



American Intellectual Property Law Association

June 26, 2020

Mail Stop Patent Board
Director of the United States Patent and Trademark Office
Attn: Michael Tierney, Vice Chief Administrative Patent Judge
P.O. Box 1450
Alexandria, VA 22313-1450

Via email: PTABNPRM2020@uspto.gov

Re: Proposed PTAB Rules of Practice for Instituting on All Challenged Patent Claims and All Grounds and Eliminating the Presumption at Institution Favoring Petitioner as to Testimonial Evidence [Docket No. PTO-P-2019-0024]

Dear Judge Tierney:

The American Intellectual Property Law Association (“AIPLA”) is pleased to have the opportunity to present its views to the United States Patent and Trademark Office (“Office”) on the proposed PTAB Rules of Practice for Instituting on All Challenged Patent Claims and All Grounds and Eliminating the Presumption at Institution Favoring Petitioner as to Testimonial Evidence published in 85 Fed. Reg. 102 (May 27, 2020) (“May 2020 Notice”).

Founded in 1897, the American Intellectual Property Law Association is a national bar association of approximately 12,000 members who are engaged in private or corporate practice, in government service, and in the academic community. AIPLA members represent a wide and diverse spectrum of individuals, companies, and institutions involved directly or indirectly in the practice of patent, trademark, copyright, trade secret, and unfair competition law, as well as other fields of law affecting intellectual property. Our members represent both owners and users of intellectual property. Our mission includes helping establish and maintain fair and effective laws and policies that stimulate and reward invention while balancing the public’s interest in healthy competition, reasonable costs, and basic fairness.

AIPLA appreciates the Office’s efforts to improve AIA trial proceedings, which have become pervasive since their initial implementation in September 2012. AIPLA has expressed opinions on several issues relevant to the proposed rulemaking.¹ AIPLA supports the proposed

¹ *Hulu, LLC v. Sound View Innovations, LLC*, Case no. IPR2018-01039, paper no. 19 (May 1, 2019) (Brief of Amicus Curiae AIPLA in Support of Neither Party) (commenting on the presumption favoring petitioners in the context of whether a reference qualifies as a printed publication), available at https://www.aipla.org/docs/default-source/advocacy/judicial/ipr2018-01039---amicus-of-aipla.pdf?sfvrsn=43c9ebc0_0;

AIPLA Comments on PTAB Procedural Reform Initiative, at 7 (July 14, 2017) (commenting on the need for a default patent owner sur-reply), available at <https://www3.aipla.org/advocacy/executive/Documents/AIPLA%20letter%20on%20PTAB%20Procedures%207-14-2017.pdf>;

AIPLA Comments in Response to Proposed Amendments to the Rules of Practice for Trials Before the PTAB, at 8–9 (Oct. 21, 2015) (commenting on the need for testimonial evidence in the patent owner’s preliminary response), available at

rulemaking that is the subject of this comment, including updating the rules to comply with the Supreme Court's decision in *SAS Institute Inc. v. Iancu*, 138 S. Ct. 1348 (2018), expressly providing for filing of sur-reply briefs, and removing the presumption favoring petitioners on contested facts based on pre-institution testimonial evidence from the patent owner under 37 C.F.R. §§ 42.108(c) and 42.208(c). We address each change presented in the proposed rules in the comments that follow.

Incorporating Sur-Reply Briefs

AIPLA supports amending 37 C.F.R. § 42.23(a) as proposed, such that filing sur-replies is now expressly permitted under the rules. PTAB practice has long included filing sur-reply briefs as a means to respond to a new argument and new evidence raised in a reply brief and this rule change comports with this practice. Consistent with its earlier comments, AIPLA favors sur-replies over the prior practice of filing motions for observation after cross-examination of the opposing declarant.

While sur-replies are not the norm in most proceedings, the uniqueness and streamlined timeframe for AIA trial proceedings makes them appropriate here. Because the institution decision is interleaved in the trial briefing schedule, the petitioner's reply often addresses both the patent owner response and any issues raised by the Board (as expressly permitted by the proposed rules changes, discussed below). Sur-replies allow the patent owner to address those issues, providing a more complete written record and ensuring fairness. A similar dynamic exists under the current motion to amend pilot program, where the Board's preliminary guidance may raise issues that the patent owner will address in a reply.

