. In short, it would be helpful if the PTAB provides a timeframe to update the trial practice guide and to provide periodic updates thereafter.

We will now provide feedback to the 17 questions in the Federal Register notice related specifically to certain PTAB rules. Initially, it appears that recent statistics from the PTAB have abated practitioners' early concerns that the PTAB is a so-called patent "death squad." This is a positive development. Based on feedback from practitioners in response to this Federal Register notice, and comments provided during the PTAB roundtables, it is in the interests of both the USPTO and practitioners to ensure the PTAB process is fair to both petitioners and patent owners.

For question 1 related to the correct claim construction standard, this point was a topic of much discussion during the PTAB roundtables. We believe the broadest reasonable construction standard used during traditional ex parte prosecution, reissue, and reexamination practice is a reasonable standard to use in PTAB proceedings. We are also aware that this is an issue on appeal to the United States Court of Appeals for the Federal Circuit. We will await the Federal Circuit's decision in this area.

For question 2 related to motion to amend practice, this point was also a topic of much discussion during the PTAB roundtables. The USPTO provided helpful presentations and mock teleconferences with PTAB judges during the USPTO roundtables to discuss PTAB claim amendment practice. In addition, we recognize that the PTAB provided an article on its website from Judge Boalick on May 5, 2014, titled "How to Make Successful Claim Amendments in an AIA Trial Proceeding." The PTAB roundtable discussions and article provided helpful guidance. However, even after taking into consideration these laudable efforts, we are dismayed that the PTAB has granted only one motion to amend in a PTAB proceeding in two years. In an effort to see that more motions to amend are granted in the future, we recommend that the PTAB increase the number of pages permitted in a motion to amend because the current 15-page allotment is too austere to allow meaningful discussion of the motion and prior art references. In addition, we recommend that the PTAB reconsider how it calculates the 15-page limit – at present, the claim listing is considered in the 15-page calculation; we believe it should not be and could be included in an appendix. Most importantly, we recommend that the PTAB provide additional guidance in conferences as to what prior art the patent owner needs to distinguish in a motion to amend – the initial guidance from the PTAB was that "all" prior art had to be distinguished but this guidance raised significant concerns. The additional guidance provided by Judge Boalick in the May 5th article steps away from the "all" prior art requirement and provides more reasonable guidance. We recommend that PTAB judges be encouraged to discuss during the motion to amend conference not only procedural aspects, but also substantive aspects of the claims and closest prior art. At present, the current process is too subjective among PTAB panels. Practitioners have pointed out that it is difficult to know what prior art to distinguish.

For question 3 related to the patent owner preliminary response, as a matter of fairness, it appears that it would be constructive to allow the patent owner to submit testimonial evidence in a

Patent Owner Preliminary Response. If the PTAB decides to do so, we recommend that such testimonial evidence be limited. In contrast, we are also aware of the PTAB's timing concerns in allowing such testimonial evidence and bogging down the process before the PTAB even renders a decision to institute. The PTAB needs to balance these considerations when determining what changes to make.

For question 4 related to obviousness and whether the Board should permit discovery of evidence of non-obviousness held by the petitioner, practitioners are aware of the discovery constraints in PTAB proceedings. However, if narrowly tailored, it appears that this may be one situation where such additional discovery may be permissible.

For question 5 related to real party in interest, we believe a patent owner should be able to raise a real party in interest challenge at any time during a trial. This is a jurisdictional issue and will likely be raised by the patent owner as early as possible in a trial. However, if there are unforeseen circumstances and the patent owner does not become aware of certain facts until later in a trial, we believe that the patent owner should be able to raise such a challenge.

For question 6 related to additional discovery and the Board's decision in *Garmin v. Cuozzo*, IPR2012-00001, the *Garmin* factors appear to be sufficient at this time.

