UNITED STATES
PATENT AND TRADEMARK OFFICE

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Boardside Chat: New developments

Patent Trial and Appeal Board
Vice Chief Judge Michael Tierney
Lead Judge William Saindon
June 11, 2020

UNITED STATES PATENT AND TRADEMARK OFFICE
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Agenda

- New AIA trial statistics
- Potential rule changes to AIA trial rules on institution and responsive briefing
- Operational FAQs

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Question/comment submission

- To send in questions or comments during the webinar, please email:
  - PTABBoardsideChat@uspto.gov

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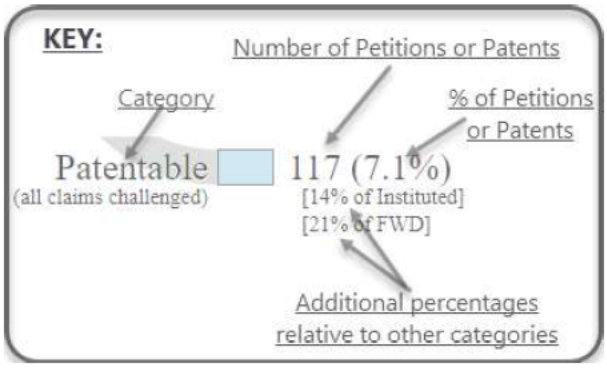
New AIA trial statistics

Contents

1. Statistics describing AIA proceedings
2. Description of the data set and methodology

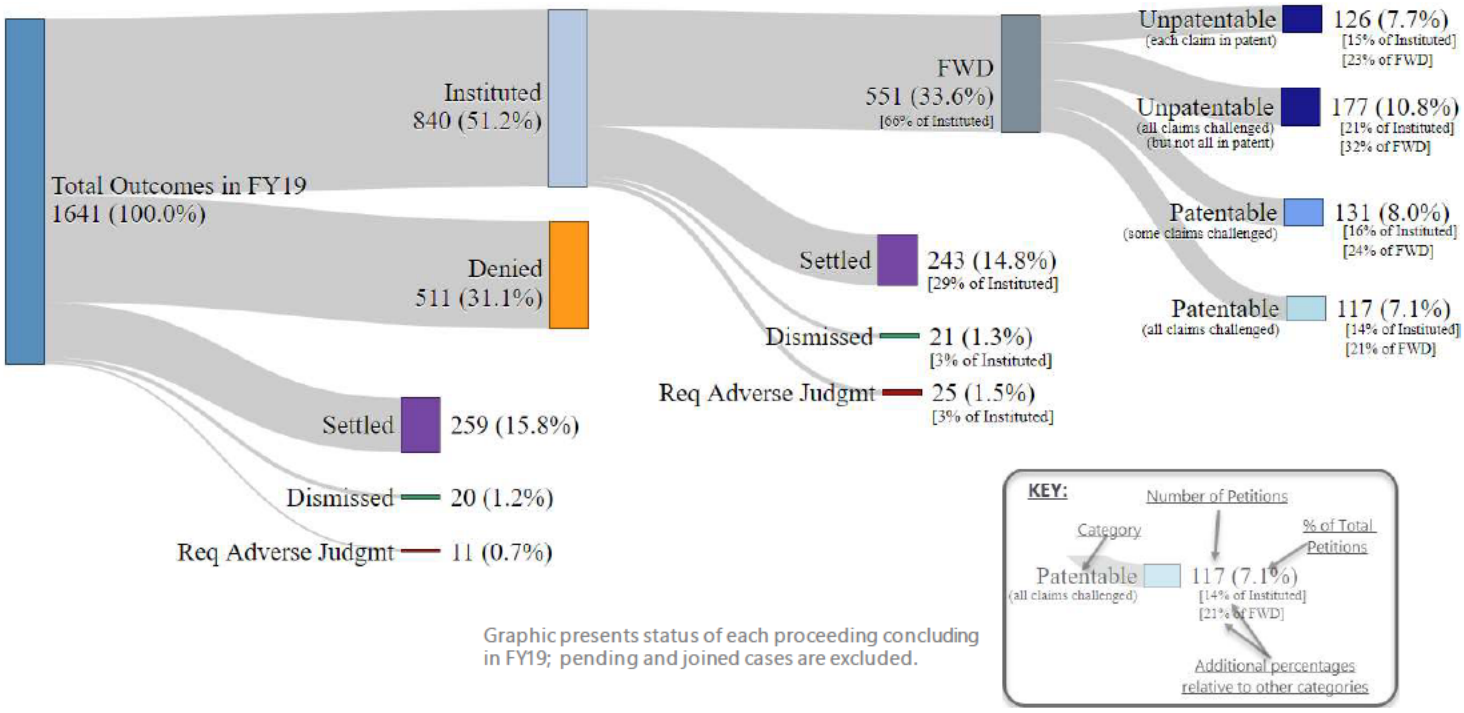
How to read the Sankey diagrams



Some percentages in this presentation may not add up to 100% due to rounding.

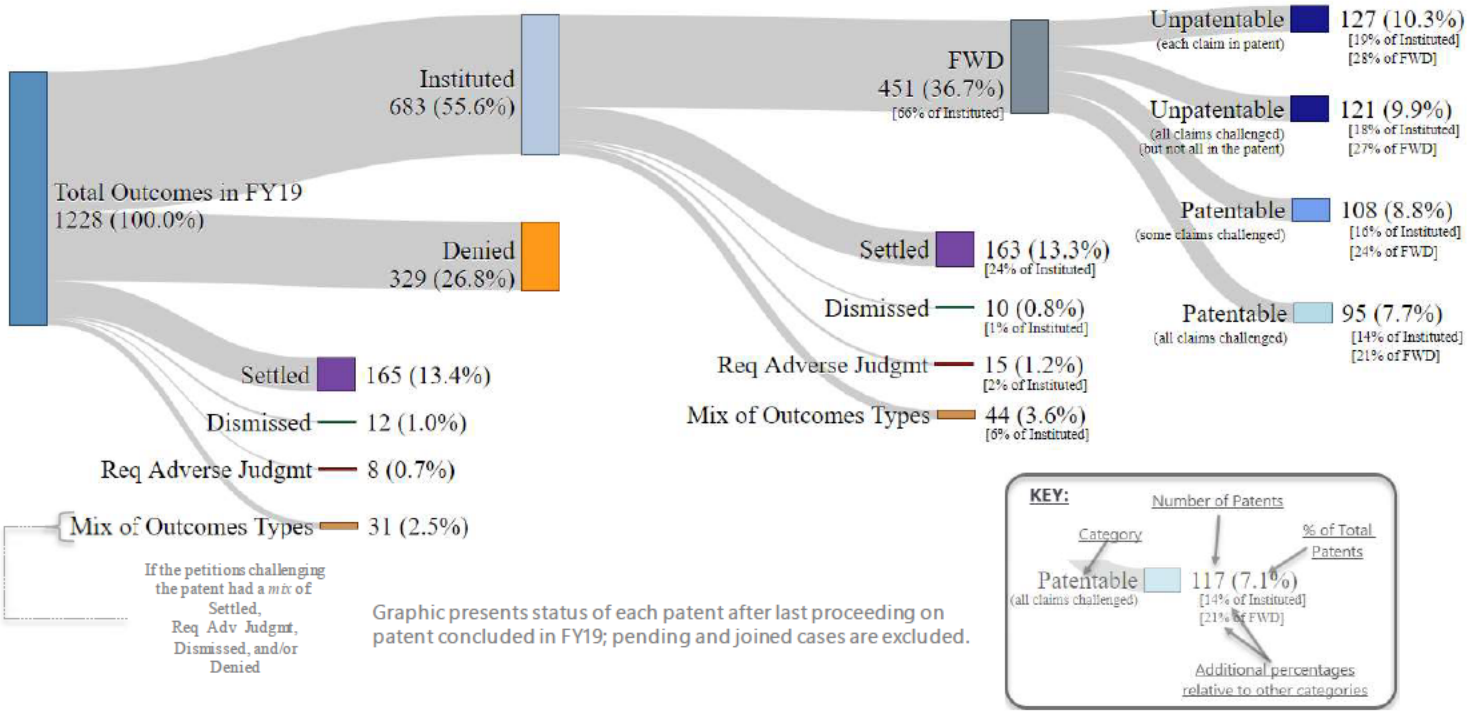
Whatfix, Inc. Exhibit 1035 Page 6
Whatfix Inc. v. WalkMe Ltd. IPR2023-01368

