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Request for Comments on Discretion to Institute Trials Before the Patent Trial and Appeal Board

Comment On: PTO-C-2020-0055-0001
Discretion to Institute Trials Before the Patent Trial and Appeal Board

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Comment from Ben Klosowski.

Submitter Information

Name: Ben Klosowski
Address:
P.O. Box 4411
Greenville, SC, 29608
Email: ben@thrive-ip.com
Phone: 864.351.2468
Fax: 866.747.2595
Organization: Thrive IP

General Comment

An overall 70+% institution rate calculated from 2015 against challenged patents (sometimes with numerous sequential petitions against the same patent) and an ~85% partial or entire claim invalidation rate suggest a fundamental problem - either initial patent prosecution is fatally flawed, or AIA patent trials are overwhelmingly biased in favor of patent challengers, or both. Put another way, it is axiomatic that US patent examiners are presumed to have done their job, so in a healthy, balanced system, institution rates should be far less than 70% and invalidation rates should be the exception not the rule. Furthermore, inconsistencies across PTAB proceedings and the determination and application of precedential decisions are unpredictable and hence, unworkable.

The foregoing and other systemic problems with AIA patent trials urge adoption of regulations to govern the discretion to institute PTAB trials consistent with at least these principles:

I: PREDICTABILITY

Regulations must provide predictability. Stakeholders must be able to know in advance whether a petition is to be permitted or denied BASED ON POLICY reasons. To this end regulations should favor objective analysis and eschew subjectivity, balancing, weighing, holistic viewing, and individual discretion. The decision-making should be procedural based on clear rules. Presence or absence of discrete factors should be determinative, at least in ordinary circumstances. If compounded or weighted factors are absolutely necessary, the number of possible combinations must be minimized, and the rubric must be published in the Code of Federal Regulations.

II: MULTIPLE PETITIONS
a) A petitioner, real party in interest, and privy of the petitioner should be JOINTLY limited to ONE PETITION per patent.
b) Each patent should be subject to NO MORE THAN ONE instituted AIA trial.
c) A petitioner seeking to challenge a patent under the AIA should be required to file their petition within 90 days of an earlier petition against that patent (i.e., prior to a preliminary response). Petitions filed more than 90 days after an earlier petition should be denied.
d) Petitioners filing within 90 days of a first petition against the same patent should be permitted to join an instituted trial.
e) These provisions should govern all petitions absent a showing of extraordinary circumstances approved by the Director, Commissioner, and Chief Judge.

III: PROCEEDINGS IN OTHER TRIBUNALS
a) The PTAB should NOT institute duplicative proceedings.
b) A petition should be DENIED when the challenged patent is concurrently asserted in a district court against the petitioner, real party in interest, or privy of the petitioner and the court has neither stayed the case nor issued any order that is contingent on institution of review.
c) A petition should be DENIED when the challenged patent is concurrently asserted in a district court against the petitioner, real party in interest, or privy of the petitioner with a trial is scheduled to occur within 18 months of the filing date of the petition.
d) A petition should be DENIED when the challenged patent has been held not invalid in a final determination of the ITC involving the petitioner, real party in interest, or privy of the petitioner.

IV: PRIVY
a) An entity who benefits from invalidation of a patent and pays a petitioner challenging that patent should be considered in privy subject to the estoppel provisions of the AIA.
b) Privy should be interpreted to include a party to an agreement with the petitioner or real party of interest related to the validity or infringement of the patent where at least one of the parties to the agreement would benefit from a finding of unpatentability.

V: ECONOMIC IMPACT
Regulations should account for the proportionally greater harm to independent inventors and small businesses posed by institution of an AIA trial, to the extent it harms the economy and integrity of the patent system, including their financial resources and access to effective legal representation.

Although not limited to the foregoing changes, these and other protections are needed immediately to bring balance and predictability to AIA trials to protect ALL inventors and businesses to promote a strong US economy.