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United States Senate

COMMITTEE ON THE JUDICIARY

WASHINGTON, DC 20510-6275

Via Electronic Transmission
April 9, 2019

The Honorable Andrei Iancu
Under Secretary of Commerce for Intellectual Property and
Director of the U.S. Patent and Trademark Office
U.S. Patent and Trademark Office
600 Dulany Street
Alexandria, VA 22314

Dear Director Iancu:

We write to raise an ongoing concern regarding our patent system. We continue to hear from patent stakeholders about abuse of the *inter partes* review process in the form of "serial" petitions. We have heard from both large companies with tremendous innovation pipelines as well as small companies and patent-intensive startups that they are facing extensive serial attacks on their patent portfolios. Rather than addressing "bad patents" as was Congress's intent during the development of the IPR process, these serial petitions appear to reflect coordinated efforts by certain organizations to undermine the strength of our patent system.

You previously committed to Congress and the public to "assess potential improvements to the AIA trial standards and processes" on issues including "the institution decision, claim construction, the amendment process, and the conduct of hearings."[1] As you evaluate and make improvements to the IPR process, we urge you to prioritize solutions to the problem of abusive serial petitions—multiple follow-on petitions attacking the same patent claims and asserting new or modified arguments—either by the same petitioner or different petitioners. These petitions impose an undue burden on patent owners and harm innovation.

The IPR process was envisioned as a second window to evaluate patents and an inexpensive alternative to district court litigation. Abusive serial petitions were not part of that vision. They rob the process of its efficiency and consume resources that inventive companies could otherwise devote to research and development. As we seek to catapult American innovation ahead in the future, we must ensure that abuses in the IPR process are addressed and that duplicative proceedings are avoided.

The USPTO already has authority to combat the problem, and we hope that you will use it. Making the factors in *General Plastic* precedential was a step in the right direction, but the *General Plastic* factors only 'are not sufficient.[2] We have continued to hear concerning reports of abusive serial petitions even after *General Plastic* became precedential, as well as overlapping

[1] *Oversight of the U.S. Patent and Trademark Office Before the S. Comm. On the Judiciary*, 115th Cong. (Apr. 18, 2018) (statement of Andrei Iancu at p. 4), *available at* https://www.judiciary.senate.gov/imo/media/doc/04-18-18%20Iancu%20Testimony.pdf.
[2] *See Gen. Plastic Indus. Co. v. Canon Kabushiki Kaisha*, IPR2016-01357, Paper 19 (PTAB Sept. 6, 2017).

instituted proceedings that have not been joined. This not only allows petitioners to have multiple bites of the apple, but also allows them to modify and refine their evidence and strategies after learning the initial arguments of the patent owner.

Given that the USPTO has the authority to address the issues presented by abusive serial petitions, we ask—by no later than May 9, 2019—that you answer the following questions:

1. Will you adopt a presumption that, when the PTAB has already issued a decision on institution with respect to a particular patent, further petitions, whether by the original petitioner or different petitioners, will not be entertained in the absence of compelling circumstances?
2. Will you modify the first *General Plastic* factor to also ask whether a *different* petitioner previously filed a petition directed to the same patent?
3. Will you consider affiliates of a prior petitioner to be the "same petitioner" for all intents and purposes?
4. Will you require an executive management member or owner of the petitioner entity to provide by sworn affidavit a list of all parties that any person in the petitioning entity has collaborated or coordinated with, directly or indirectly, regarding IPR petitions filed against the challenged patent?
5. Will you designate as precedential your recent decision in *Valve Corp. v. Electronic Scripting Products, Inc.*, IPR2019-00062 (PTAB Apr. 2, 2019), which held that "serial and repetitive attacks," even by different petitioners, weigh against institution?

We look forward to your answers to these questions. We believe they offer a roadmap to some possible solutions to this very important issue.

Regardless of your answers to these questions, we urge you to work with stakeholders to further develop and implement meaningful solutions. We look forward to continuing to work with you to improve the AIA trials and procedures, and we welcome your perspective on the specific issues we have cited and the potential remedies that we have suggested. As always, we stand ready to work with you and the entire team at the USPTO to improve the U.S. patent system and the environment for innovation and economic growth in the United States.

If you have any questions, please do not hesitate to contact either Brad Watts with Senator Tillis at 202-224-6342 or Philip Warrick with Senator Coons at 202-228-1993.

Sincerely,

Thom Tillis
United States Senator

Christopher A. Coons
United States Senator