



June 26, 2020

Patent Board  
United States Patent and Trademark Office  
600 Dulany Street  
Alexandria, VA 22313  
Attention: Michael Tierney, Vice Chief Administrative Patent Judge

Via email to: PTABNPRM2020@uspto.gov

Subject: PTO-P-2019-0024 Proposed Rule – 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

Dear Vice Chief Judge Tierney:

US Inventor submits the following comments on the subject rule.

**1. US Inventor Supports the Amendments to §42.23(a)**

We support this rule. It is equitable to allow patent owners to file sur-replies.

**2. The Amendments §42.23(b) Are Confounding and Probably Unnecessary**

The Notice was unclear as to the intended purpose of this rule change. Our presumption is that because the PTAB may rule in the decision on institution that some grounds lack merit, the petitioner should be permitted to respond to the Board's analysis. Under current rules if the patent owner does not respond to certain grounds, then the petitioner would be prohibited from arguing those grounds (to the extent they are not germane to the other arguments raised by the patent owner). The rationale seems to be that if all grounds are instituted then a petitioner is entitled to argue all grounds.

The PTO should clarify the intended purpose of this rule change.

An alternative view would be that the petitioner is NOT entitled to argue all grounds other than in their original petition. Under this view, which is more consistent with conventional rules of civil procedure, the patent owner may elect not to respond to certain grounds and thereby foreclose further debate. In fact the patent owner could elect not to participate at all in the trial, in which case the petitioner would have no right to reply at all (under this view).

In our view the proposed rule seems to confound the roles of the participants and the stages of AIA Trial proceedings. Parties should respond to orders by the Board in a motion for rehearing, not in a responsive pleading. The board ought not to be a party to the dispute on one side or the other. See *SAS Inst., Inc. v. Iancu*, 138 S. Ct. 1348 (2018). Furthermore, the institution decision is not intended to be a preliminary decision on the merits, as the criteria, burdens, and policy objectives are completely different at the institution stage. In fact Congress did not intend the Board to be involved at all with the institution decision, which they expressly provided as the duty of the Director. See 35 U.S.C. §314.

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Rather, the PTAB was tasked with presiding over *trials* that had already been instituted by the Director. The imprudent delegation of the institution decision to the PTAB has contributed to this confusion. The institution decision is also unappealable. Any errors must be corrected through rehearing or mandamus. See *Thryv, Inc. v. Click-to-Call Technologies*. Institution is a gatekeeping function that merely determines which patents go into the PTAB and which ones do not. There is no judicial determination attached.

There is no essential purpose served by permitting a response to the institution decision, and it only confounds the proceeding. The four corners of the petition frame the proceeding, nothing more. Patent owner responds to the petition (not the institution decision) and petitioner replies to the response. A patent owner may elect to ignore certain grounds of the petition – at their own peril. It is more likely that the patent owner will reiterate and expand on any analysis provided in the institution decision – to the extent they agree and find it helpful. This then opens the door for the petitioner to respond.

The parties need not divine the predispositions of the Board at this stage. For purposes of this discussion, imagine that the Director or an independent panel had issued the institution decision (as contemplated by Congress). It does not matter at all WHY it was instituted. All that matters is that it WAS instituted, and under SAS it must proceed on the grounds and arguments found in the petition. Thus it would be advisable to follow the guidance of Congress and SAS to maintain a strict wall of separation between the institution phase and the trial phase. It would be imprudent to confound the proceedings by permitting the parties to debate the institution decision during the trial.

### **3. US Inventor Supports the Amendments to §42.24**

It is equitable to allow patent owners to file sur-replies of the same length as petitioner replies.

### **4. US Inventor Supports the Amendments to §42.108(a), §42.108(b), §42.208(a), and §42.208(b)**

SAS requires that the Board institute on all challenged claims and the Federal Circuit requires that the Board institute all challenged grounds. See *BioDelivery Scis. Int'l, Inc. v. Aquestive Therapeutics, Inc.*, 898 F.3d 1205 (Fed. Cir. 2018). Accordingly, we support this rule change.

### **5. US Inventor Supports the Amendments to §42.108(c) and §42.208(c)**

This rule change requires that all evidence be viewed impartially in the institution decision. Astoundingly, that is not the case under the current rule which requires that “testimonial evidence will be viewed in the light most favorable to the petitioner...”! This is manifestly unjust.

A patent is to be presumed valid. Inventors invest heavily and rely on patents to start businesses, launch products, and create jobs. Institution of a trial jeopardizes the patent with a high risk of invalidation and extreme expense. We are aware of many inventors who have lost or surrendered patent rights due to lack of funding and/or poor legal representation in AIA Trials. Rules like this coupled with a general suspicion of patents exhibited by the PTAB have driven extremely high institution rates and drastically eroded confidence in the patent system for independent inventors and small businesses.

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It would be better and more consistent with the Constitutional mandate of “securing to inventors the exclusive right to their discoveries” and 35 U.S.C §282 that “A patent shall be presumed valid” if the Board would view evidence in the light most favorable to patentability, considering that the patent has already been granted.

Nevertheless, we support this rule change as a move toward balance and justice.

## **6. The Amendments §42.120 and §42.220 are Confusing and Probably Unnecessary**

The proposed rule says “A patent owner can file a response to the petition or decision on institution”. Can they file a response to both, or must they choose only one? We take it to mean patent owner can file only one response but it may address both the petition and the decision on institution.

We recommend against this rule change based on the same reasons and analysis in Section 2 above. The Board must not take sides in the dispute and there would be nothing to gain by permitting or encouraging the parties to debate with the Board as well as one another. Conventional rules of civil procedure should govern. See above for a full analysis.

We are available to discuss this and other matters related to the PTAB at your convenience. Much of what has transpired at the PTAB is perplexing (and very devastating) to us, and you can see there is quite a bit of misunderstanding as to what you are trying to accomplish. It would be good if we could find a way to work more proactively on these issues. We encourage the PTAB management to make more of an effort to take into account the views and experiences of inventors going forward. Thank you.

Sincerely,



Randy Landreneau  
President