Addressing the Institution Decision in Responsive Briefs

AIPLA favors the proposed changes to 37 C.F.R. §§ 42.23(b), 42.120, and 42.220 to explicitly allow briefs filed after an institution decision to respond to the institution decision. This conforms to practice and recognizes that the institution decision is a vehicle by which the PTAB can solicit responsive evidence and argument on certain issues. As discussed with respect to sur-replies, expressly permitting replies to respond to issues raised in the institution decision provides a more complete written record and helps ensure fairness.

<https://www3.aipla.org/advocacy/executive/Documents/AIPLA%20Comments%20on%20Proposed%20PTAB%20Rules.pdf>;

AIPLA Response to the Request for Comments on Trial Proceedings Under the America Invents Act Before the PTAB, at 7–8, 19–20 (Oct. 16, 2014) (commenting on the need for testimonial evidence in the patent owner's preliminary response, lack of need for statements of material fact, and need for patent owner sur-reply), available at

<https://www3.aipla.org/advocacy/executive/Documents/AIPLA%20Comments%20to%20USPTO%20on%20AI%20Trial%20Proceedings%20before%20PTAB-10.16.14.pdf>;

Comments on Rules of Practice for Trials Before the Patent Trial and Appeal Board and Judicial Review of Patent Trial and Appeal Board Decisions, etc., at 6–7 (Apr. 9, 2012) (commenting on the need for testimonial evidence in the patent owner's preliminary response), available at

<https://www3.aipla.org/advocacy/executive/Documents/AIPLA%20Comments%20to%20USPTO%20on%20Rules%20of%20Practice%20-%20204.9.12.pdf>.

Word Limits for Sur-Replies

AIPLA favors the proposed changes to 37 C.F.R. § 42.24(c), such that sur-replies and replies are commensurate in length. This change gives equal space in the sur-reply to address the arguments raised in the reply.

Instituting on All Challenged Patent Claims and All Grounds

AIPLA favors the proposed changes to 37 C.F.R. §§ 42.108(a)–(b) and 42.208(a)–(b). Amending these regulations in response to the Supreme Court’s *SAS Institute* decision conforms the rules with the practice that has now been in place for over two years.

Removing the Presumption Favoring Petitioners on Genuine Issues of Material Fact Based on Testimonial Evidence

AIPLA favors the proposed changes to 37 C.F.R. §§ 42.108(c) and 42.208(c), which remove the presumption favoring the petitioner if the patent owner files testimonial evidence with its preliminary response. When the USPTO initially proposed amending the rules to permit a patent owner to file testimonial evidence with its preliminary response, AIPLA supported permitting such evidence, but expressed its concerns about permitting a presumption in favor of petitioners. As noted in the Federal Register Notice, the governing statutes set the standards for institution in both *inter partes* and post grant review proceedings. The presumption presently enshrined in the rules contradicts the requirements of the plain language of the statute and dissuades patent owners from filing testimonial evidence to support their preliminary response. Once instituted, *inter partes* and post grant proceedings are expensive and time consuming. The PTAB should therefore have as much evidence as possible when evaluating whether to institute, which benefits both the parties and the public.

Implementation

Although the proposed changes to the rules are largely *pro forma* modifications to bring the rules in line with practice before the PTAB as it already exists, these changes should be applied only to petitions filed after their implementation date. *Inter partes* and post grant reviews require a significant undertaking from petitioners, including filing fees and the effort of drafting petitions. Rule changes implemented after a petition is filed give the impression of unfairness and prevent petitioners from evaluating the costs and benefits of their petition. Further, patent owners filing their preliminary response deserve time to incorporate rule changes into their strategy. To the extent that fairness requires a given panel to adopt word limits or allow the parties to respond to the institution decision, those issues can be decided on a case-by-case basis by each panel, before the rules are formally implemented.

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AIPLA appreciates the opportunity to provide feedback to the Office on the Request. AIPLA looks forward to further dialogue with the Office with regard to the issues raised above.

Sincerely,

A handwritten signature in blue ink, reading "Barbara A. Fiocco". The signature is written in a cursive, flowing style.

Barbara A. Fiocco

President

American Intellectual Property Law Association