Outcomes in FY19, by petition



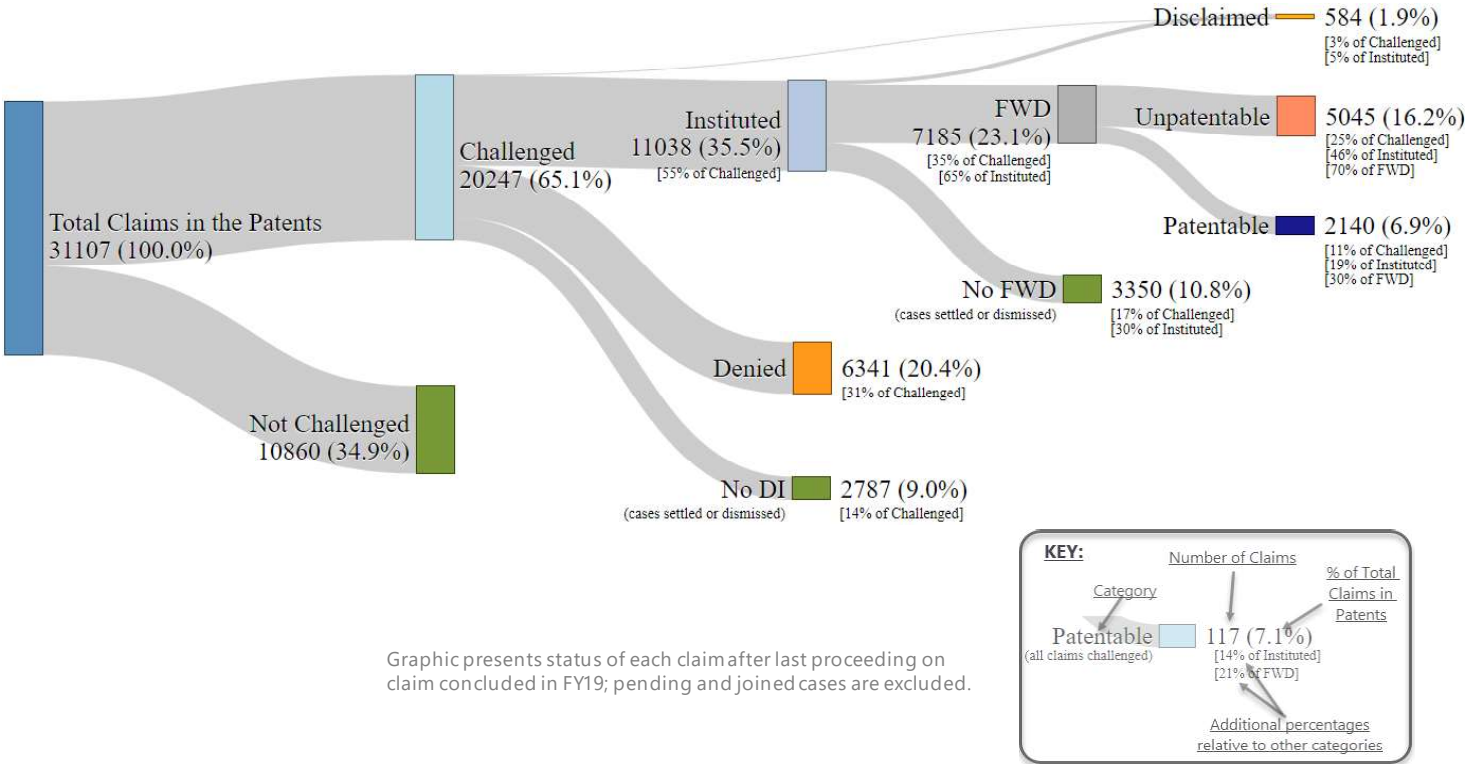
Graphic presents status of each proceeding concluding in FY19; pending and joined cases are excluded.

Outcomes in FY19, by patent



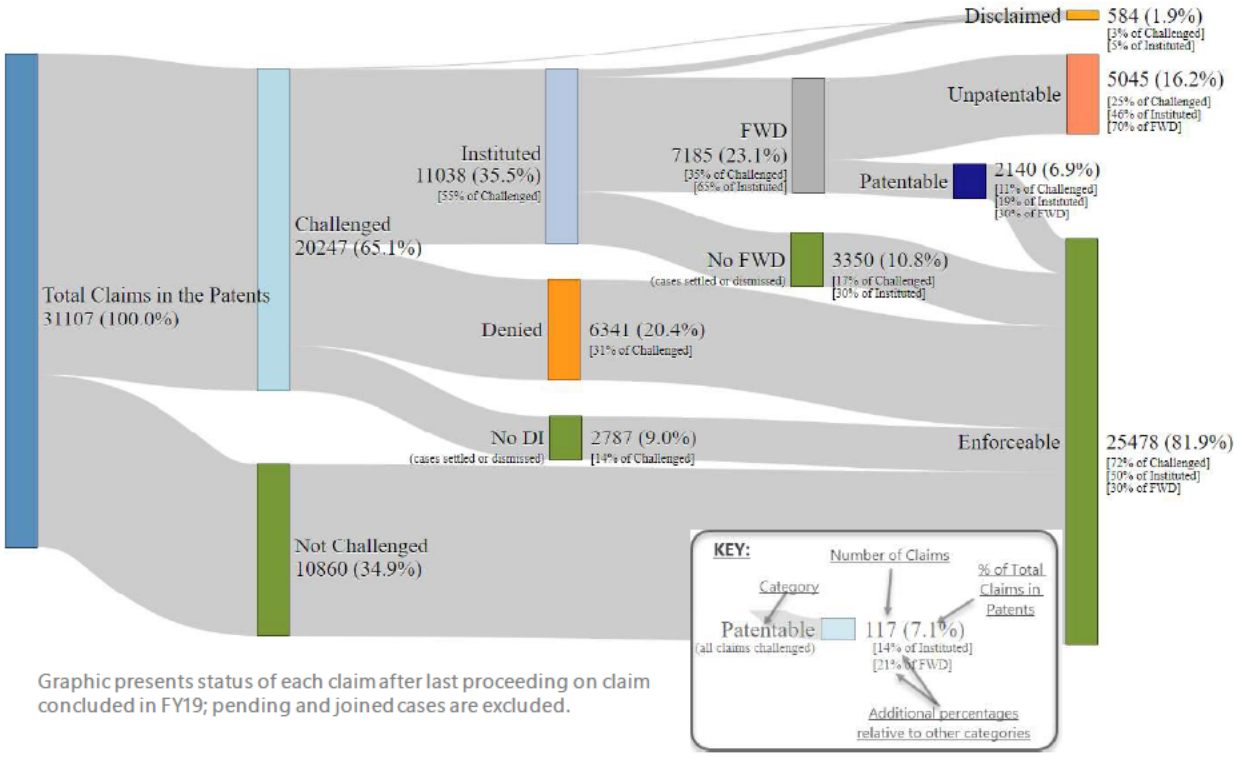
Graphic presents status of each patent after last proceeding on patent concluded in FY19; pending and joined cases are excluded.

