

JAPAN INTELLECTUAL PROPERTY ASSOCIATION

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To: United States Patent and Trademark Office
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Re: Rules of Practice to Allocate the Burden of Persuasion on Motions To Amend in Trial Proceedings Before the Patent Trial and Appeal Board

Director of United States Patent and Trademark Office,

1. The Japan Intellectual Property Association (JIPA) is one of the world's largest IP user organizations, with a membership of 1334 companies (as of November 6, 2019), most of which are Japanese companies. Considering that member companies file many US patent applications, JIPA has carefully reviewed the Rules of Practice To Allocate the Burden of Persuasion on Motions To Amend in Trial Proceedings Before the Patent Trial and Appeal Board (PTAB) published by USPTO in the Federal Register (FR) dated October 22, 2019. Based also on the review of the Request for Comments on Motion To Amend Practice and Procedures in Trial Proceedings Under the America Invents Act Before the PTAB published in FR dated October 29, 2018, JIPA respectfully submits comments on the above proposed rules. It would be appreciated if USPTO would take our comments into consideration in determining changes to the rules.

(1) With respect to the burden of persuasion on claim amendment (37 CFR 42.121(d)(1), 42.221(d)(1), 42.121(d)(2), and 42.221(d)(2))

A patent owner should bear the burden of persuasion to show that an amended claim satisfies the requirements of 35 USC 316(d)(1)(3), 35 USC 326(d)(1)(3), and 37 CFR 42.121(a)(2), (3), (b)(1), and (2), and the proposed changes to the rules are considered reasonable. However, we respectfully provide comments from the viewpoint of the balance relative to the burden of persuasion borne by an applicant or a patent owner on the validity of a patent at the examination stage.

Regarding the patent examination, 37 CFR 1.111(c) recites "In amending in reply to a rejection of claims in an application or patent under

reexamination, the applicant or patent owner must clearly point out the patentable novelty which he or she thinks the claims present in view of the state of the art disclosed by the references cited or the objections made. The applicant or patent owner must also show how the amendments avoid such references or objections." For example, when an examiner rejects a claim based on 35 USC 103 at the examination stage, the burden of persuasion to show that the claim is prima facie obvious is placed on the examiner. Then, in response to a reason for rejection based on the prima facie obviousness, the applicant has to prove that the reason for rejection and a prior art document are avoided. When this idea is applied to an inter partes review, we consider as follows. In an inter partes review, a petitioner that denies the patentability proves a reason for invalidity (reasonable likelihood) through a petition, which institutes a trial. In the trial proceeding, if the patent owner makes an amendment to a claim, we consider that the patent owner should bear the burden of persuasion to show that the amendment avoids the reason for invalidity based on the submitted evidence and that this creates a balance in comparison with the burden of persuasion at the examination stage. In other words, we consider that it is fair that the patent owner should bear the burden of persuasion, which is comparable with that at the examination stage, to show that the amended claim avoids the reason for invalidity of the patent.

In addition, 37 CFR 1.111 for the examination stage gives separate stipulations: 37 CFR 1.111(b) stipulates that the applicant must reply to the Office action; and 37 CFR 1.111(c) stipulates that the applicant must show how the amendments avoid such rejections. Looking at an inter partes review, 37 CFR 42.121(a)(2)(i) states that the amendment responds to a ground of unpatentability in the inter partes review. When these are compared, 37 CFR 42.121(a)(2)(i) may include the stipulation that the amendment avoids the reason for invalidity, but the inter partes review seems to lack a stipulation corresponding to 37 CFR 1.111(c). If it includes the statement that the reason for invalidity is avoided, it would be appreciated if USPTO would consider that an item therefor should be separately established.

(2) With respect to the determination in the discretion of the Board on whether an MTA is granted or denied (37 CFR 42.121(d)(3) and 42.221(d)(3))

It is understood that the proposed changes to the rules clearly stipulate that the Board can exercise its discretion to grant or deny an MTA. The FR dated October 22, 2019 indicates that the Board can exercise its discretion to reach a determination regarding the patentability, although only in instances where a petitioner does not oppose an amendment or does not meet its burden of persuasion in this regard, for example. If the proposed changes to the rules cover not only MTAs but also subsequent proceedings on a determination regarding patentability and the like, it would be appreciated if USPTO would make clear statements on that point.

Yours sincerely,

A handwritten signature in blue ink that reads "Akitoshi".

Akitoshi YAMANAKA
Managing Director