August 19, 2019

The Honorable Andrei Iancu
Under Secretary of Commerce for Intellectual Property and
Director of the United States Patent and Trademark Office
Madison Building
600 Dulany Street
Alexandria, VA 22314

Dear Under Secretary Iancu:

Thank you for the substantial thought and consideration put into the many issues addressed in the Office’s July 2019 update to the Office Patent Trial Practice Guide.1 We strongly agree that PTAB trials should be “quick and cost effective” and should advance the goals of “establish[ing] a more efficient and streamlined patent system that will improve patent quality and limit unnecessary and counterproductive litigation costs.”2 We recognize that PTAB trial practice will necessarily evolve over time and stand ready to discuss further improvements to the system.

A number of the changes to the Trial Practice guide appear to be appropriate and potentially beneficial. For example, the ability to file a separate 5-page paper explaining the differences between multiple petitions, why the issues addressed by the differences are material, and why the Board should exercise its discretion to institute additional petitions will likely be helpful both to the Board and to the parties. However, we troubled by the statement in Section II.D.2 that “one petition should be sufficient to challenge the claims of a patent in most situations,” that “two petitions . . . should be rare,” and that it is “unlikely that circumstances will arise where three or more petitions by a petitioner with respect to a particular patent will be appropriate.” We are concerned that this statement may be interpreted by the PTAB in a manner that would further restrict multiple petitions even where they have previously been understood to be justified.

As we explain below, it is our view that (1) multiple petitions should be supported in appropriate circumstances; and (2) the Board already has ample ability to address the rare occurrences of harassment or abuse. We urge the PTO to clarify the Trial Practice Guide in a way that makes clear that there is no presumption against the use of multiple petitions. In conjunction with this, we ask the PTO to update its 2017 study on multiple petitions and include data on how the Board has been able to address any issues of harassment or abuse.

I. Multiple Petitions Should Be Supported in Appropriate Circumstances

Multiple petitions frequently benefit, rather than undermine, the patent system. There are numerous circumstances where the ability to file multiple petitions is critical to ensuring that AIA proceedings contribute to the overall efficiency of the patent system and poor quality patents are invalidated or amended through the IPR or PGR process. These circumstances include:

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2 July 2019 TPG Update at 23.
- The realities of patent litigation, including a lack of clarity around asserted claims and accused products at the outset;
- The need for different parties, not in privity with one another, to be presented a full and fair opportunity to challenge the claims of the patent;
- The ability of a patentee to fully and fairly argue a range of prior art especially under alternative claim construction theories;
- Multiple petitions give the Board the ability to institute on fewer than all grounds asserted against a patent; and
- An additional petition is required if a second party wishes to join a previously-instituted proceeding.

First, the realities of patent litigation can make filing more than one petition a necessity. At the outset of litigation, a defendant may not know which specific claims are to be asserted. This can mean that a defendant needs to submit more than one petition up front depending on the number of claims that may potentially be asserted, a reality due to the fact that the plaintiff has yet to narrow the scope of the litigation. During the course of litigation, the patent owner may also assert additional or different claims, or may add new products to the lawsuit, implicating new claim construction issues. When this happens, a petitioner may find it necessary to file a subsequent petition to adequately address these newly-asserted claims or to present new prior art in response to late-arising claim construction issues.

Second, individual defendants accused of infringing the same patent should be able to mount their own independent challenges to the patent’s validity. This is especially true because different defendants may be concerned with different claims and different claim construction issues depending on the particular products accused of infringement. For instance, a patent may have a claim set directed to Ethernet switching and another set directed to inter-CPU message switching. One company may only have an interest in the Ethernet switching, where another may only be interested in the second set. Thus, each unrelated petitioner should be given a full and fair opportunity to present its challenge to the PTAB.

Third, a petitioner may have a range of prior art that satisfies the challenged claims in different ways or under different claim constructions. Because petitions are limited to 14,000 words and must include all of petitioner’s arguments and evidence, it is often impossible to compress everything in one petition. Specific pieces of prior art may be more or less applicable depending on the claim construction the Board adopts. In addition, with the Board’s change to the Phillips construction standard, a petitioner cannot be guaranteed that a patentee will advocate claim construction positions in the district court that are narrower than the Board’s construction. The PTAB may construe claims to exclude the prior art, while in the district court, they are construed to include the same prior art (as well as the accused product). For this reason, petitioners file multiple petitions—addressing claims in separate petitions rather than all the patent’s claims in one petition—to stay within the word limit while thoroughly anticipating and addressing all arguments.

