From: Bruce Stoner [e-mail address redacted]
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To: aia_implementation
Subject: POST-GRANT REVIEW; INTER PARTES REVIEW; DERIVATION PROCEEDINGS

The following comments respond to the Group 2 Rulemakings regarding inter partes review and post-grant review and the Group 3 Rulemaking regarding derivation proceedings. They are combined in a single submission because they address a common aspect, namely the general nature of the form which the proceedings mandated by the "Leahy Smith America Invents Act" ("AIA") should take. The comments are mine alone and do not necessarily represent those of the firm with which I am associated or any of its partners, employees or clients. My comments are informed by my service on the Board of Patent Appeals and Interferences ("Board"), from my appointment in 1986 as an examiner-in-chief to my retirement after serving as chief judge from October 1, 1995 until October 31, 2003, as well as my experience in private practice since retirement from Federal service.

1. The existing framework of rules found in Part 41 of 37 CFR, describing a general format for administering contested inter partes cases, should be used as the starting point for rules governing the new processes mandated by the AIA. I know firsthand that Part 41 was (a) authored in anticipation that review processes such as those contained in the AIA would be adopted, and (b) structured to provide a skeletal framework that could be tailored to address the requirements of the new processes.

2. I believe that all of three of these new proceedings should resemble the process presently used for interferences, where a status quo is established at the time the USPTO "initiates" the proceeding, upon satisfaction of the statutory requirements. Following initiation, either party would have opportunity to alter the status quo by motions, subject to opposition and reply. Strict time periods for taking action, accompanied by self discipline on the part of the Board, are essential to concluding the proceedings within the statutorily mandated periods. Motion practice might be used for proposing amendments to the claims or for seeking that the Board conduct the review on a ground refused at the time of initiation.

3. Following a similar format for all three proceedings should make the transition to the new proceedings simpler and more efficient for practitioners and Board members than would adoption of divergent types of proceedings.

4. That derivation proceedings could usefully mirror the existing interference framework is clear from the fact that one aspect of existing interferences is determination of the question of whether one of the inventors derived from the other.

5. That post-grant and inter partes review should also mirror that part of the interference process presently used to decide patentability matters is evident from the history of how these proceedings came to be enacted. Beginning with the enactment of Public Law 98-622 in 1984 and the adoption of rules 37 CFR 1.601-1.688 governing interferences under that law, the USPTO exhibited an intention that interferences be conducted expeditiously, and indeed that interferences be concluded within two years of declaration; see 37 CFR § 1.610(c) (49 FR 48416, Dec. 12, 1984, added effective Feb. 11, 1985) and MPEP 5th ed., rev. 2, § 2300.01 (Dec. 1985) (both available at http://www.uspto.gov/web/offices/pac/mpep/old/mpep_E5R2.htm) ("Times for taking action shall be set and the examiner-in-chief shall exercise control over the interference such that the pendency of the interference before the Board does not normally exceed two years.") That intention went unrealized for a number of years. After I became Chief Judge in 1995 and gained responsibility for interferences, I became acutely aware that many interferences were taking far longer than two years and set about remedying the problem.

6. In 1998, I created what came to be known as the "Trial Section" of the Board of Patent Appeals and Interferences (see http://www.uspto.gov/web/offices/com/sol/og/con/files/cons117.htm and

http://www.uspto.gov/ip/boards/bpai/interf/transcript/inter102099.pdf, pp.1-2) and charged its members with making "two years from declaration to judgment" a reality. Members of the Trial Section organized interference proceedings into two distinct phases or stages and set time frames accordingly. They also became actively engaged in determining that interferences are ready for declaration, a process that prevents improvident initiation, and adopted a practice of early interaction with the parties at conference to shape, schedule and direct future proceedings. The Trial Section experience demonstrated to USPTO management and the bar that the first phase or stage (largely having to do with assessing the patentability of the claims of the involved patents and applications to one or more of the parties) can be reliably conducted in about 12 to 14 months from declaration of the interference to hearing and final decision on those matters.

7. The process used by the Trial Section for administering inter partes proceedings from 1998 until 2004 was refined and codified in 37 CFR Part 41, adopted in 69 FR 49960 (Aug. 12, 2004), a rulemaking which was begun in about 2001 under my direction as Chief Judge. Subpart D – Contested Cases and Subpart E – Patent Interferences were intentionally created as modular elements of the rule package with a recognition that other inter partes proceedings were likely to be mandated, given Congressional interest in creating a process for some form of inter partes review not having the perceived defects of inter partes reexamination under which proceedings are often highly protracted due to the use of an examination model, rather than a judicial model for evaluating the issues raised. Indeed, as early as June 2002, the USPTO's 21st Century Strategic Plan envisioned a post-grant review process similar in many respects to what was enacted in the AIA; see http://www.uspto.gov/web/offices/com/strat21/action/sr2.htm. All the while, the experience associated with creation of the trial section informed the manner in which inter partes review ought to be conducted to achieve quick and just review. That Congress was interested in such reform since about 2000 is evidenced by the Berman-Boucher "Patent Improvement Act of 2001," H.R. 1333, and the USPTO's own testimony before the House of Representatives on June 24, 2004, regarding the early history of the post-grant review reform (available at http://www.ogc.doc.gov/ogc/legreg/testimon/108s/toupin0624.htm).

8. Both Subparts D and E are used for conducting interferences, Subpart D being more generic while Subpart E is specific to interferences. The experience of the past 10 years has demonstrated the Board's capability of administering inter partes proceedings under tight time constraints, when rules such as those in Part 41, Subparts D and E are followed.

9. Given the statutory mandate to conclude the new inter partes review and post-grant review proceedings in 12 months, extendable to 18 months, it makes sense to utilize a process which has already demonstrated its capability of functioning under time constraints. The requirements of the AIA for inter partes review and post-grant review are amenable to procedures already followed in proceedings conducted under Part 41, Subparts D and E. The rules would require addition of subparts specific to derivation, inter partes review and post-grant review. Inasmuch as interferences will potentially continue for some time to come, the newly added proceedings could presumably be addressed in Subparts F, G and H

10. Rules governing discovery and evidence are already present in 37 CFR § 41.150 through § 41.158. I would recommend using these rules for the new proceedings. Greater levels of discovery come with the risk that proceedings cannot be completed within the mandated time frame.

11. Because of the risk of improvident initiation, the panel or a member thereof to whom the proceeding will be assigned should evaluate the statutorily mandated petition and any permitted response to determine that the statutory threshold for review has been satisfied. I do not believe that it makes sense to have a separate organization with no stake in efficient administration, other than processing the petition, making fundamental decisions governing the process before the Board.

12. A standing order is the most efficient and orderly way to deal with matters

not warranting rulemaking. I think the Board should consider adopting standing orders applicable to each of the new proceedings.

Thank you for the opportunity to present these comments.

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