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June 18, 2024

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RE: Patent Trial and Appeal Board Rules of Practice for Briefing Discretionary Denial Issues, and Rules for 325(d) Considerations, Instituting Parallel and Serial Petitions, and Termination Due to Settlement Agreement, Docket No. PTO-P-2023-0048, 89 FR 28693 (Apr. 19, 2024)

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Dear Vice Chief Judge Tierney and Judge Hagy:

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We write on behalf of the New York Intellectual Property Law Association (NYIPLA) to provide comments on the proposed rulemaking regarding Patent Trial and Appeal Board Rules of Practice for Briefing Discretionary Denial Issues, and Rules for 325(d) Considerations, Instituting Parallel and Serial Petitions, and Termination Due to Settlement Agreement, Docket No. PTO-P-2023-0048, 89 FR 28693 (Apr. 19, 2024).

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NYIPLA is a professional bar association located in and around New York whose members represent a wide array of stakeholders in the intellectual property field, including but not limited to practice before the USPTO and the PTAB, both as Petitioners and Patent Owners, and their respective counsel.

NYIPLA appreciates the Office's efforts to codify existing practice and clarify issues of confusion with the proposed rulemaking and offers the following comments on certain of the proposed rules.

Proposed Sec 42.107

The timing in section (b)(2) for filing a Request for Discretionary Denial is limited to "no later than two months after the date of notice indicating the petition to institute an *inter partes* review has been granted a filing date." While NYIPLA agrees that in the ordinary course the proposed time limit makes sense for the Administration proceeding, we note that there are instances in which a later request may be appropriate.

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For example, if a Petition is filed that includes multiple grounds, one of which is based on art that was previously considered by the Office, and the other two of which were not, and the institution decision is based solely upon the grounds which relies upon previously considered art, at such point a request for discretionary denial could be appropriate, where prior to that

time it would not. NYIPLA proposes the Office include a provision which allows parties to file a later request where good cause is shown within 2 months of the event that triggers such good cause, and no later than the time a Patent Owner Response is otherwise due.

NYIPLA also notes that while Proposed Sec. 42.107(a)(1) allows for “supporting evidence” with respect to a Patent Owner preliminary response, there is no such provision for a Request for discretionary denial under Proposed Sec. 42.107(b). NYIPLA respectfully submits that allowing for the submission of supporting evidence, such as documents evidencing prior consideration of the prior art raised in a ground, with a submission under Proposed Sec. 42.107(b), would be desirable to make the record clear and easier to follow.

Proposed Sec 42.108

The proposed definition in Sec. 42.2 of Parallel Petition applies to “two or more petitions that: (1) Challenge the same patent by the petitioner ...”. NYIPLA notes that the office should clarify that when two petitions are filed that have non-overlapping claims being challenged, such filings should be deemed appropriate in general. There are many patents that include a large number of claims and the page limits associated with PTAB filings make it necessary to break up challenges of different subsets of issued claims into multiple petitions, for which the Office receives additional fees to consider. The NYIPLA notes that the Federal Circuit has endorsed this approach, at least in dicta, in *Intuitive Surgical, Inc. v. Ethicon LLC*, 25 F.4th 1035, 1041-42 (Fed. Cir. 2022) (“A petitioner may also file multiple petitions where each petition focuses on a separate, manageable subset of the claims to be challenged—as opposed to subsets of grounds—as § 315(e)(1) estoppel applies on a claim-by-claim basis. See 35 U.S.C. § 315(e)(1).”).

While NYIPLA appreciates the Office’s desire to limit duplicative or overlapping challenges, it is important for the fair administration of the system to provide some mechanism where Petitioners can raise issues associated with each issued claim that can be challenged at least once by each Petitioner. Recognition of the differences between petitions challenging overlapping claims (as compared to non-overlapping claims) is already implicit in the definition of a “Serial” petition in Sec. 42.2; the NYIPLA respectfully submits this is an appropriate consideration for Parallel petitions too.

NYIPLA also notes that the use of discretionary denial for either parallel or serial petitions based on overlapping claim challenges should not apply when one overlapping petition was not instituted or is no longer pending.

NYIPLA has reviewed the factors listed in Section (d) and, while it is appreciated the effort the Office has made to provide guidance on what should be considered, we offer a few comments on the breadth and scope of some of the factors listed.

With respect to Factor (3) “the number of claims of the challenged patent that have been asserted by the Patent Owner in the district court litigation”, NYIPLA is concerned that this factor does not sufficiently consider that a Petitioner should not be limited to challenging merely the claims that are being asserted by a Patent Owner at the time the Petition is filed. It is a fundamental principle of patent law that from a validity perspective each claim rises and falls on its own, and must be separately considered. The fact that a patent includes 30 claims, for example, but only “at least claim 1” or only “claim 1” has been identified in a district court litigation as being pursued, does not preclude a Patent Owner down the road from asserting other claims. The one-year bar against bringing future IPRs are applied under the statute based on the patent, not the claim, and thus any rule that limits the ability of Petitioner to challenge all claims on at least one ground could be detrimental to the patent system and provide an opportunity for behavior not in line with the spirit of this proposal.

Factor (7) also provides an opportunity for strategic behavior on both sides. Enabling Petitioners the opportunity to file non-overlapping petitions to cover all the claims in a patent would avoid risks associated with Patent Owners adding asserted claims or Petitioner's filing belated Petitions based on previously unasserted claims.

Finally, the catch-all Factor (9) appears to go beyond the "good cause" requirement, and would be better phrased as "An explanation and supporting evidence of why good cause has been shown for allowing or not allowing parallel petitions."

In Section (f), the proposed rules limit "Discretion based on previously presented art or arguments" under 35 U.S.C. 325(d) to "if the same or substantially the same prior art was previously **meaningfully addressed** by the Office with regard to challenged patent or a related patent or application, unless the petitioner establishes material error by the Office." See also definition in subsection (4) of "Meaningfully addressed art or arguments" as limited to "articulated" arguments. Patent owners likely will assert that the requirement limiting section 325(d) to when art or arguments were "meaningfully addressed," in contrast to addressed, is contrary to the presumption of validity codified in 35 USC 282 and the basic proposition that a government agency such as the [PTO] was presumed to do its job." *Microsoft Corp. v. i4i Limited Partnership*, 564 US 91 (2010). IPR petitioners, however, likely will seek to preserve their ability to challenge validity based on previously presented art and arguments, consistent with the policy function of post-grant AIA proceedings to permit the USPTO to correct errors and oversights initially made during prosecution. In the NYIPLA's view, these competing positions likely will lead to significant disagreements over the interpretation of the language "meaningfully addressed," absent further clarification of that language in the proposed rules.

42.207 & 42.208

In an effort to avoid redundancy, NYIPLA notes that these arguments and proposed clarifications apply with equal force to the proposed PGR rules at 42.207 and 42.208 set forth in the proposed rulemaking as well.

Conclusion

NYIPLA thanks the Office for the opportunity to provide comments on the proposed rulemaking and applauds the Office for following notice and comment rule making procedures to address what practice should be implemented by the Office and the PTAB.

Respectfully submitted,



Patrice P. Jean, President
New York Intellectual Property Law Association