For questions 7-13 related to multiple proceedings, we understand that this issue and how the PTAB manages it is an important topic. We note that the AIA gives the Director the discretion to stay, transfer, consolidate, or terminate the other proceeding(s). We believe the decision to do so should be made on a case-by-case basis because the facts in each situation will differ. The obvious factors for the PTAB to consider are timing (e.g., the closer in timing, the easier to consolidate), the claims at issue, the prior art references, cumulative teachings of any new references, and related matters. Due to the one-year time constraint to complete a PTAB proceeding, it seems unlikely that situations would arise where a PTAB proceeding should be stayed in lieu of a copending reissue application or reexamination proceeding. It appears to be more logical to stay the related reissue or reexamination proceeding. To the extent there is a corresponding reexamination where the claims have not been narrowed, and there are similar claims and references at issue in the IPR/CBM, it may be possible to terminate the reexamination proceeding if the petitioner was successful in a related IPR/CBM. However, if a reissue application with narrower claims is pending, we believe it will be more difficult to terminate the reissue application. In short, we believe that the PTAB should handle co-pending proceedings on a case-by-case basis.

For question 14 related to the one-year period for the PTAB to issue a final written decision, it is evident that the PTAB places significant emphasis on this timeframe to meet the AIA's statutory requirement. However, we note that the AIA requires only a "good cause" showing to go beyond the one-year timeframe; the "good cause" standard is much lower than, for example, an "exceptional" standard. For this reason, we do not believe the PTAB should be reluctant to exceed the one-year threshold as long as there is "good cause" for doing so. Based on the concerns raised with multiple proceedings in questions 7-13, it appears that there are several cases currently before PTAB involving multiple proceedings. If this is true, the complexity of such multiple proceedings may be "good cause" to expand the timeframe past the one-year period.

On a more general note with respect to timing, some practitioners have argued that the PTAB is making some rash decisions under the pressure of the one-year time limitation instead of being guided primarily by substantive considerations such as the scope of the prior art. We believe that if the PTAB needs more than one year in order to insure that its decisions are based on the merits, the "good cause" standard in the AIA provides the PTAB with the flexibility to do so. This is an especially important consideration because the PTAB is now making decisions on new petitions *and* in pending trials such as responding to motions, request for additional discovery, and other matters. With "double" the workload, practitioners continue to be concerned that the PTAB will make decisions based on the one-year time limit and not on more important substantive considerations.

For question 15 related to live testimony at the oral hearing, the current approach of limiting such live testimony appears to be reasonable in light of the PTAB's objective of simplifying the trial.

For question 16 related to the format of the oral hearings, a number of practitioners have noted that judges are asking specific questions about how to construe a claim. When this occurs, practitioners should be given an opportunity to have at least one recess during the oral hearing to

confer with its expert in order to effectively respond to the judge's claim construction question. The PTAB is well aware that claim construction can sometimes be dispositive in a case -- thus it is important to respond effectively to any judge's questions on claim construction.

For question 17 related to other comments for the PTAB to consider, when the PTAB renders a final written decision in a trial, we are not aware of that decision being posted in PAIR for that patent. In contrast, after a reissue or reexamination proceeding is completed, the reissue patent and reexamination certificate is uploaded into PAIR. At a minimum, we believe that the final written decision should be uploaded into PAIR to put the public on notice with respect to the outcome of the trial.

Lastly, for requests for rehearings, it is our understanding that only one request has been successful as such requests are reviewed by the original panel of judges. We understand from an administrative standpoint that it will be difficult to have a new panel review such requests. However, practitioners believe that it would be helpful to have "another set of eyes" review such requests. We request that the PTAB consider using an expanded panel of judges to review each request. This would provide practitioners with the sense that such requests will be duly considered and not just denied as a matter of course.

### **Conclusion**

Thank you again for giving the NYIPLA the opportunity to provide feedback with respect to the PTAB administrative trials. We look forward to providing additional feedback in the future to the USPTO on PTAB and other matters.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Anthony F. Lo Cicero', written in a cursive style.

Anthony F. Lo Cicero  
President, New York Intellectual Property Law Association