

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE OFFICE OF THE UNDER SECRETARY OF COMMERCE
FOR INTELLECTUAL PROPERTY AND DIRECTOR OF THE
UNITED STATES PATENT AND TRADEMARK OFFICE
SPECTRUM SOLUTIONS LLC,
Petitioner,

v.

LONGHORN VACCINES & DIAGNOSTICS, LLC,
Patent Owner.

IPR2021-00847 (Patent 8,084,443 B2)

IPR2021-00850 (Patent 8,293,467 B2)

IPR2021-00854 (Patent 8,669,240 B2)

IPR2021-00857 (Patent 9,212,399 B2)

IPR2021-00860 (Patent 9,683,256 B2)

To: Director_PTABDecision_Review@uspto.gov

Amicus Brief of Richard Neifeld

I am a member of the Virginia Bar. The PTO's records show I became registered as an agent in 1992. I have participated in many proceedings before the Board of Patent Appeals and Interferences and its successor, which is the Patent Trial and Appeals Board. In the past, I chaired the former Interference Committee of the America Intellectual Property Law Association, and the PTAB and TTAB Committee of the Federal Circuit Bar Association.

I do not represent either party in this proceeding. I take no position for or against any party in this proceeding. This brief presents my considered views of the specific questions you asked.

You requested amici briefing on three questions, by 11/24/2023. I address the time limit for amici briefs and the three questions.

First, your time limit stated that amici briefs "shall be filed within four (4) weeks of this Order." Four weeks is generally too short for Bar associations that have formal policies for review and approval of amici briefs. Most of the large Bar associations of which I am aware have formal policies for review and approval of amici briefs. Accordingly, your four week deadline may preclude consensus views from large Bar associations.

Second, I address your three questions in sequence.

First, you asked:

1. When the Board determines that a party has withheld relevant factual evidence during an AIA proceeding, which USPTO regulations are implicated? Do such regulations include 37 C.F.R. § 1.56?

When the Board determines that a party has withheld relevant factual evidence during an AIA proceeding, implicated regulations include those regulations authorized by 35 U.S.C. 2(b)(enumerating power to govern conduct in proceedings), 35 USC 316/326 (governing powers, procedures and standards in AIA proceedings). Those regulations include rules 42.11 (duties in an AIA proceedings), 42.12 (sanctions), and 37 CFR 11.804 (professional misconduct).

Those regulations do not include rule 1.56 for the following reasons.

First, rule 1.56 was enacted long before the existence of AIA proceedings, and therefore whether it applied to AIA proceedings was not a question that could have arisen when this rule was promulgated.

Second, rule 1.56 appears in Title 37 of the CFR at in a part that does not govern AIA proceedings, which indicates that it is inapplicable to AIA proceedings. Rule 1.56 appears Title 37, Chapter 1, subchapter A titled “General”, part 1 titled “Rules of Practice in Patent Cases,” Subpart B titled “National processing

provisions” under the subheading “The Application.” National processing provisions do not govern AIA proceedings. The rules in Part 1 do not govern AIA proceedings. Instead, AIA proceedings are governed by the rules in Part 42 titled “Trial Practice Before the Patent Trial and Appeal Board.”

Third, rule 1.56 ‘s words limit its applicability to the filing and prosecution of applications. That excludes its applicability to AIA proceedings because AIA proceedings are not the filing and prosecution of applications. Specifically, rule 1.56 limits its duty of candor and good faith to those “associated with the filing and prosecution of a patent application.” AIA proceedings do not involve the filing and prosecution of a patent application.

Fourth, the PTO’s promulgation of rule 42.11 indicates to the public that the PTO did not intend rule 1.56 to apply to AIA proceedings. The current version of Rule 42.11(a) states: “Duty of candor. Parties and individuals involved in the proceeding have a duty of candor and good faith to the Office during the course of a proceeding.” If the PTO intended, rule 1.56 to apply to AIA proceedings, this rule would be redundant.

Fifth, the regulatory history shows that the PTO did not intend rule 1.56 to apply to AIA proceedings. Specifically, PTO comments in the final rule promulgating the original version of 42.11 distinguished that rule from rule 1.56,

indicating the PTO did not intend rule 1.56 to apply to AIA Proceedings. The PTO commented as follows.

Duty of Candor (§ 42.11)

Comment 43: Several comments expressed concern about the scope of the proposed rule in comparison to § 1.56 and §§ 1.555 and 1.933. Specifically, the lack of nexus between the proceeding and individuals with a duty of candor and good faith was questioned.

Response: The comment is adopted. Section 42.11, as adopted, imposes a duty of candor and good faith only if an individual is involved in the proceeding. The scope of the duty is comparable to the obligations toward the tribunal imposed by Rule 11 of the Federal Rules of Civil Procedure.

“Rules of Practice for Trials Before the Patent Trial and Appeal Board and Judicial Review of Patent Trial and Appeal Board Decisions; Final Rule,” 77 FR 48612 at 48630 (8/14/2022).

Second, you asked:

2. When the Board determines that a party has withheld relevant factual evidence during an AIA proceeding, is it an appropriate sanction for the Board to apply adverse judgment in a final written decision to deem claims unpatentable? Is such a sanction proportionate to the harm caused by the party, taking into account the integrity of the patent system? and

First, I note that the sanction of deeming “claims unpatentable” could only apply against the patent owner. Therefore, your reference to a determination that “a party” has withheld relevant factual evidence in connection with the sanction of deeming “claims unpatentable” really only applies to the patent owner.

