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April 9, 2012

The Honorable David J. Kappos
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, VA 22314

Via email: patent_trial_rules@uspto.gov

Attention of: Lead Judge Michael Tierney
Patent Trial Proposed Rules

**Re: Comments on Notice of Proposed Rulemaking –
Rules of Practice for Trials Before the Patent Trial
and Appeal Board and Judicial Review of Patent Trial
and Appeal Board Decisions, 77 Fed. Reg. 6879-6914 (Feb. 9, 2012)**

Dear Sir:

The following comments are respectfully submitted by the undersigned in his individual capacity as a registered patent attorney (Reg. No. 24,576) and adjunct professor of patent law at St. John's University School of Law.

Specifically, the within comments are directed to proposed 37 C.F.R. § 42.3¹ and § 42.73(d)(3)² which read in pertinent part as follows:

37 C.F.R. § 42.3 Jurisdiction.

(a) The Board may exercise exclusive jurisdiction within the Office over every involved application and patent during the proceeding, as the Board may order.

37 C.F.R. § 42.73 Judgment.

* * *

¹ 77 Fed. Reg. 6907 (Feb. 9, 2012).

² *Id.* at 6913.

(d) Estoppel –

* * *

(3) Patent applicant or owner. A patent applicant or owner whose claim is canceled is precluded from taking action inconsistent with the adverse judgment, including obtaining in any patent:

(i) A claim to substantially the same invention as the finally refused or cancelled claim;

(ii) A claim that could have been filed in response to any properly raised ground of unpatentability for a finally refused or cancelled claim; or

(iii) An amendment of a specification or of a drawing that was denied during the trial proceeding.

The PTO justifies the patent applicant/owner estoppel provisions of the above-quoted portion of proposed Rule 42.73(d)³ on the basis of the above-quoted proposed Rule 42.3(a)⁴ which in turn is predicated by the Agency on the provisions of 35 U.S.C. § 6(b)⁵ as revised by the AIA in SEC. 7 titled “PATENT TRIAL AND APPEAL BOARD,” subsection (a) (“COMPOSITION AND DUTIES”), paragraph (1) (“IN GENERAL”):

35 U.S.C. § 6 Patent Trial and Appeal Board

* * *

³ Compare the patent applicant/owner estoppel provisions of paragraph (3) of subsection (d) with the other provisions of subsection (d) that create estoppels applicable to petitioners in paragraph (1) and losing parties in derivation proceedings in paragraph (2).

⁴ *Id.* at 6882. (“Proposed § 42.3(a) would provide the Board with jurisdiction over applications and patents involved in a Board proceeding. This is consistent with 35 U.S.C. 6(b), as amended, which provides that the Board is to conduct derivation proceedings, *inter partes* reviews, and post-grant reviews . . .”).

⁵ 77 Fed. Reg. 6870 (Feb. 9, 2012) (*Practice Guide for Proposed Trial Rules*) (“The Board therefore will have exclusive jurisdiction within the Office over every application and patent that is involved in a derivation, IPR, PGR or CBM proceeding”).

(b) DUTIES.—The Patent Trial and Appeal Board shall—

(1) on written appeal of an applicant, review adverse decisions of examiners upon applications for patents pursuant to section 134(a);

(2) review appeals of reexaminations pursuant to section 134(b);

(3) conduct derivation proceedings pursuant to section 135; and

(4) conduct inter partes reviews and post-grant reviews pursuant to chapters 31 and 32.

However, although revised 35 U.S.C. § 6(b) authorizes the Board to conduct and decide post-grant proceedings, the statute does not give the PTO the authority to prescribe Rules 42.3(a) and 42.73(d) governing activities of parties following decisions of the Board. In particular, proposed Rule 42.73(d)(3) seeks to prevent patent applicants and patentees from resorting to continuing applications and reissue applications – and from obtaining patents thereon – for the very purposes proscribed in sub-sub-paragraphs (i), (ii), and (iii) and which have been their substantive rights under 35 U.S.C. § 120 (authorizing continuing applications) and § 251 (authorizing reissue applications), respectively. Because the proposed rules are substantive rather than procedural in nature, are not merely interpretive, are not authorized by statute, and stand in direct contravention of § 120 and § 251, it is respectfully submitted that such rules if prescribed would be ultra vires and hence invalid.⁶

⁶ Courts have consistently held that the rulemaking authority of the PTO is limited by statute to the issuance of rules “not inconsistent with law” that are either purely administrative, i.e., “which – (A) govern the conduct of proceedings in the Office,” 35 U.S.C. § 2(b)(2), or interpretive, i.e., which express the agency’s views as to the meaning of particular statutes that govern its function, structure or operations, or expressly authorized by statute, as for example in the context of fee setting under the AIA. *Tafas v. Dudas*, 541 F. Supp. 2d 805, 86 U.S.P.Q.2d 1623 (E.D. Va. 2008), *aff’d in part and vacated in part sub nom. Tafas v. Doll*, 559 F.3d 1345, 90 U.S.P.Q.2d 1129 (Fed. Cir.), *vacated en banc*, 328 F. App’x 658, 91 U.S.P.Q.2d 1153 (Fed. Cir.), *appeal dismissed sub nom. Tafas v. Kappos*, 586 F.3d 1369, 92 U.S.P.Q.2d 1693 (Fed. Cir. 2009). This was a consolidated civil action against the PTO by Triantafyllos Tafas and by GlaxoSmithKline under the *Administrative Procedure Act* (“APA”), 5 U.S.C. § 706, challenging the agency’s final rules implementing (i) a limitation on the number of continuations and requests for continued examination of applications and (ii) a restriction on the number of claims as an alternative to submitting “examination support documents” in applications. On October 31, 2007, on the eve of the PTO’s scheduled implementation of the rules, the district court preliminarily enjoined, and on April 1, 2008, on plaintiffs’ motion for summary judgment, permanently enjoined their implementation as being beyond the PTO’s rulemaking authority under 35 U.S.C. § 2(b)(2) and an unlawful agency act under the APA. On October 8, 2009 following the July 6, 2009 granting of an en banc rehearing on the Federal Circuit’s March 20, 2009 panel decision partially reversing the district

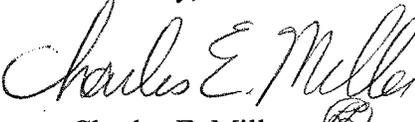
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Moreover, the term “patent applicant” in the first line of proposed Rule 42.73(d)(3) appears to be an anomaly or at least requires clarification since the entire paragraph (3) applies only to post-patent-grant proceedings exclusive of derivation proceedings.⁷

For the foregoing reasons, it is respectfully submitted that proposed Rules 42.3(a) and 42.73(d) should be deleted from the subject rulemaking package.

The undersigned recognizes that successful implementation of the AIA requires valid PTO rulemaking. He appreciates the opportunity to participate in this significant task and will be pleased to further explain his views on the appropriate implementation of the provisions of the AIA in respect to proceedings before the Patent Trial and Appeal Board and the judicial review of it decisions.

Sincerely,



Charles E. Miller

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court, the PTO announced that it would rescind those rules which it did shortly thereafter by voluntarily removing them from the *Code of Federal Regulations*. 74 Fed. Reg. 52,686 (Oct. 14, 2009).

⁷ See *supra* note 3.