Outcomes in FY19, by claim



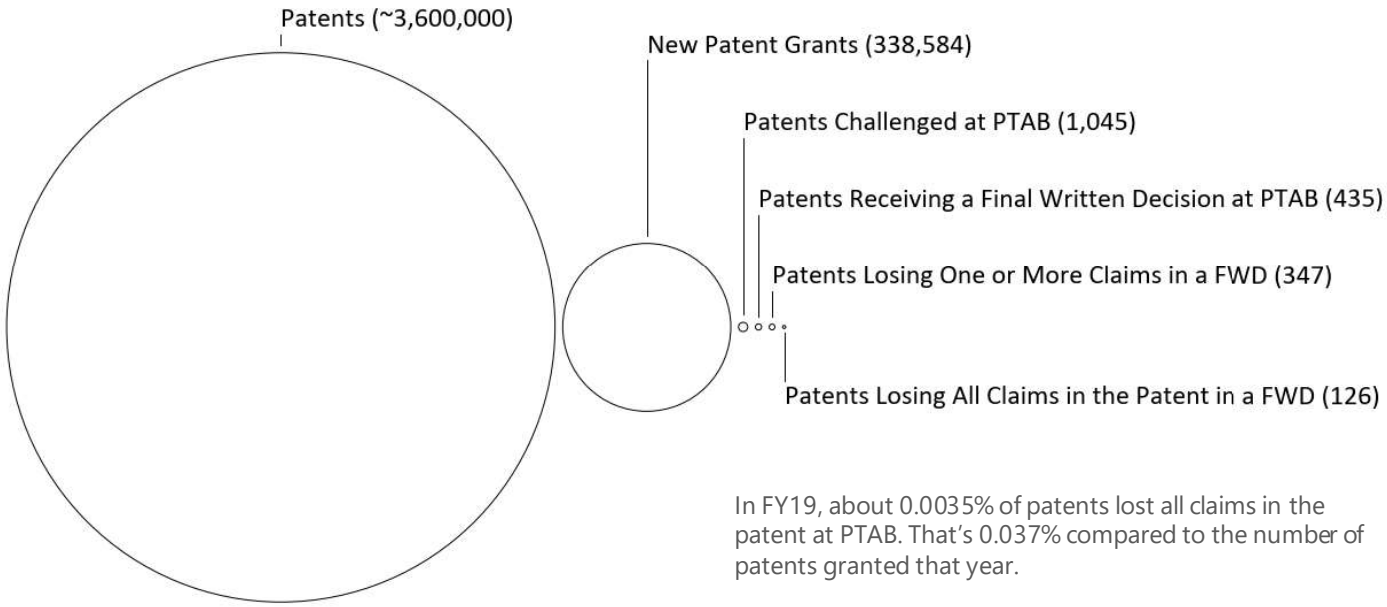
Graphic presents status of each claim after last proceeding on claim concluded in FY19; pending and joined cases are excluded.

Outcomes in FY19, by claim



Graphic presents status of each claim after last proceeding on claim concluded in FY19; pending and joined cases are excluded.

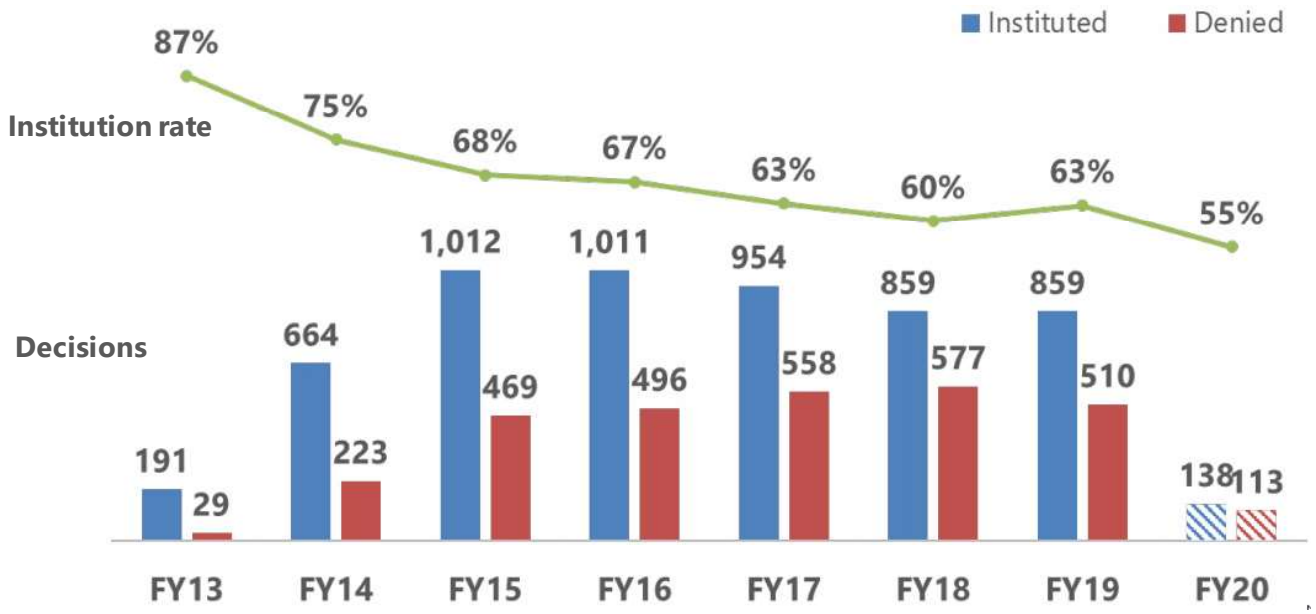
In fiscal year 2019:



In FY19, about 0.0035% of patents lost all claims in the patent at PTAB. That's 0.037% compared to the number of patents granted that year.