I point out that your question does not address, therefore, sanctions applicable to a petitioner that “withheld relevant factual evidence.” If you wanted amici curiae input on sanctions appropriate to either petitioner or patent owner withholding relevant evidence, then you could have phrased your question to ask about the propriety of a sanction of a final written decision to deem claims either unpatentable

or not shown to be unpatentable.

I now turn to addressing the substance of your question.

Whether an adverse judgment in a final written decision to deem claims unpatentable is “an appropriate sanction for the Board to apply adverse judgment in a final written decision to deem claims unpatentable,” when the patent owner has withheld relevant factual evidence during the AIA proceeding, depends upon whether the statute authorizes the Board to impose that sanction. Whether the statute authorizes the Board to impose that sanction is unclear for the reasons I explain below.

The Board’s authority to sanction is provided by its authority to regulate, pursuant to 35 USC 316(a)(6) (“prescribing sanctions for abuse of discovery, abuse of process, or any other improper use of the proceeding, such as to harass or to cause unnecessary delay or an unnecessary increase in the cost of the proceeding.”) 35 USC 316 does not expressly authorize a sanction of “adverse judgment in a final written decision to deem claims unpatentable.” The other statutory provisions governing AIA PTAB proceedings specifically authorize review of and cancellation of a patent claim only on the basis of unpatentability. *See* 35 USC 311(b), 318(a), and 318(b), for Inter Partes Reviews (IPRs), basing cancellation upon failure of a patent claim meeting patentability standards of 102 and 103. These provisions

expressly govern judgment in a final written decision to deem claims unpatentable. These provisions therefore indicate that 35 USC 316's authorization for sanctions does not extend to an “adverse judgment in a final written decision to deem claims unpatentable.” Similar statutory sections govern Post Grant Reviews (PGRs) and therefore the same issues and conclusion apply to PGRs.

Note that rule 42.12(b)(8)'s authorization of the sanction of “judgment” may be appropriate, that is, more clearly within the Board's statutory authority, in circumstances where the Board imposes sanctions that hold certain facts to be true, and those findings are predicates that support the conclusion of claim unpatentability (under a legal basis of unpatentability authorized for review in IPR or PGR proceedings, as the case may be). That situation however is not the same as entering adverse judgement based directly upon a finding that patent owner knowingly withheld relevant factual evidence.

The predecessor statute to PTAB AIA proceedings was pre-AIA statute section 35 USC 135(a), authorizing interference proceedings. Unlike the statute sections authorizing PTAB AIA proceedings, pre-AIA section 35 USC 135(a) did not expressly limit its final decision to patentability issues (and did not expressly limit its final decision to patentability and priority issues). Instead, pre-AIA section 35 USC 135(a), last sentence read:

A final judgment adverse to a patentee from which no appeal or other review has been or can be taken or had shall constitute cancellation of the claims involved in the patent, and notice of such cancellation shall be endorsed on copies of the patent distributed after such cancellation by the Patent and Trademark Office.

That pre-AIA 135(a) language is in contrast with the statute sections governing IPRs (and PGRs) that limit the review to patentability issues, and require “a final written decision with respect to the patentability of any patent claim challenged.” *See* 35 USC 318(a), 328(a).

The specificity of the statutory authorization in the post-AIA Board proceedings limiting both the review and the final decision to be based upon “patentability,” in view of the broader power to cancel claims in the antecedent pre-AIA section 135 proceedings, implies that Congress intended to constrain the authority of the PTO in the post-AIA Board proceedings to cancel patent claims based only upon patentability issues. That implication suggests the sanction of deeming “claims unpatentable” is *ultra vires*.

Because it is not legally certain whether the PTAB is authorized to impose a

sanction of deeming “claims unpatentable,” and other sanctions are clearly within its power that accomplish the same result, the PTAB should, where appropriate, impose other sanctions that accomplish the same result. (Such as sanctions finding facts that are predicates for a determination that claims are unpatentable.)

Third, you asked:

3. When the Board determines that a party has withheld relevant factual evidence during an AIA proceeding, what other sanctions are appropriate, either in addition to, or in place of, applying adverse judgment in a final written decision to deem claims unpatentable?

First, note that the Board has discretion to select sanctions not present in rule 42.12(b). *Apple Inc. v. Voip-Pal.com*, 2018-1456, 2018-1457, 976 F. 3d 1316, 1323 (Fed. Cir. 9/25/2020)(“Section 42.12(b) uses the term ‘include,’ which signifies a non-exhaustive list of sanctions,” citing earlier cases).

Other sanctions that are appropriate include holding certain facts to be established, and compensatory damages. As to the holding that certain facts are established, these may be facts regarding claim unpatentability, facts regarding

inequitable conduct, and facts regarding professional misconduct defined by 37 CFR 11.804.

Findings of fact regarding claim unpatentability could support a final written decision of claim unpatentability.

Findings of fact regarding inequitable conduct, specifically findings on intent and materiality, and findings of the level of proof for those findings, could result in the patent involved in the PTAB proceeding and any closely related patents becoming *de facto* unenforceable.

Findings of fact regarding the underpinnings of professional misconduct defined by 37 CFR 11.804, could support review and initiation of disciplinary actions by the USPTO's Office of Enrollment and Discipline.

Truly,

/RichardNeifeld/

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