Fourth, in light of the Supreme Court’s recent decision in SAS Institute Inc. v. Iancu—requiring the PTAB to either institute on all claims in a petition or not institute review at all—multiple

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petitions also allow the PTAB to effectively institute only certain claims without actually partially instituting a single petition. The use of multiple petitions allows the PTAB to avoid clashing with the Supreme Court’s holding in SAS, while still only instituting review based on the strongest challenges to the patent claims.

Fifth, a party is required to file a petition that is substantively similar to a previously-filed petition if it wishes to join a trial already instituted on the earlier petition. A subsequent “me too” petition such as this has limited to no effect on the existing challenge and is not truly a multiple petition. The PTO’s own multiple petition study recognizes this as well.⁵

This is just a sampling of the bases that exist for more than one petition challenging a patent. The Trial Practice Guide update also recognizes the litigation realities, as well as the potential for a priority date dispute, to require multiple petitions.⁶ These are highly fact-specific issues and illustrate the danger of establishing what could be construed as a bright-line rule with regard to numbers of petitions. As explained below, the Board has and utilizes tools to evaluate each and every petition that is filed, and can adequately address the rare occurrences of harassment or abuse.

II. The Board Has Ample Tools to Address the Rare Occurrences of Harassment or Abuse

Petitions filed to harass a patent owner, or that may otherwise be considered abusive, are few and far between. The Office’s own 2017 analysis bears out this conclusion.⁷ Then, the Office concluded that 84.8% of patents are challenged by a single petitioner,⁸ and that 87.2% of patents are challenged by no more than two petitions.⁹ The study further found that 79% of petitions were filed before the patent owner’s preliminary response or a decision on institution were available.¹⁰ These data refute the oft-heralded cry that IPR petitioners abusively subject a patent owner to repeated challenges, refined over time using institution decisions as a road map for subsequent challenges.

Moreover, the Board already is able to address abusive petitions. The Board’s precedential decision in General Plastic Co. v. Canon Kabushiki Kaisha¹¹ sets forth seven factors for the PTO to consider when deciding to institute a petition,¹² and application of those factors allows the PTO to identify when multiple petitions would be used to harass a patent owner. When reviewing a new petition, General Plastic considers: (1) whether the petition involves the same petitioner, same claims, and/or same patent; (2) whether petitioner knew or should have known

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⁶ See July 2019 TPG Update at 26.
⁸ Id. at 12.
⁹ Id. at 14.
¹⁰ Id. at 17.
¹² July 2018 TPG Update at 9-10.
of prior art when the original petition was filed; (3) whether the patent owner’s preliminary response and/or the Board’s institution decision have already been filed; (4) whether the petition was filed soon after the petitioner learned of prior art; (5) whether the petitioner has an adequate explanation for the time gap between petitions; (6) the finite resources of the Board; and (7) the statutory requirement to issue a final written decision within 1 year of institution.\textsuperscript{13} These factors allow the Board to fairly consider whether a petition is being used as a harassment tactic or if it is a necessary follow-on petition.

In short, no credible evidence suggests that abusive serial petitions are widespread or that they pose a threat to our patent system. And the Board already has adequate tools to handle any abusive petitions that are filed. We ask the PTO to refresh the data in its 2017 multiple petition study to reflect activity in the last two years, including data on the Board’s usage of its existing tools to evaluate and address any petitions that would be considered abusive.

\textbf{III. Conclusion}

The Updated Trial Practice Guide’s implied presumption against multiple petitions is unnecessary. There are legitimate and important reasons for multiple petitions to be filed. For those petitions that do qualify as “abusive,” the PTO already has and uses the necessary tools and authority to deny such petitions under its statutory mandates, rules, and precedent.

Maintaining the integrity of the IPR system is one of the most critical roles that the USPTO plays in ensuring a balanced patent system that operates to encourage innovation. The proposed restrictions on multiple petitions are not needed and would do great harm to the US patent system by substantially weakening IPRs, and increasing litigation costs as a result.

We urge the Office to clarify the Trial Practice Guide in a way that makes clear that there is no presumption against the use of multiple petitions, and that there are numerous situations that go well beyond what is enumerated in the Update in which multiple petitions are wholly appropriate.

We would be pleased to discuss this issue with you further at your earliest convenience.

Sincerely,

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\textsuperscript{13} \textit{General Plastic}, Paper 19, slip op. 16-17.