

June 18, 2024

Katherine K. Vidal
Under Secretary of Commerce for Intellectual Property and
Director of the United States Patent and Trademark Office
United States Patent and Trademark Office
600 Dulany Street
Alexandria, Virginia 22314

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](#)]

Dear Under Secretary and Director Vidal:

The Alliance for Automotive Innovation (“Auto Innovators”) welcomes the opportunity to submit comments to the United States Patent & Trademark Office (“USPTO”) on its notice of proposed rulemaking (“NPRM”) on modifications to the rules of practice for *inter partes* review and post-grant review proceedings before the Patent Trial and Appeal Board. While Auto Innovators acknowledges that the NPRM is an improvement when compared to the 2023 advance notice of proposed rulemaking, we remain concerned that the NPRM expands the use of discretionary denials with regards to the institution of America Invents Act trial proceedings.

Auto Innovators represents the manufacturers that produce most of the cars and light trucks sold in the U.S., original equipment suppliers, battery makers, technology companies, and other value-chain partners within the automotive ecosystem. Representing approximately 5 percent of the country’s GDP, responsible for supporting nearly 10 million jobs, and driving \$1 trillion in annual economic activity, the automotive industry is the nation’s largest manufacturing sector.

Robust access to America Invents Act trial proceedings remains a top priority for the automotive industry. Filing for and obtaining high-quality patents is an important strategy for many automotive companies. Patent quality remains paramount because high-quality patents protect significant research and development investments by the industry and enable companies to produce new mobility technologies. However, automotive companies face frequent lawsuits alleging infringement of patents that should not have been issued. The industry relies extensively on America Invents Act trial proceedings, particularly *inter partes* review, to settle the validity of patents efficiently and effectively. Having experienced *inter partes* review both offensively and defensively, the automotive industry maintains that the current system is fair and equitable.

Auto Innovators contends that discretionary denials – as currently practiced and as proposed in the NPRM – limit access to America Invents Act trial proceedings and constrain Patent Trial and Appeal Board review. While the NPRM does not completely foreclose the ability to file parallel and serial petitions, the automotive industry still maintains that the Patent Trial and Appeal Board should hear any petition that is meritorious in accordance with current U.S. patent law. Furthermore, we remain concerned that the NPRM seems to enshrine the *Fintiv* factors governing discretionary denials, even though this precedential decision has yet to go through formal rulemaking. If the USPTO unnecessarily curtails access to America Invents Act trial proceedings through discretionary denials, then automotive companies will have to focus on fighting low-quality patents, increasing litigation costs.

Auto Innovators has suggestions for clarification and/or modification in the NPRM, which include:

Clarification of when a party is not the “real party in interest” or “privy” of a petitioner.

The NPRM proposes that the Patent Trial and Appeal Board can discretionarily deny a serial petition that challenges the same or overlapping claims of the same patent that the petitioner, the petitioner’s “real party in interest,” or “privy” of the petitioner has already challenged. Auto Innovators proposes that the USPTO clarify how the scope of “real party in interest” or “privy” applies to the context of co-defendants in a patent infringement lawsuit and specify that merely being co-defendants in such a lawsuit (or being defendants in corresponding lawsuits asserting the same patent(s)) does not create a “real party in interest” or “privy” relationship. The USPTO can explain that its guidance on whether parties become a “real party in interest” or “privy” based on trade association membership or participation in a Joint Defense Group applies equally to *inter partes* review petitions as it currently does to post-grant review petitions (see *Patent Trial and Appeal Board Consolidated Trial Practice Guide*, November 2019, p. 17-18). Previous Patent Trial and Appeal Board decisions support this reasoning. Please see *Weatherford Int’l, LLC v. Packers Plus Energy Servs., Inc.* and *Samsung Elec. Co. v. Seven Networks LLC*.

Clarification of “meaningfully addressed” prior art and/or arguments.

The NPRM states that the Patent Trial and Appeal Board may deny a petition under 35 U.S.C. 325(d) if the same or substantially the same prior art or arguments previously presented were “meaningfully addressed” by the USPTO with regards to a challenged patent or related patent or application, unless the petitioner establishes material error in the USPTO’s previous evaluation. The NPRM also provides that prior art or previously presented arguments are deemed to have been “meaningfully addressed” when the USPTO has evaluated the art or arguments and has articulated its consideration of the art or arguments in the record of the patent or the application from which the patent issued or the record of a related application or patent with claims that are substantially the same. While we agree that the burden of proof for demonstrating that prior art or previously presented arguments were “meaningfully addressed” by the USPTO remains with the patent owner, we maintain that the USPTO should provide additional clarity on the terms

“meaningfully addressed” and “articulated in consideration.” The need for clarification is particularly necessary for situations in which: (i) the same prior art was presented to the USPTO, in an earlier America Invents Act trial proceeding with respect to the same patent, but the earlier trial proceeding did not reach, or has not yet reached, a final written decision; (ii) the same prior art was presented to the USPTO, during prosecution or in an earlier America Invents Act trial proceeding with respect to the same patent, but is now being presented in a different way in a new petition; and (iii) the same prior art was presented to the USPTO, during prosecution or in an earlier America Invents Act trial proceeding with respect to the same patent, but the patent owner is now interpreting or asserting the claims in a materially different way than how the invention was previously presented to the USPTO.

