

October 16, 2014

Via Email: TrialsRFC2014@uspto.gov

The Honorable Michelle K. Lee  
Deputy Under Secretary of Commerce for Intellectual Property  
and Deputy Director of the United States Patent and Trademark Office  
U.S. Patent and Trademark Office  
P.O. Box 1450  
Alexandria, VA 22313-1450

**RE: Response to the Request for Comments on “Trial Proceedings Under the America Invents Act Before the Patent Trial and Appeal Board,” Fed. Reg. Vol. 79, No. 124, June 27, 2014**

Dear Deputy Director Lee:

Unified Patents (“Unified”) appreciates the opportunity to provide comments to the United States patent and Trademark Office (“USPTO”) in response to the Request for Comments on Trial Proceedings Under the America Invents Act (“AIA”) Before the Patent Trial and Appeal Board (“the Request”).

Unified was founded over concerns with the increasing risk of non-practicing entities (“NPEs”) asserting poor quality patents against strategic technologies and industries. Unified was created with the sole purpose of deterring NPE litigation by protecting technology sectors. Companies in a technology sector subscribe to Unified’s technology specific deterrence, and in turn, Unified performs many NPE-deterrent activities, such as analyzing the technology sector, monitoring patent activity (including patent ownership and sales, NPE demand letters and litigation, and industry companies), conducting prior art research and invalidity analysis, providing a range of NPE advisory services to its subscribers, sometimes acquiring patents, and sometimes challenging patents at the USPTO. Over the past year, Unified has challenged six patents at the USPTO in *inter partes* review proceedings.

Unified supports the USPTO’s commitment to revisit the rules and practice guide after initial experience with the new AIA trials. The following comments are submitted in response to the Office in response to the Request.

**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?*

One of the main purposes of the AIA's implementation of trial proceedings was to make the proceedings adjudicative as opposed to examinational.<sup>1</sup> In adjudicative proceedings at the district court, the *Phillips* standard is applied to claim construction.<sup>2</sup> In the Rules promulgated by the USPTO, however, the USPTO set forth that the broadest reasonable interpretation ("BRI") standard should be applied in review proceedings. This was because the patent owner is given the opportunity to amend the claims during the review proceedings.<sup>3</sup>

There has been mention of the possibility that the Board could potentially remove amendments as an option during review proceedings. Although Unified does not take a position on the removal of amendments, Unified submits that the BRI standard should still be applied so long as amending the claims at issue is possible.

### **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?*

Unified advocates no change to the current standards regarding testimonial evidence.

### **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?*

Unified advocates no change to the discovery of evidence of non-obviousness held by the petitioner.

### **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?*

Unified suggests that the Board could provide additional guidance regarding issues of real party in interest, including the possibility of identifying specific questions and factors that petitioners should consider when assessing real party in interest. Such guidance would allow all petitioners and patent owners to evaluate issues related to real party in

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<sup>1</sup> H.R. Rep. No. 112-98, pt. 1, 46-47 (June 11, 2011) ("The Act converts inter partes reexamination from an examinational to an adjudicative proceeding, and renames the proceeding 'inter partes review.'").

<sup>2</sup> *Phillips v. AWH Corp.*, 415 F.3d 1303 (Fed. Cir. 2005).

<sup>3</sup> "Office Patent Trial Practice Guide," Fed. Reg., Vol. 77, No. 157, Aug. 14, 2012 at 48764 ("Since patent owners have the opportunity to amend their claims during IPR, PGR, and CBM trials, unlike in district court proceedings, they are able to resolve ambiguities and overbreadth through this interpretive approach.").

interest early and in a more efficient manner. Unified suggests that petitions could include a verified statement from the Petitioner addressing the Board's list of questions and factors related to real party in interest. The Board's guidance would allow for early resolution of issues involving real party in interest and would prevent needless discovery. Many different parties would benefit from additional guidance on how to appropriately determine real party in interest and include companies with complex corporate structures and joint defense groups. Additionally, an increasing number of third party petitioners and public interest groups would also benefit from additional guidance. A non-exclusive list of third-party petitioners already dealing with this issue includes: the Electronic Frontier Foundation, Unified, Patent Quality Initiative, RPX Corp., Printing Industries of America, as well as other trade associations and industry groups.

Unified suggests that if a patent owner can show a reasonable basis for challenging real party in interest, the patent owner should be required to do so in its preliminary response, and the Board should make a determination on real party in interest prior to institution. Making this determination prior to institution would save the Board and the parties both time and money. While real party in interest can be challenged at any point during the proceeding, Unified suggests that if the patent owner wishes to challenge real party in interest post-institution, the patent owner must have a reasonable basis for the additional challenge.

Unified suggests that the same standard should govern additional discovery for real party in interest issues both pre- and post-institution. For *inter partes* reviews, the interests of justice standard should apply and for covered business method reviews, the good cause standard should apply.

### **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?*

Unified believes that the *Garmin* factors are appropriate as limited discovery focusing on the validity of the challenged patent claims is one of the benefits of review proceedings as an alternative to district court litigation.

### **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.*

Unified urges that the Board should have a more liberal policy for joinder in review proceedings. Often times multiple parties have an interest in requesting review of the same patent but may have different reasons for challenging the patent's validity.

Accordingly, Unified submits that the Office should consider additional factors when determining whether to join a second petition to the first. These factors include:

- (A) The interests of the second petitioner in being heard
- (B) The interests of the Office and the public in efficiency of trial proceedings and quality of patents

Joinder of separately filed but identical or similar review proceedings would be especially useful for ensuring that multiple parties are heard regarding the validity of a patent without burdening the Board. Joinder, in the case where the first petitioner and a patent owner reach a settlement agreement and terminate a proceeding, the second, joined petitioner would still be able to present its arguments with respect to the validity of the patent in a timely and efficient manner. Unified suggests that joinder is particularly warranted where the second petitioner files an identical petition to the one filed in the already instituted proceeding and agrees to be bound by the same trial schedule of the first proceeding.

### **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?*

#### **A. The Board should implement a word count requirement as implemented by the Federal Circuit as opposed to the current page limit approach**

The current page limit restrictions are overly restrictive and prevent the petitioner from presenting its argument in an effective and easy to read format. Unified believes that implementing a word limit is more appropriate than the current page count requirement. By switching to a word limit approach and requiring the parties to submit a certification of the word count with the petition, both the Board and parties will be saved time and effort in complying with these page limits.

Unified leaves the appropriate word limit to the discretion of the Board. Unified notes that the Federal Circuit has a word count requirement that limits the principal brief to 14,000 words. For reference, Unified's petitions contain, on average, 15,100 words with the largest petition having a word count of approximately 15,800 words. Unified suggests that a word limit of 16,000 words would be appropriate. Unified also suggests that the table of contents and mandatory notices pursuant to 37 C.F.R. § 42.8 should not be included in the word limit. Further, Unified suggests that to make the word limit easier to calculate, the mandatory notices should be submitted as an addendum to the petition instead of being part of the petition itself.

Unified appreciates the opportunity to provide feedback to the Office on the Request. Unified looks forward to further dialog with the Office with respect to the issues raised above.

Sincerely,



Kevin Jakel  
CEO  
Unified Patents