

**Written Testimony of**

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**Before the**

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**Hearing on “The Patent Trial and Appeal Board After 10 Years: Impact on  
Innovation and Small Businesses”**

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Thank you for the opportunity to appear today to discuss “The Patent Trial and Appeal Board After 10 Years: Impact on Innovation and Small Businesses.”

By way of introduction, I am a Director (i.e., Partner) at the law firm of Sterne Kessler Goldstein & Fox, here in Washington, DC. Sterne Kessler is the country’s fourth-largest intellectual property firm, and we represent clients of all sizes in all technology areas, as well as in all legal areas within the realm of intellectual property.

I have practiced as a Patent Attorney since 1999, after obtaining my law degree from Georgetown University. I first became registered to practice before the U.S. Patent Office in 1995, as a Patent Agent, after I had obtained a Ph.D. from Cornell University in Biochemistry, Molecular and Cell Biology. I co-chair our law firm’s Patent Office Litigation Practice, and I serve as a member of our firm’s Executive Committee and Compensation Committee. By serving in these roles, I learn about – and am able to draw upon – the experiences of my colleagues in addition to drawing upon my own experiences.

I have practiced before the Patent Trial and Appeal Board (PTAB) regularly since its inception in 2012, and I previously before the Board of Patent Appeals and Interferences before it was replaced with the PTAB. Since the creation of the PTAB, our firm has been at the forefront of IPRs and PGRs, as well as the now-defunct CBMs. In 2012, we published the two-volume treatise *Patent Office Litigation*, on which I am a co-editor and co-author. Since 2012, our firm has been one of the most active firms at the PTAB, despite having significantly fewer attorneys than our closest competitors. I have appeared as counsel in over 75 post-grant proceedings, both on behalf of patent owners and petitioners. While I have represented clients across a wide range of technology areas, the majority of my experience has been in the life sciences, and I have represented both large entities and small entities. In many of these cases, the parties have also been engaged in parallel district court litigation, and I have represented both plaintiffs and defendants.

Today, I am testifying in my personal capacity, having served as a practitioner before the PTAB. Therefore, the views I express should not be attributed to Sterne Kessler, any clients of Sterne Kessler, or any other individual or organization with which I am affiliated.

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**Practicing before the PTAB:** When I reflect on the last 10 years of practicing before the PTAB, I think it has been a very dynamic period – a time of great opportunity for petitioners, but also a time of significant uncertainty for both petitioners and patent owners. On balance, I believe that post-grant proceedings have improved patent quality, primarily because the mere possibility of a post-grant challenge has motivated patent applicants to devote more resources to preparing and prosecuting quality patents in the first place. I therefore believe we need to continue to invest in quality patent prosecution on the front end, including providing better training in patent law for Examiners and providing better guidance and assistance for small entities and micro entities.

I briefly discuss below various additional areas where I believe further advancements can be made to provide stakeholders with more confidence and predictability in the PTAB system.

**PTAB Resources:** First, I urge you to consider whether the PTAB has sufficient resources to do its job well. From a practitioner’s perspective, it frequently seems that Administrative Patent Judges (APJs) are burdened with very busy dockets, making me question whether all three members of a PTAB panel are given adequate time to fully consider the evidence and nuanced technical and legal arguments presented in a case. Given the important role APJs play in adjudicating patent rights, it is critical that the PTAB has adequate funding to hire and retain talented lawyers to serve as APJs, has adequate staffing and training of the judges, and has a strong support system (e.g., a network of clerks and paralegals) and infrastructure. This is fundamental to achieving just results and instilling confidence in the system.

**Predictability:** Over the years, the PTAB has worked towards clarifying a variety of issues by issuing an increasing number of precedential or informative decisions. While those decisions have been helpful in identifying a list of factors that may be considered in deciding a given issue, it remains difficult to predict how a given panel will weigh or apply those factors in a particular proceeding. Discretionary denials and the availability of Director review are examples of this, but concerns regarding predictability extend beyond those examples. And while I am pleased that Director Vidal has just announced Interim Procedures for Discretionary Denials, uncertainty on those topics will remain if there is not consistent and clear application of

the law and policy, of if her procedures are not followed by future Directors. More broadly, however, I note that stakeholders yearn for more predictability, transparency, and confidence in the system.

