June 17, 2023

Via Federal eRulemaking Portal at www.regulations.gov, Docket No. PTO-P-2020-0022

Attention: The Honorable Katherine K. Vidal
Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office

IBM Corporation Comments in Response to "Changes under Consideration to Discretionary Institution Practices, Petition Wordcount Limits, and Settlement Practices for America Invents Act Trial Proceedings", 88 Fed. Reg. 77 (April 21, 2023)

IBM thanks the United States Patent and Trademark Office ("Office") for the opportunity to provide comments in response to the Office's Changes under Consideration to Discretionary Institution Practices, Petition Wordcount Limits, and Settlement Practices for America Invents Act Trial Proceedings. IBM has been a participant in America Invents Act Trial Proceedings as both a patentee and as a petitioner, and has a keen interest on intellectual property policy matters.

IBM supported enactment of the America Invents Act, including support for strong patent challenge proceedings. IBM continues to support strong patent challenge proceedings, but also understands the occasional need to balance the promotion of patent quality through patent challenge proceedings against fairness to patentees in those patent challenge proceedings. IBM also supports transparency in striking such balance to promote consistency. With that as background, IBM offers the following comments to the Office.

Generally, it is not IBM's intent to alter the requirements of the America Invents Act. For example, with respect to institution of a patent challenge proceeding based on "compelling merits", this is contrary to the requirement for institution that it is more likely than not that at least one claim challenged is unpatentable, or that a novel or unsettled legal question is at stake per 35 U.S.C. 324.

With respect to denial of institution because the same or substantially the same prior art or arguments previously were presented to the office (or previously were addressed by the Office, as the Office is now considering), IBM recommends the Office consider implementing a higher burden that a petitioner must overcome for institution when presenting the same prior art as previously presented. If a patent has been challenged many times before, a new challenge should be substantially different than the prior challenges. In addition, IBM recommends the Office expressly indicate denial to be appropriate when a petitioner cites new prior art merely raising substantially the same arguments. This might already appear to be clear in view of 35 U.S.C. 325(d), but we have observed institution upon citation of insignificant new prior art. At a minimum, the Office should expressly indicate denial to be appropriate when petitioner cites new but merely cumulative prior art (solely or in combination with previously cited prior art). The Office should also consider implementing a presumption of insubstantiality of argument(s) when petitioner cites new secondary prior art in combination with previously cited primary prior art cited for the same primary teaching. Finally, the Office should consider imposing monetary

consequences upon petitioners that fail to present any substantial new prior art or arguments (or advising Congress to authorize same). IBM welcomes rulemaking consistent with the foregoing.

The absence of IBM comments on any changes under consideration should not be interpreted as IBM's support or opposition to those changes.

Respectfully submitted,

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