



June 26, 2020

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

**Re: Comments in Response to Notice of Public Rulemaking on “PTAB Rules of Practice for Instituting on All Challenged Patent Claims and All Grounds and Eliminating the Presumption at Institution Favoring Petitioner as to Testimonial Evidence,” 85 Fed. Reg. 31,728 (May 27, 2020), Docket No. PTO-P-2019-0024**

Dear Director Iancu:

The Innovation Alliance appreciates the opportunity to submit comments in response to the Notice of Public Rulemaking (“NPRM”) on “PTAB Rules of Practice for Instituting on All Challenged Patent Claims and All Grounds and Eliminating the Presumption at Institution Favoring Petitioner as to Testimonial Evidence.” As ever, we commend you and your staff at the U.S. Patent and Trademark Office (“USPTO”) for taking action to try to improve the operation of the U.S. patent system. We wholeheartedly support the NPRM.

The Innovation Alliance is a coalition of research and development-based technology companies representing innovators, patent owners, and stakeholders from a diverse range of industries that believes in the critical importance of maintaining a strong patent system that supports innovative enterprises of all sizes. The Innovation Alliance is committed to strengthening the U.S. patent system to promote innovation, economic growth, and job creation, and we support legislation and policies that help to achieve those goals.

The NPRM proposes three changes to the USPTO’s PTAB practice:

- (1) to amend the rules of practice for instituting an *inter partes* review, post-grant review, or transitional program for covered business method patents review to require institution on all challenged claims and all of the grounds presented in a petition or on none, as required by the Supreme Court ruling in *SAS Inst. Inc. v. Iancu*, 138 S. Ct. 1348 (2018);

- (2) to conform to the current standard practice of providing sur-replies to principal briefs and providing that a patent owner response and reply may respond to a decision on institution; and
- (3) to eliminate the presumption that a genuine issue of material fact created by the patent owners' testimonial evidenced filed with a preliminary response will be viewed in the light most favorable to the petition for purposes of deciding whether to institute a review.

On the first proposed change, the Innovation Alliance supports as a good governance measure the USPTO's action to bring USPTO rules in line with the decision in *SAS Inst. Inc. v. Iancu*, 138 S. Ct. 1348 (2018).

On the second proposed change, the Innovation Alliance further supports as a good governance measure the USPTO's proposal to conform the rules to standard USPTO briefing practices.

On the third proposed change, the Innovation Alliance again supports this proposal. The current presumption unfairly discourages patent owners from filing testimonial evidence with their preliminary responses because they may believe such testimony is not given weight at the time of institution and that offering such testimony could increase the likelihood of institution. As a result, the presumption frustrated the PTAB's ability to consider the totality of the evidence in deciding whether a petition meets the standard for institution. *See* 35 U.S.C. 324(a); *Hulu, LLC v. Sound View Innovations LLC*, Case IPR2018-01039, Paper 29 at 3, 19 (PTAB Dec. 20, 2019). By eliminating the presumption and removing the disincentives to providing such testimony, the proposed rule change would enable the PTAB to make institution decisions on a more complete record.

The Innovation Alliance generally believes that USPTO regulations should accord the maximum possible legal deference to patents that have gone through the examination process and have been issued by the USPTO. Doing so will help make patent rights more predictable and the patent system more stable. Patents challenged in a civil action are by statute presumed to be valid. 35 U.S.C. § 282(a) ("A patent shall be presumed valid."). While patents challenged in administrative proceedings before the USPTO are not by statute afforded the same presumption of validity, the Innovation Alliance believes USPTO regulations should uphold the integrity of granted patents and the hard work of USPTO examiners by not making evidentiary and procedural presumptions against the patent owner.

We also note that current USPTO practice to view facts in the light most favorable to the petitioner for purposes of instituting a review appears to be at least incongruous with the decision of Congress to place the burden of proof squarely on the petitioner once a review is instituted. *See* 35 U.S.C. § 316(e) ("In an inter partes review instituted under this chapter, the petitioner shall have the burden of proving a proposition of unpatentability by a preponderance of the evidence."); 35 U.S.C. § 326(e) ("In a post-grant review instituted under this chapter, the petitioner shall have the burden of proving a proposition of unpatentability by a preponderance of the evidence.").

For these reasons, the Innovation Alliance also supports the third proposed change.

The Innovation Alliance thanks USPTO for its consideration of these comments.

Sincerely,

Brian Pomper  
Executive Director  
Innovation Alliance