**Claim Construction:** To increase predictability and confidence in the system, stakeholders would benefit from codification of the claim construction standard used in *inter partes* review and post-grant review proceedings. This standard should be the same as the standard used in district court, to minimize the potential for inconsistent outcomes between the two venues and to minimize gamesmanship by the parties. To provide further predictability and clarity, it is important to develop consistent procedures for how to account for any Markman order that is issued by a U.S. district court during the pendency of an IPR or PGR.

**Assessment of Witnesses:** I encourage you to consider whether the PTAB could be better equipped to make credibility determinations of witnesses. Not surprisingly, there is invariably conflicting expert testimony on technical issues that are important in a case. From a practitioner's perspective, it seems that witnesses too often shade the truth — even on cross-examination. Further, it seems that APJs commonly struggle to make credibility determinations of witnesses, particularly because there is virtually no live testimony in PTAB proceedings. Compounding the problem, it is rare to see the PTAB admonish a witness or a party for presenting incredible testimony. To instill further confidence in the system, it would be helpful if PTAB panels made it clear that they have closely considered witnesses' direct testimony as well as their cross-examination testimony. Additionally, it would be helpful if the PTAB promulgated guidelines and procedures for considering live testimony on key issues in cases. Such a system may facilitate the assessment of witness credibility, and provide the parties with more opportunity to have their positions be heard, giving them more confidence in the system.

**Standing:** While some stakeholders have suggested requiring that petitioners be required to have Article III standing to file an IPR or PGR, I do not favor such a system. The current system serves an important function in allowing stakeholders to resolve patent issues before expending large sums of money on research and development. Allowing resolution of patent issues early on allows petitioners to make appropriate business decisions regarding whether to continue with their commercialization plans. Although proposals have been made to define, by

statute, who has standing to appeal adverse decisions of the PTAB, any such legislation, of course, cannot abrogate the Constitution's requirement for a case or controversy. Nonetheless, parties would benefit from further clarity regarding how to satisfy Article III's standing requirement. Uncertainty regarding standing to appeal remains a concern for potential petitioners, particularly in light of the estoppel provisions of the AIA.

**Requests for Rehearing:** The PTAB's treatment of Requests for Rehearing warrants further consideration, and potentially revision. Requesting rehearing often appears to be an exercise in futility, given the low rate (~10%) at which such requests are granted. From a practitioner's perspective, requesting rehearing carries with it the concern that the panel will simply double-down on its previous decision, creating a more challenging record to address on appeal, rather than giving fresh consideration to the issues raised in the request. To increase confidence in the system, consider promulgating a process to allow more regular use of expanded panels, or even alternate panels, at the request of either party.

**Motions to Amend:** From a practitioner's perspective, the current system for motions to amend does not work well for patent owners, because of its adversarial nature and fairly low rate of success. While the pilot program on motions to amend appears to have increased the rate of granted motions, the process remains unsatisfying for many patent owners. Sophisticated patent owners generally would prefer to pursue additional claims in an *ex parte* setting, such as a Track 1 (i.e., expedited) continuation application or in a reexamination proceeding. Reevaluation of motion to amend practice, including consideration of expedited *ex parte* alternatives, would be welcomed.

**Diversity:** Finally, I applaud the PTAB for recognizing the importance of diversity, equity, and inclusion, both within the PTAB and in the patent bar. As just one example, the PTAB's LEAP program has created opportunities to further the diversity of attorneys practicing before the PTAB. I encourage the Office to continue its efforts to develop innovative programs to address this important issue.

In closing, ongoing efforts are needed to ensure the integrity of the patent system, and to continue to foster innovation. More clarity and predictability will benefit petitioners and patent owners of all kinds. Thank you for your consideration of these views.