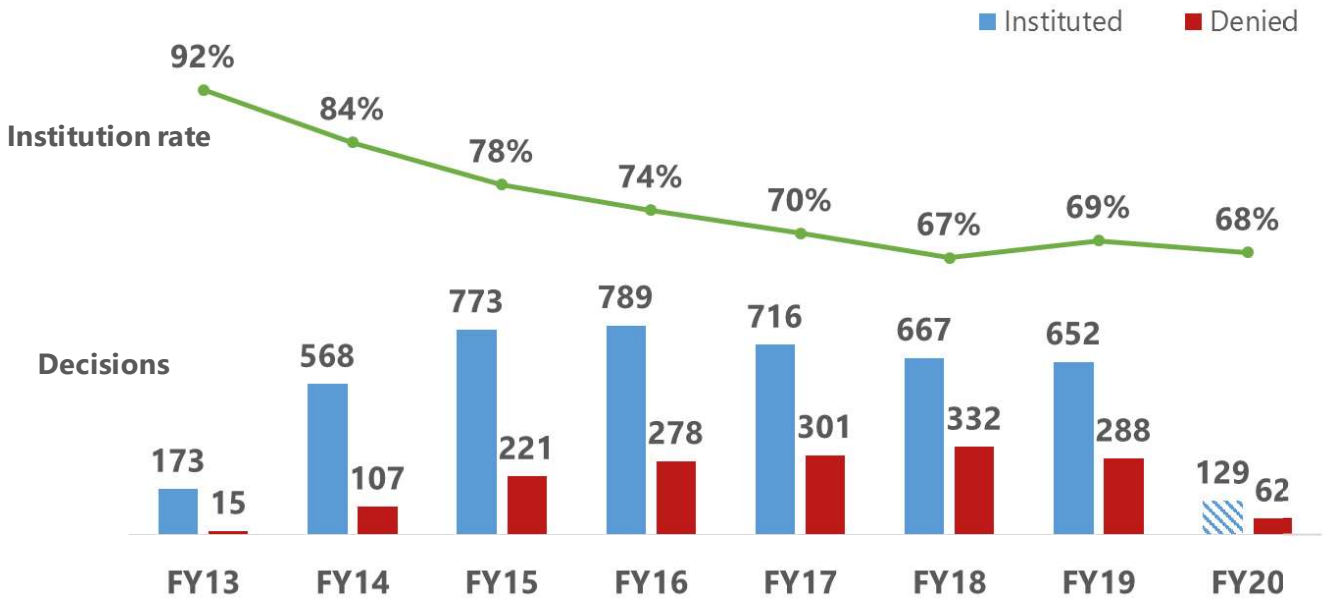
The area of each circle is scaled to the number of patents in the category.

Institution rates <u>by petition</u>
(FY13 to FY20: Oct. 1, 2012 to Dec. 31, 2019)



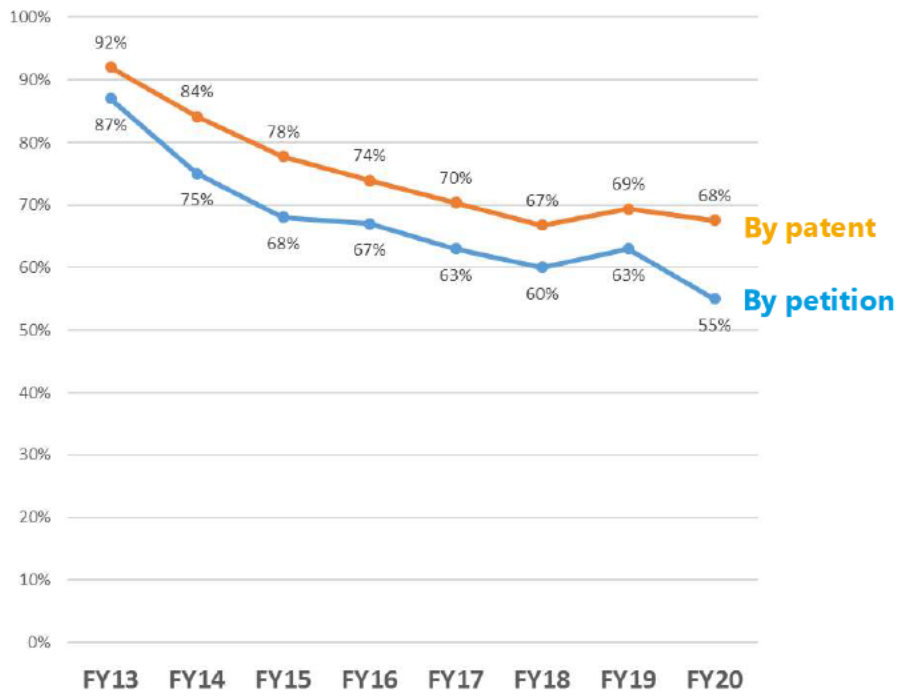
Institution rate for each fiscal year is calculated by dividing petitions instituted by decisions on institution (i.e., petitions instituted plus petitions denied). The outcomes of decisions on institution responsive to requests for rehearing are excluded.

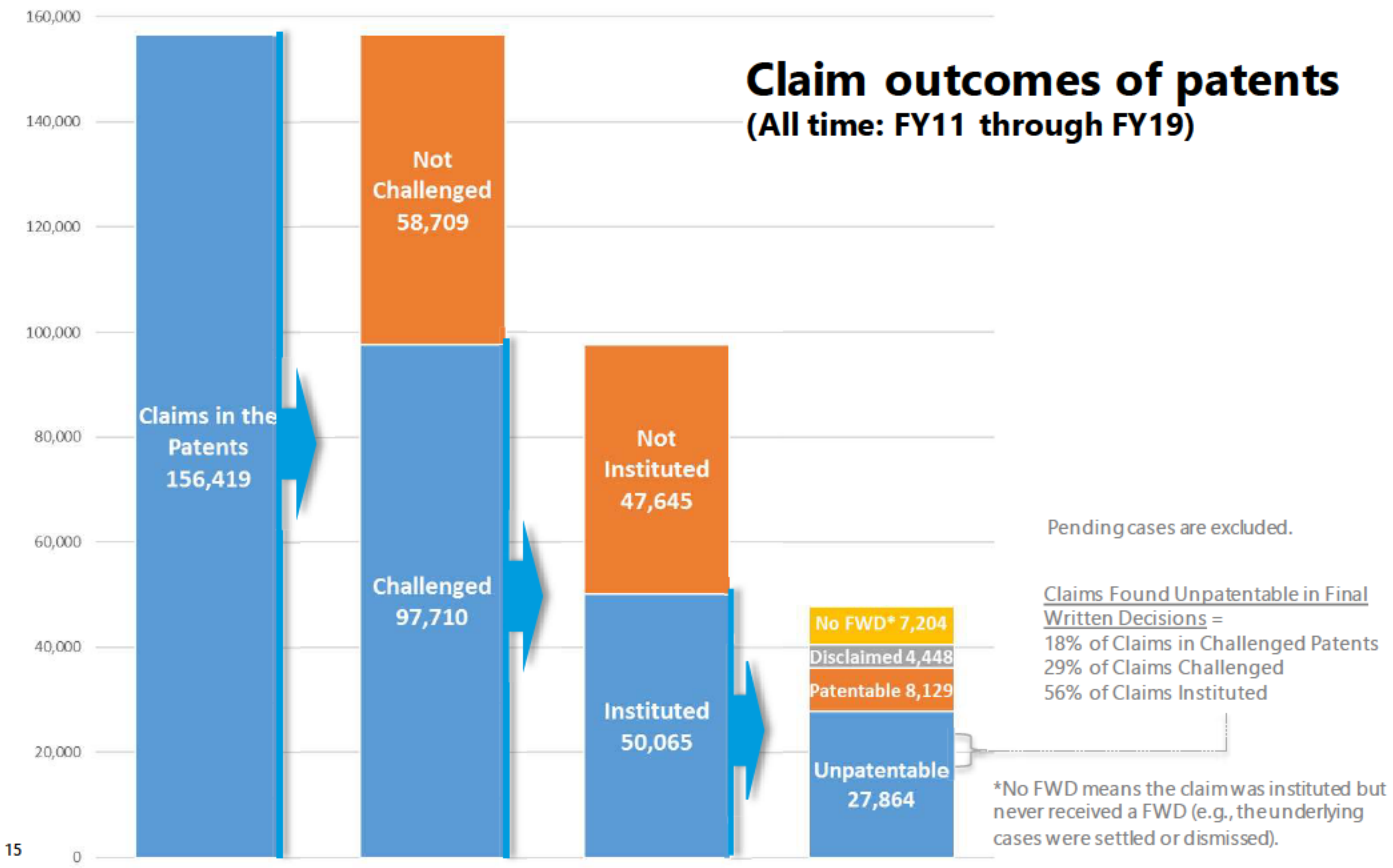
Institution rates by patent
(FY13 to FY20: Oct. 1, 2012 to Dec. 31, 2019)