In (i), the USPTO has not “meaningfully addressed” the same prior art because the ultimate question being determined in an America Invents Act trial proceeding is whether the petitioner has established by a “preponderance of the evidence” that a patent is unpatentable in light of certain prior art. To “meaningfully address” this prior art in an earlier trial proceeding, the Patent Trial and Appeal Board should have evaluated the same question, *i.e.*, whether there is a preponderance of the evidence for unpatentability, which a final written decision addresses. If the “meaningfully addressed” standard is intended to resemble the principles of collateral estoppel, then just as collateral estoppel applies to when an issue is “actually litigated and determined by a valid and final judgment” (see *B&B Hardware, Inc. v. Hargis Indus., Inc.*, 575 U.S. 138 (2015)), so too should the “meaningfully addressed” standard similarly apply to a petition that had received a final written decision. By contrast, the decision to institute an earlier America Invents Act trial proceeding addresses a different question – namely whether the petitioner in the earlier trial proceeding has demonstrated a reasonable likelihood of unpatentability (in the case of *inter partes* review) or whether it is more likely than not that at least one challenged claim is unpatentable (in the case of post-grant review).

In (ii), if the same prior art is being presented in a new way, then the USPTO should not be viewed as having previously “meaningfully addressed” the prior art. More specifically, if presenting the same prior art in a new light creates a new invalidity argument that is not the same nor substantially the same as one which was previously presented to the USPTO, then the Patent Trial and Appeal Board should consider this new argument.

In (iii), the USPTO has not “meaningfully addressed” the same prior art if the patent owner has subsequently attempted to change the scope of the patent claims. Practically speaking, patent owners can attempt to explain their claim scope by taking claim construction and infringement contention positions that would not have been reasonably foreseeable by the examiner while the patent application is still pending. An examiner, for example, may presumably construe claim terms based on their plain and ordinary meaning and may even express that construction in the record; the patent owner, however, may subsequently assert that the claim terms do not limit the scope of the claimed invention or that the terms do not require any construction or definition. Similarly, the patent owner

may propose a claim construction that relies on evidence that was not before the examiner during prosecution. In scenarios where claim construction is offered or contested, the patent owner may still attempt to change the scope of the invention, as it would be reasonably understood to the examiner during prosecution, by alleging infringement against a product or service that was never disclosed or suggested in the patent specification. In these examples, the USPTO never “meaningfully addressed” the same prior art in light of the claimed invention because the examiner never deemed the patent owner’s new asserted claim scope to be allowable over the prior art. Although the patent application may have received quality examination and consideration of the known prior art during prosecution, the USPTO should not automatically presume that the examiner “meaningfully addressed” the same prior art if the patent owner took subsequent steps to expand the scope of the patent claims. If a patent owner chooses to pursue aggressive claim constructions and infringement allegations, the public deserves an opportunity to revisit prior art in light of the patent owner’s actions.

Clarification on discretionary considerations in reaching decisions on institution of petitions accompanied by motions for joinder.

The NPRM asserts that the Patent Trial and Appeal Board, when reaching a decision on institution of a petition accompanied by a timely motion for joinder, will not consider arguments on discretionary considerations under parallel petitions or petitions implicating 35 U.S.C. 325(d) where those considerations were available in the already-instituted petition. The NPRM states that the Patent Trial and Appeal Board may deny motions for joinder and the later-filed petition where a patent owner successfully denies other bases for discretionary denial. Auto Innovators recommends that the USPTO clarify that these provisions pertain to what factors the Patent Trial and Appeal Board will or will not consider for a joinder motion. The USPTO should also confirm that these provisions do not preclude the Patent Trial and Appeal Board from granting a joinder motion, such a granting joinder in a situation in which a petitioner of an earlier-filed petition (which may have failed to be instituted) seeks to join a later-filed petition from a different petitioner in a timely manner.

Modification of the definition of a parallel petition and serial petition to remove dependency on actual filing of a patent owner preliminary response.

The definitions of whether two or more petitions are “parallel petitions” or “serial petitions” in the NPRM are based, in part, on whether the two or more petitions are filed on or before the filing of the first patent owner preliminary response to any of the petitions, or whether a second petition is filed after the filing of a patent owner preliminary response to a first petition. Auto Innovators urges removal of such language from the definitions of “parallel petition” and “serial petition,” because they promote gamesmanship by patent owners. The existing language enables the patent owner to affect which rules apply to multiple petitions (the rules for parallel petitions or the rules for serial petitions) simply by choosing when it files its patent owner preliminary response. Such gamesmanship

unnecessarily introduces uncertainty for the Patent Trial and Appeal Board and for petitioners.

Auto Innovators urges the USPTO to focus its efforts on strengthening America Invents Act trial proceedings as alternatives to district court litigation and working to ensure that meritorious petitions can obtain Patent Trial and Appeal Board review. We appreciate the opportunity to provide the automotive industry's perspectives on this topic and reiterate the importance of preserving access to America Invents Act trial proceedings.

Sincerely,

A handwritten signature in cursive script that reads "Tara Hairston".

Tara Hairston
Senior Director, Technology Policy

