

[3510-16-P]

DEPARTMENT OF COMMERCE

United States Patent and Trademark Office

[Docket No. PTO-P-2014-0031]

**Request for Comments on Trial Proceedings Under the America Invents Act Before
the Patent Trial and Appeal Board**

AGENCY: United States Patent and Trademark Office, Commerce.

ACTION: Request for comments.

SUMMARY: The Leahy-Smith America Invents Act (AIA) provided for new administrative trial proceedings before the Patent Trial and Appeal Board (Board). The United States Patent and Trademark Office (USPTO) issued a number of final rules and a trial practice guide in August and September of 2012 to implement the new administrative trial provisions of the AIA. The USPTO now is seeking public comment on all aspects of the new administrative trial proceedings, including the administrative trial proceeding rules and trial practice guide.

COMMENT DEADLINE DATE: Written comments must be received on or before September 16, 2014.

ADDRESSES: Comments must be sent by electronic mail message over the Internet addressed to: TrialsRFC2014@uspto.gov.

Electronic comments submitted in plain text are preferred, but also may be submitted in ADOBE® portable document format or MICROSOFT WORD® format. Comments not submitted electronically should be submitted on paper in a format that facilitates convenient digital scanning into ADOBE® portable document format. The comments will be available for viewing via the USPTO's Internet Web site (<http://www.uspto.gov>). Because comments will be made available for public inspection, information that the submitter does not desire to make public, such as an address or phone number, should not be included in the comments.

FOR FURTHER INFORMATION CONTACT: Scott R. Boalick, Vice Chief Administrative Patent Judge (Acting), Patent Trial and Appeal Board, at 571-272-8138.

SUPPLEMENTARY INFORMATION: Sections 3, 6, and 18 of the AIA provided for the following new Board administrative trial proceedings: (1) inter partes review; (2) post-grant review; (3) covered business method patents review; and (4) derivation proceedings. Pub. L. 112-29, 125 Stat. 284 (2011). The USPTO issued a number of final rules and a trial practice guide in August and September of 2012 to implement the new administrative

trial provisions of the AIA. See Rules of Practice for Trials Before the Patent Trial and Appeal Board and Judicial Review of Patent Trial and Appeal Board Decisions, 77 FR 48612 (Aug. 14, 2012) (final rule); Changes to Implement Inter Partes Review Proceedings, Post-Grant Review Proceedings, and Transitional Program for Covered Business Method Patents, 77 FR 48680 (Aug. 14, 2012) (final rule); Transitional Program for Covered Business Method Patents □ Definitions of Covered Business Method Patent and Technological Invention, 77 FR 48734 (Aug. 14, 2012) (final rule); Changes to Implement Derivation Proceedings, 77 FR 56068 (Sept. 11, 2012) (final rule); and Office Patent Trial Practice Guide, 77 FR 48756 (Aug. 14, 2012).

During the rulemaking to implement the administrative trial provisions of the AIA, the USPTO held AIA roadshows in eighteen cities to engage with the public. In issuing the administrative trial proceeding rules and trial practice guide, the USPTO committed to revisiting the rules and practice guide once the Board and public had operated under the rules and practice guide for some period and had gained experience with the new administrative trial proceedings. The Board and public now have eighteen months of experience with the new administrative trial proceedings, and, therefore, the USPTO has determined that it is time to seek public input on the AIA administrative trial proceeding rules and trial practice guide in light of this experience.

The USPTO began the process of revisiting the AIA administrative trial proceeding rules and trial practice guide by engaging in a nation-wide listening tour. The USPTO conducted a series of eight roundtables in April and May of 2014, held in Alexandria, New York City,

Chicago, Detroit, Silicon Valley, Seattle, Dallas, and Denver, to share information concerning the AIA administrative trial proceedings with the public and obtain public feedback on these proceedings. At these roundtables, the Board provided the public with statistics concerning the administrative trial proceedings, as well as lessons learned for filing effective petitions and preliminary patent owner statements, engaging in successful discovery and amendment practice, and effectively presenting a case at oral hearing. The Board also received feedback from the public on the AIA administrative trial proceeding rules and trial practice guide, as well as on experiences in general with the AIA administrative trial proceedings. More information about the roundtables is available at http://www.uspto.gov/ip/boards/bpai/ptab_aia_trial_roundtables_2014.jsp.

More specifically, during the AIA roundtables, the USPTO received some comments of a non-rule specific nature. The Board does not anticipate these comments necessitating any changes to the current AIA trial proceeding rules, as discussed below.