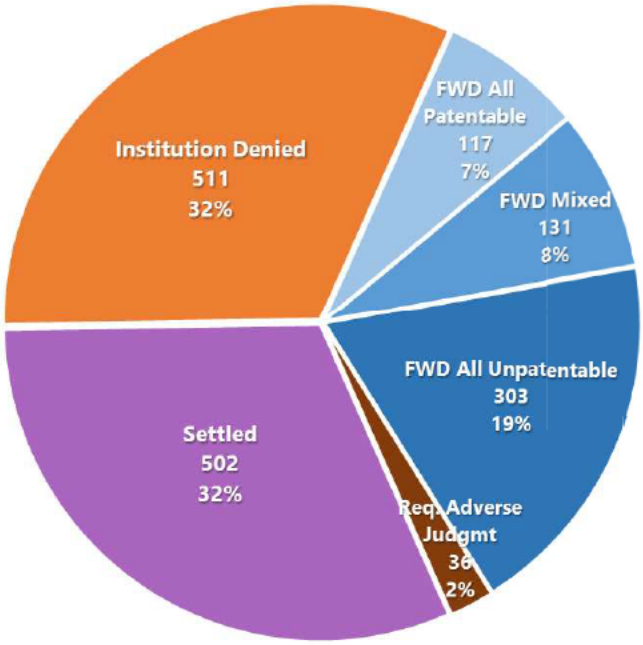
A patent is "instituted" if any petition challenging that patent is instituted. A patent is "denied" if no petitions challenging that patent are instituted. Patents that have not received a Decision on Institution are not included in this data set.

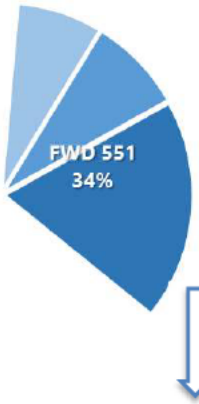
Institution rates by petition vs by patent



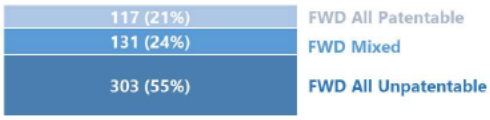

Claim outcomes of patents
(All time: FY11 through FY19)
160,000
140,000
120,000
100,000
80,000
60,000
40,000
20,000
0
Claims in the Patents 156,419
Not Challenged 58,709
Challenged 97,710
Not Instituted 47,645
Instituted 50,065
No FWD* 7,204
Disclaimed 4,448
Patentable 8,129
Unpatentable 27,864
Pending cases are excluded.
Claims Found Unpatentable in Final Written Decisions =
18% of Claims in Challenged Patents
29% of Claims Challenged
56% of Claims Instituted
*No FWD means the claim was instituted but never received a FWD (e.g., the underlying cases were settled or dismissed).

Outcomes in FY19, by petition



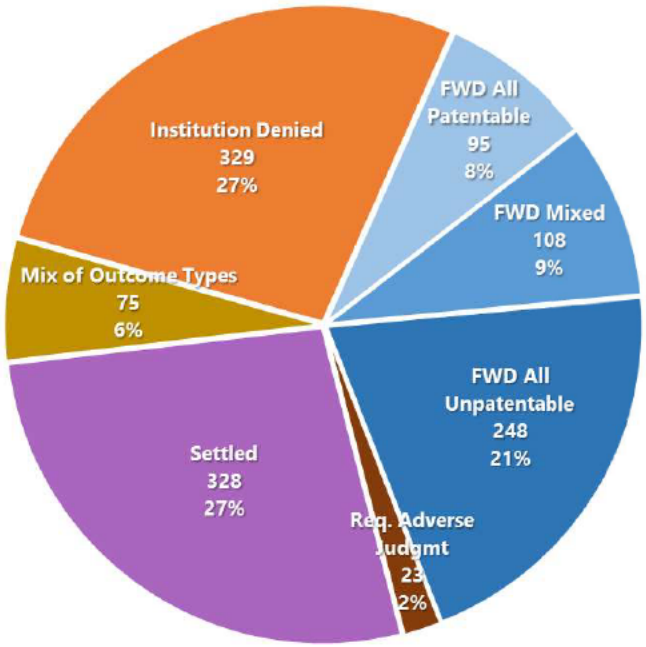


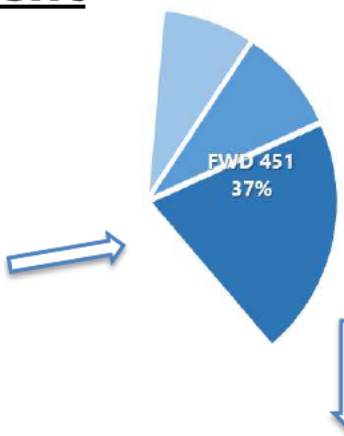
Percentage of the final written decisions



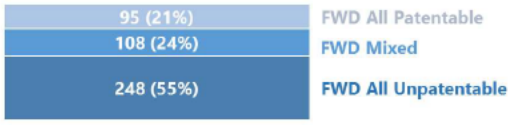
Joined and dismissed cases excluded.

Outcomes in FY19, by patent



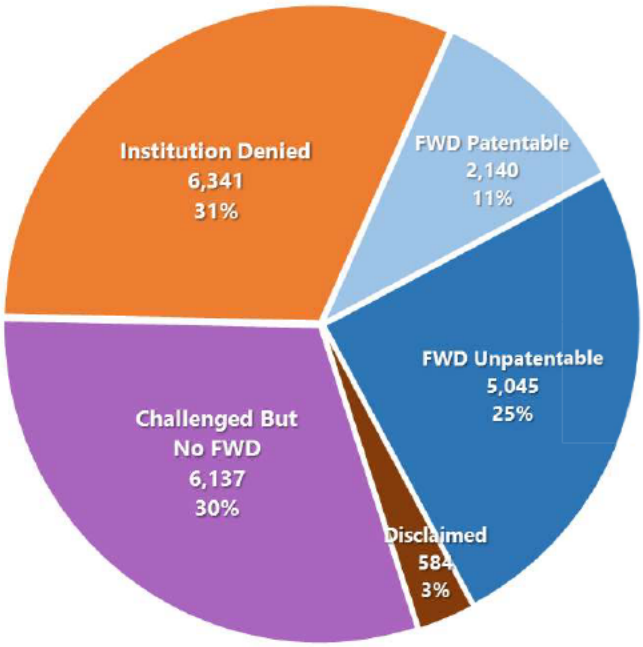


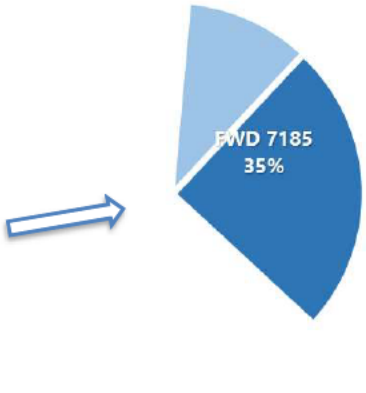
Percentage of the final written decisions

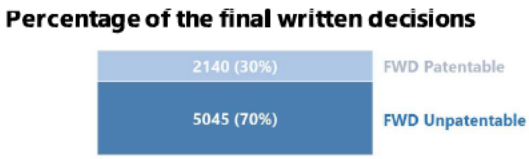


Joined and dismissed cases excluded. FWD patentability or unpatentability reported with respect to the claims challenged. "Mix of Outcome Types" means patent saw a mix of denied, settled, and req. adverse judgment.

Outcomes in FY19, by claim challenged

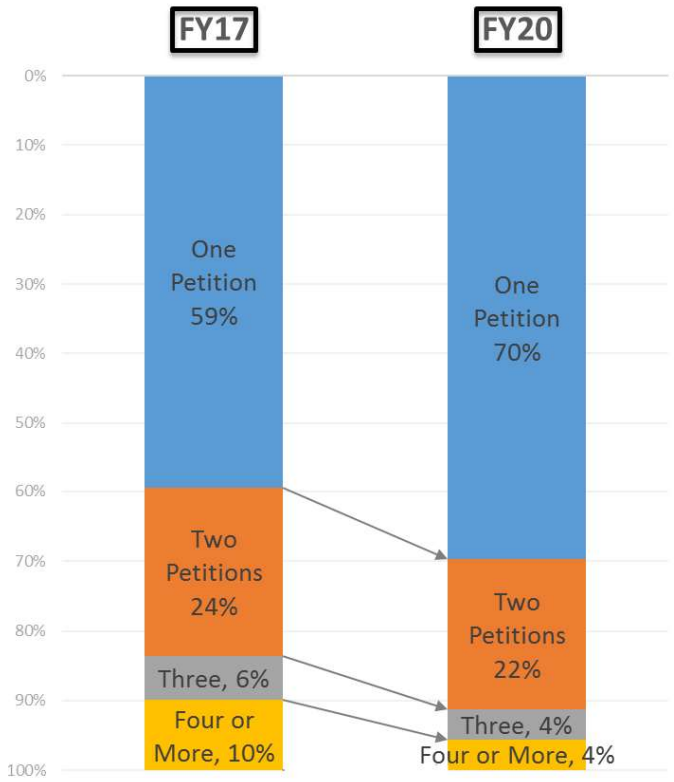






FWD patentability or unpatentability reported with respect to the claims challenged.

Multiple petitions: *pre-General Plastic* vs. today



Patent Challenged by:	FY17 (%)	FY20 (%)	% Change
One Petition	59	70	19%
Two Petitions	24	22	-8%
Three	6	4	-33%
Four or More	10	4	-60%

Each bar accounts for all patents challenged during the indicated FY timeframe, and counts the total number of petitions ever filed with respect to those patents from September 16, 2012, up to the end of that FY timeframe. The timeframe for FY17 is the entire year, and the timeframe for FY20 is through the end of Q1.

Question/comment submission

- To send in questions or comments during the webinar, please email:
  - PTABBoardsideChat@uspto.gov

Potential rule changes to AIA trial rules on institution and responsive briefing

Proposed rule

- PTAB Rules of Practice for Instituting on All Challenged Patent Claims and All Grounds and Eliminating the Presumption at Institution Favoring Petitioner as to Testimonial Evidence.
  - Published May 27, 2020.
  - www.federalregister.gov/documents/2020/05/27/2020-10131/ptab-rules-of-practice-for-instituting-on-all-challenged-patent-claims-and-all-grounds-and.

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Proposed changes

- In accordance with the holding in *SAS Institute Inc. v. Iancu*, 138 S. Ct. 1348 (2018), the USPTO proposes changes to:
  - the rules of practice for instituting a review on all challenged claims;
  - the rules of practice for instituting a review on all grounds of unpatentability for the challenged claims that are asserted in a petition;
- Additionally, the USPTO proposes changes to:
  - the rules to conform to the current standard practice of providing sur-replies to principal briefs and providing that a patent owner response and reply may respond to a decision on institution; and
  - eliminate the presumption that a genuine issue of material fact created by the patent owner's testimonial evidence filed with a preliminary response will be viewed in the light most favorable to the petitioner for purposes of deciding whether to institute a review.

Comments deadline and submission

- Written comments must be received on or before June 26, 2020.
- All comments should include the docket number (PTO-P-2019-0024).
- Comments should be sent by email addressed to: PTABNPRM2020@uspto.gov.
- Comments may also be sent via the Federal eRulemaking Portal at www.regulations.gov.
- The office prefers:
  - to receive comments by email to more easily share all comments with the public.
  - the comments to be submitted in plain text but also accepts comments submitted in
    - searchable Adobe portable document format (PDF); or
    - Microsoft Word format.

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Public inspection of the comments

- The comments will be available for public inspection at the Patent Trial and Appeal Board, located in Madison East, Ninth Floor, 600 Dulany Street, Alexandria, Virginia.
- Comments also will be available for viewing online via
  - the office's website, https://go.usa.gov/xXXFW; and
  - the Federal eRulemaking Portal.
- Because comments will be made available for public inspection, information that the submitter does not desire to be made public, such as an address or phone number, should not be included.

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For further information

- Contact:
  - Michael Tierney
  - Vice Chief Administrative Patent Judge
  - (571) 272-9797

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Question/comment submission

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  - PTABBoardsideChat@uspto.gov

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PTAB Operational FAQs

General Information

- PTAB Operational FAQs were released on May 29, 2020.
- www.uspto.gov/patents-application-process/patent-trial-and-appeal-board/resources/ptab-operational-faqs-may-29
- The FAQs include 11 frequently asked questions about PTAB operations and the answers to those questions with links to resources.

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Are paper filings available for PTAB documents?

- Although electronic filings are strongly encouraged, paper filings are available if needed.
- It is possible that delays could arise with processing paper filings.
- Additional requirements exist when submitting paper filings in AIA and interference proceedings.

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What are the additional requirements for paper filings in AIA and interference proceedings?

- AIA and interference paper submissions must be accompanied by a written explanation showing that the USPTO electronic filing systems were unavailable due to technical problems and email systems were down, or that extraordinary circumstances were present.
- Certain paper submissions, such as AIA petitions, must be submitted with a motion to the PTAB requesting acceptance of the paper submission and identifying a date of transmission, where a party seeks a filing date other than the date of receipt at the Board. 37 C.F.R. § 42.6(b).
- If you submit an AIA or interference filing on paper, you should notify the PTAB by sending an email to Trials@uspto.gov.

Where do I go to file PTAB documents electronically?