At least one participant at the AIA roundtables commented that the Board's Scheduling Order should require parties to an AIA trial to engage in a settlement discussion. The current AIA trial proceeding rules do not dictate the contents of scheduling orders in AIA trials. Rather, Appendix A of the Office Patent Trial Practice Guide (the "trial practice guide") provides sample scheduling orders. Further, the trial practice guide states, "There are strong public policy reasons to favor settlement between the parties to a proceeding. The Board will be available to facilitate settlement discussions, and where appropriate, may require a settlement discussion as part of the proceeding." Trial practice guide, section N. Generally,

the Board strongly encourages the parties to engage in settlement discussions. Should the Board move forward with changes to the AIA trial proceeding rules, the Board will consider whether to amend Appendix A of the trial practice guide to provide an example order in which the parties are required to engage in a settlement discussion by a specified date. The exact content of any scheduling order will remain within the discretion of the judge(s) issuing the order.

At least one participant at the AIA roundtables commented that a notice of appeal from a Board decision rendered in an AIA trial should be required to be served on the Solicitor. The USPTO has experienced problems in the past with parties who seek an appeal from a Board decision in an AIA trial failing to comply with the notice and service requirements of 37 CFR 90.2. Section 90.2 requires, in pertinent part, "In all appeals, the notice of appeal required by 35 U.S.C. 142 must be filed with the Director of the United States Patent and Trademark Office as provided in § 104.2 of this title," and that the notice must include a description of the issues expected to be pursued on appeal. Section 104.2 provides that such notice should be sent to the Office of the General Counsel, of which the Solicitor's Office is a part. Thus, the current Office rules governing service of a notice of appeal already provide for service on the Solicitor. Importantly, notice to the Office of the General Counsel of an appeal taken from a Board decision provides the Solicitor with an opportunity to intervene in the appeal on behalf of the USPTO. Failure to notify the USPTO properly of the filing of a notice of appeal may result in the Solicitor belatedly seeking to intervene in the appeal once the USPTO becomes aware of the appeal through other means. Due to past failures of parties to comply with this rule, the Board typically adds a reminder at the end of final,

appealable Board decisions that the parties must comply with the notice and service requirements of §90.2, should they seek judicial review of the decision.

At least one participant at the AIA roundtables commented that the Board should not continue a trial if the parties settle the matter because continuation of the trial is unfair to the parties. The statute provides for settlement of inter partes review, post-grant review, and covered business method patents review proceedings. 35 U.S.C. 317, 327, and section 18(a)(1) of the AIA. The statute also provides that after termination of such a proceeding with respect to a petitioner, if no petitioner remains in the proceeding, the Office may terminate the review or proceed to a final written decision. In keeping with the statute, 37 CFR 42.74(a) provides that, while the parties may agree to settle any issue in a proceeding, the Board is not a party to the settlement and independently may determine any question of jurisdiction, patentability, or Office practice. In issuing this final rule, the USPTO responded to comments on this matter explaining that the statutory language for inter partes and post-grant reviews confers discretion to the Board to terminate or proceed to a final written decision based on the facts in a particular review. 77 FR at 48469. The determination by the Board to proceed to a final written decision is made taking into account public policy considerations. In particular, if the parties settle the matter late in the proceeding after the Board has reached a determination of unpatentability as to one or more claims of the patent under review, the Board, in its discretion, may determine that proceeding to a final written decision is in the best interests of the public. Parties seeking to avoid having a proceeding reach final written decision after settlement are encouraged to settle the issues in the proceeding well in advance of the oral hearing.

At least one participant at the AIA roundtables asked for the USPTO's interpretation of the estoppel effect of a Board decision on civil actions and other proceedings. See 35 U.S.C. 315(e)(2) and 325(e)(2). The scope or interpretation of the estoppel provisions of the statute as they pertain to civil actions and other proceedings outside the Office is not a matter for comment by the USPTO. Rather, the federal courts are best positioned to interpret the statutory estoppel language as it applies to civil actions and other proceedings outside the USPTO in the context of the particular facts in a given case.

At least one participant at the AIA roundtables commented that the Board should issue more precedential and informative AIA trial decisions to provide guidance for practitioners. The Board has posted representative decisions from AIA trials on its Web page. The Board is in the process of vetting additional AIA trial decisions for potential designation as precedential and informative. Additional precedential and informative AIA trial decisions will be posted to the Board's Web page as these designations are made. The Board's Standard Operating Procedure 2, which concerns publication of opinions and designation of opinions as precedential, provides that an appellant, patentee, petitioner, or a third party member of the public may, within 60 days of issuance of an opinion, request in writing that an opinion be made precedential by forwarding the request, along with accompanying reasons, to the Chief Judge. SOP2, ¶II.C. The Board encourages members of the public to notify the Chief Judge if members of the public deem an opinion rendered by the Board in an AIA trial suitable for designation as precedential.

At least one participant at the AIA roundtables commented that the Board should make audio files or transcripts of oral arguments in AIA trials available to the public. The Board currently employs court reporters at all AIA trial hearings to create a written transcript of each hearing. These transcripts are made available to the public through the Patent Review Processing System (PRPS), which is accessible via the Board's Web page.