- Ex parte appeal filings through EFS-Web: www.uspto.gov/patents-application-process/file-online.
- AIA proceeding filings via PTAB E2E: https://ptab.uspto.gov/#/login.
- Interference filings via the Interference Web Portal: https://acts.uspto.gov/ifiling/.

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Who do I contact if I need assistance for a matter at the PTAB, including electronic filing?

- PTAB matters generally, docketed ex parte appeals (i.e., appeals in which the PTAB has issued a notice of docketing) and interferences: 571-272-9797.
- Undocketed ex parte appeals: 571-272-7701.
- AIA proceeding questions, including PTAB E2E assistance: 571-272-7822.

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What happens if PTAB E2E is down?

- If you have a deadline for filing an AIA petition and/or other associated documents in a pending AIA case and you cannot file electronically via PTAB E2E, you must use an alternative filing method. Specifically, AIA petitions and/or other associated documents may be served on opposing counsel via email. The Board should be notified of the service by email, copying opposing counsel, at Trials@uspto.gov. The email notification to the Board should NOT include attachments.

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What happens if PTAB E2E is down? (cont.)

- Notification to the Board of petitions served via email must include:
  - name of point of contact;
  - email address of point of contact;
  - patent number to which the petition corresponds (or application number in the case of a derivation proceeding);
  - application number of the patent;
  - petitioner's application number (in the case of a derivation proceeding);
  - number of claims challenged;
  - type of AIA proceeding;
  - power of attorney; and
  - fee (e.g., a deposit account authorization).

What happens if PTAB E2E is down?

- In addition, if a petition or document is served via email or other means, it must be followed by a later-filed motion requesting acceptance of the submission once PTAB E2E is available. The petition or document will be accorded the date on the certificate of service as the identified filing date (37 C.F.R. § 42.6(b)). It is important to note that a petition will not be accorded a filing date unless it is accompanied by a payment of the appropriate fees (e.g., a deposit account authorization).
- Alternatively, if PTAB E2E is down during normal business hours, a party may contact the Board and request a one-day extension of time for due dates that are set by rule or orders of the Board. 37 C.F.R. § 42.5. In the unlikely event that an administrative patent judge is not available to rule on the extension, the Board may grant an extension the day after the paper is due.

What happens if PTAB E2E is down? (cont.)

- In relation to extensions of time generally, please also see the USPTO announcement regarding the Coronavirus Aid, Relief, and Economic Security (CARES) Act (released March 31, 2020), the USPTO announcement extending certain patent and trademark deadlines to June 1 (released April 28, 2020), and the Notice of Extended Waiver of Patent-Related Timing Deadlines under the Coronavirus Aid, Relief, and Economic Security Act and Other Relief Available to Patent Applicants and Patentees (published April 28, 2020).

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How can I monitor a case at the PTAB?

- To monitor the status of your application or PTAB proceeding:
  - Ex parte appeals - use Public Pair: https://portal.uspto.gov/pair/PublicPair
  - AIA proceedings - use PTAB E2E: https://ptab.uspto.gov/#/login
  - Interferences - use Interference Web Portal: https://acts.uspto.gov/ifiling/

What other resources are available at the PTAB?

- PTAB contact information:
  - Phone: 571-272-9797 (Hours of operation: Monday through Friday 8:30 a.m. to 5 p.m. ET)
  - Email: Trials@uspto.gov (General information about PTAB AIA proceedings)
  - Email: PTAB_Appeals_Suggestions@uspto.gov (General information about PTAB ex parte appeals)
  - Email: PTABHearings@uspto.gov (Questions regarding PTAB hearings)
- PTAB homepage: https://go.usa.gov/xdJRA
- PTAB ex parte FAQs: www.uspto.gov/patents-application-process/appealing-patent-decisions/patent-trial-and-appeal-board-ptab-faqs
- PTAB AIA trial FAQs: www.uspto.gov/patents-application-process/patent-trial-and-appeal-board/trials/faqs

May service of an AIA petition and supporting evidence be made electronically by email?

- Under 37 C.F.R. §§ 42.105(a) and 42.205(a), an AIA petition and supporting evidence must be served on the patent owner at the correspondence address of record for the subject patent.
- Service may be made electronically by email to counsel associated with the correspondence address of record for the subject patent upon agreement of the parties (37 C.F.R. §§ 42.105(b) and 42.205(b)):
  - Absent agreement, the petition must be accompanied by a motion requesting permission to serve the petition electronically and explain why electronic service is warranted as opposed to serving patent owner at the address of record for the challenged patent.
  - Petitioner should notify Board of electronic service of an AIA petition and supporting evidence via email to Trials@uspto.gov.

Does the Board require depositions to be conducted in-person?

- No. Parties may conduct video and telephonic depositions as well as in-person depositions. Parties to proceedings before the Board are encouraged to meet and confer regarding appropriate means to conduct depositions consistent with their needs.

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Does the Board require depositions to be conducted in-person? (cont.)

- If a party needs an extension of time to conduct an in-person deposition, the party should first contact the opposing party and see if an agreement can be reached to stipulate to an extension of time. If the parties cannot agree, or if a due date cannot be extended by stipulation, the parties should contact the Board by joint email at Trials@uspto.gov.
  - The joint email must identify the location of the deponent and the locations of deposing counsel and defending counsel, explain the steps the parties have taken to resolve the issue, identify any steps the parties have agreed upon, set forth any relief requested from the Board, and set forth any disagreements among the parties, including alternative proposals not mutually agreed upon.
  - Additionally, a party seeking an extension of time should be prepared to explain to the Board how much of an extension is needed, why the extension is needed, and how the extension impacts the Board and parties' ability to complete the proceeding within statutory deadlines.

What if my expert or affiant is unable to provide a written signature on a declaration or affidavit in a proceeding before the Board?

- As with counsel, an expert or affiant may sign a document electronically by providing a typed name between two forward slashes (e.g., /Dr. James T. Jones Jr./).
- For further guidance, see 37 C.F.R. § 1.4(d)(2) and the Manual of Patent Examining Procedure § 502.02.

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When filing electronically, what is the date of receipt of a document submitted to the PTAB?

- Ex parte appeal filings may be made through EFS-Web.
  - The time and date of receipt of a document filed via EFS-Web is the local time and date of receipt of the document in the USPTO headquarters in Alexandria, Virginia, which is Eastern Time; i.e., the submission's "date of receipt," is the Eastern Time zone date that the document is received at the USPTO. Manual of Patent Examining Procedure ("MPEP"), § 502.05(c).

When filing electronically, what is the date of receipt of a document submitted to the PTAB? (cont.)

- AIA proceeding filings may be made via PTAB E2E. Interference filings may be made via the Interference Web Portal.
  - The time and date of receipt for filings in PTAB E2E and the Interference Web Portal is the local time and date of receipt of the filing in the USPTO headquarters in Alexandria VA; i.e., the submission's "date of receipt," is the Eastern Time zone date that the document is received at the USPTO.

Question/comment submission

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  - PTABBoardsideChat@uspto.gov

The following pages provide an in-depth explanation of the methodology and data used to create the new AIA trial statistics in this deck.