At least one participant at the AIA roundtables commented that the Board should enhance PRPS to permit non-parties to register to receive notices of decisions in a case. Another participant at the AIA roundtables commented that the Board should enhance PRPS to provide for better searchability of AIA trial decisions. The Board is currently in the process of developing a new PTAB End-to-End information technology system ("PTAB E2E") that, once fully deployed, will provide additional features to the public portion of the system. The Board will bear in mind the input received at the AIA roundtables in developing requirements for PTAB E2E. In the meantime, interim solutions are being explored to make AIA trial decisions more easily accessible and searchable on the PTAB Web page.

At least one participant at the AIA roundtables commented that the Board should offer more statistics about AIA trial proceedings, including showing the outcome of final written decisions by the technology center that issued the patent and correlating the number of preliminary patent owner responses with decisions to institute trial. PRPS has certain limitations in its structure that do not allow for easy extraction of data in an automated fashion. These limitations make it particularly difficult and time consuming for the Board to present statistics on AIA trials. Currently, the Board calculates AIA trial statistics

through manual data collection means. With the number of AIA filings and the number of active AIA trials on the rise, the Board is finding the collection of such data to be even more difficult and time consuming. As requirements are developed for PTAB E2E, data extraction and analysis will be kept in mind so that the next generation PTAB IT system will allow provision of more statistical data about AIA trials. In the meantime, the Board is working to enhance AIA trial statistics published regularly on the Board's Web page.

As discussed previously, the USPTO is seeking public comment on all aspects of the new administrative trial proceedings, including the administrative trial proceeding rules and trial practice guide. The following are issues on which the USPTO is especially interested in receiving public comment, as these issues were most frequently raised during the roundtables:

Claim Construction Standard:

1. Under what circumstances, if any, should the Board decline to construe a claim in an unexpired patent in accordance with its broadest reasonable construction in light of the specification of the patent in which it appears?

Motion to Amend:

2. What modifications, if any, should be made to the Board's practice regarding motions to amend?

Patent Owner Preliminary Response:

3. Should new testimonial evidence be permitted in a Patent Owner Preliminary Response? If new testimonial evidence is permitted, how can the Board meet the statutory deadline to determine whether to institute a proceeding while ensuring fair treatment of all parties?

Obviousness:

4. Under what circumstances should the Board permit discovery of evidence of non-obviousness held by the petitioner, for example, evidence of commercial success for a product of the petitioner? What limits should be placed on such discovery to ensure that the trial is completed by the statutory deadline?

Real Party in Interest:

5. Should a patent owner be able to raise a challenge regarding a real party in interest at any time during a trial?

Additional Discovery:

6. Are the factors enumerated in the Board's decision in Garmin v. Cuozzo, IPR2012-00001, appropriate to consider in deciding whether to grant a request for additional discovery? What additional factors, if any, should be considered?

Multiple Proceedings:

7. How should multiple proceedings before the USPTO involving the same patent be coordinated? Multiple proceedings before the USPTO include, for example: (i) two or

more separate AIA trials; (ii) an AIA trial and a reexamination proceeding; or (iii) an AIA trial and a reissue proceeding,

8. What factors should be considered in deciding whether to stay, transfer, consolidate, or terminate an additional proceeding involving the same patent after a petition for AIA trial has been filed?

9. Under what circumstances, if any, should a copending reexamination proceeding or reissue proceeding be stayed in favor of an AIA trial? If a stay is entered, under what circumstances should the stay be lifted?

10. Under what circumstances, if any, should an AIA trial be stayed in favor of a copending reexamination proceeding or reissue proceeding? If a stay is entered, under what circumstances should the stay be lifted?

11. Under what circumstances, if any, should a copending reexamination proceeding or reissue proceeding be consolidated with an AIA trial?

12. How should consolidated proceedings be handled before the USPTO? Consolidated proceedings include, for example: (i) consolidated AIA trials; (ii) an AIA trial consolidated with a reexamination proceeding; or (iii) an AIA trial consolidated with a reissue proceeding.

13. Under what circumstances, if any, should a petition for an AIA trial be rejected because the same or substantially the same prior art or arguments previously were presented to the USPTO in a different petition for an AIA trial, in a reexamination proceeding or in a reissue proceeding?

Extension of 1 Year Period to Issue Final Determination:

14. What circumstances should constitute a finding of good cause to extend the 1-year period for the Board to issue a final determination in an AIA trial?

Oral Hearing:

15. Under what circumstances, if any, should live testimony be permitted at the oral hearing?

16. What changes, if any, should be made to the format of the oral hearing?

General:

17. What other changes can and should be made in AIA trial proceedings? For example, should changes be made to the Board's approach to instituting petitions, page limits, or request for rehearing practice?

Dated: June 23, 2014.

Michelle K. Lee,
Deputy Under Secretary of Commerce for Intellectual Property and,
Deputy Director of the United States Patent and Trademark Office.

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