Appendix

General notes & methodology

- Common acronyms: Decision on Institution (DI); Final Written Decision (FWD); Request for Adverse Judgment (RAJ); Fiscal Year (FY).
- Inter partes reviews (IPR), covered business method reviews (CBM), and post grant reviews (PGR) were considered. Derivations were not considered.
- The dataset includes the status of all petitions, patents, and claims as of the date reported on the slide. For example, FY19 datasets display the outcome of the petition, patent, or claim as of close of business on 9/30/2019.
- Percentages are rounded to improve readability. Rounding is made according to traditional convention, where the digit to be rounded off is inspected and if between 0 and 4, round down, and if between 5 and 9, round up.
- Because of rounding, percentages may not always add up exactly to 100%.

Data definitions & methodology – per slide

Outcomes in FY19, by petition

- This Sankey graphic displays the results for each petition that reached an outcome in FY19 (10/1/2018 – 9/30/2019).
- "Outcomes" are defined as the names of events that end an AIA proceeding. The outcomes consist of: FWD, Settled, Dismissed, RAJ, and Denied. These outcomes may also be referred to as "terminations." A DI instituting a trial is not an outcome because the proceeding does not end there. Because it is a point of interest, however, it is generally included along with the outcomes.
- Pending cases have not reached an outcome and are by definition excluded. Joined cases mirror the outcome of the case to which they are joined and are excluded to avoid double counting.
- The graphic (as well as those similar graphics that follow) breaks out FWDs where every claim in the patent was found unpatentable, versus those where all of the claims challenged were found unpatentable.
- The graphic displays, for each outcome category, how many cases fell into that category in FY19, and what percent of all outcomes fall into that category. For select categories, further percentages are provided to show percentages relative to other categories, such as percent of instituted cases or percent of FWDs.

Outcomes in FY19, by patent

- This Sankey graphic displays the results for each patent that saw an outcome (defined above) in one of its petitions in FY19.
- First, each patent that had a petition reach an outcome in FY19 was identified. Then, the outcomes of all of the petitions challenging that patent were considered. Outcomes occurring after FY19 were not considered.
- Outcomes by patent mirror the outcomes by petition categories. However, because it is possible that there may be more than one petition challenging a patent, and not all of the petitions challenging a patent may have the same outcome, outcomes by patent are an aggregate outcome.
- If there is one petition or each petition challenging a patent had the same outcome, then that is the outcome for the patent.
- If there is more than one petition, and any petition had a FWD outcome, then the patent outcome is FWD.
- If there is more than one petition, and there are a mixture of different outcome types, then the outcome is "mix of outcomes." Note that the mix of outcome category does not include FWDs, per the prior rule.
- To further breakout the FWD category, the net claim outcome of all claims challenged in all of the FWDs were considered. Claim outcome determination is discussed in greater detail in the methodology for the "by Claim" slide, to follow.
- As explained for the Petition Sankey above, pending and joined cases excluded.
- The graphic displays, for each outcome category, how many cases fell into that category in FY19, and what percent of all outcomes fall into that category. For select categories, further percentages are provided to show percentages relative to other categories, such as percent of instituted cases or percent of FWDs.

Data definitions & methodology – per slide

Outcomes in FY19, by claim (two versions)

- These two Sankey graphics display the results for each claim that reached an outcome in FY19.
- The results shown are for the claims of the patents from the "by Patent" slide, i.e., all patents having a proceeding reach an outcome in FY19.
- For each of those patents, the underlying proceedings were analyzed to capture claim-by-claim information. Each claim in the patent was noted and then considered individually for whether the claim was: challenged, instituted, found unpatentable, found patentable, or disclaimed.
  - "Unpatentable" and "patentable" mean *PTAB found* the claim unpatentable or patentable *in a FWD*, i.e., under 35 U.S.C. 318(a).
  - "Disclaimed" means the *patent owner* requested adverse judgment on, disclaimed, or otherwise canceled the claim. Typically listed as "RAJ" to save space.
  - A claim was "instituted" if any ground listing that claim was instituted.
  - A claim was "challenged" if it appeared in any ground.
  - A claim was "in patent" if it was listed in the patent at the time any petition was filed.
- If a claim appeared in more than one petition, the outcomes were determined using the following precedence: unpatentable > disclaimed > patentable > instituted > challenged > listed in patent.
- The outcome reported for a given claim of a given patent is assigned to one and only one of these 6 categories. For example, if a claim has been found unpatentable and patentable in two different proceedings, then according to the precedence, the claim is listed as unpatentable. As another example, if a claim has been challenged but never instituted, it appears only as "challenged."
- The graphics display, for each outcome category, how many cases fell into that category in FY19, and what percent of all claims in all patents fall into that category. For select categories, further percentages are provided to show percentages relative to other categories, such as percent of instituted cases or percent of FWDs.

Data definitions & methodology – per slide

"In Fiscal Year 2019:" Slide (circles graphic)

- This graphic uses the size of circles to show the number of PTAB proceedings relative to the number of patents at large.
- The 3.6 million patent number is an estimate of the number of unexpired patents existing during FY19. The estimate was obtained by starting with a list of all patents issued and calculating the projected expiration date, then observing which patents would not have expired prior to the start of FY19. The projected expiration date was calculated by considering the grant date, continuity data, payment of maintenance fees, and any patent term adjustment given. Data on terminal disclaimers, findings of invalidity in district court, and findings of unpatentability at the USPTO were not available and/or not accounted for, but together would not be large enough to affect the two significant digits reported in the 3.6 million number.

Institution rates by petition, institution rates by patent

- Methodology information is provided on the corresponding slides.
- Institution rates by patent for a given year are the institution rates for those patents as of the end of the reported fiscal year.
- Thus, if a patent is challenged in FY17 and its petition is denied, that patent is counted as a denial in FY17. If that same patent is challenged again in FY19 and its petition is instituted, that patent is counted as an institution in FY19, but still counts as a denial in FY17.
- On the other hand, if a patent is challenged in FY17 and its petition is instituted, that patent is counted as an institution in FY17. If that same patent is challenged again in FY19 and its petition is denied, that patent is counted as an institution in FY19 because it has already had an institution in the past. It also still counts as an institution in FY17.
- In this way, reported institutions by patent are slightly higher than the actual number of institutions in a given year.
- Mathematically, the institution rate by patent must always be higher than by petition. The rates are not equal because different petitioners may file a petition against a patent, or a single petitioner may file more than one petition to use different art or to address large claim sets, for example. The more often a second or third, etc. petition is not instituted, the more divergent the by petition rate becomes.

Data definitions & methodology – per slide

Claim outcomes of patents

- This graphic shows the outcome of all claims challenged at PTAB through the end of FY19.
- The data has the same categorization and methodology as the "Outcomes in FY19 – by Claim" slide.

Outcomes in FY19 (by Petition, by patent, and by claim) (Pie graphs)

- These pie graphs show the same data as the Sankey graphics. Dismissals have been removed, however, because there are so few and to make room for the other categories of interest.
- The data otherwise has the same categorization and methodology as the corresponding Sankey graphs.

Multiple petitions: Pre-*General Plastic* vs. today

- This graphic shows the incidence of multiple petitions in FY17 and FY20.
- For FY17, each patent challenged that year was identified. Then, each petition filed in or prior to FY17 was counted to determine how many times that patent was challenged as of the end of FY17. The counts were then tallied to provide the reported numbers. Similar methodology was applied for FY20.
- FY17 was chosen because the *General Plastic* decision, setting forth factors to determine whether to institute on multiple petitions, was issued at the beginning of FY18. Thus, FY17 best represents petition filing behavior prior to that decision.
- FY20 was chosen because many new cases furthering *General Plastic* were issued in late FY19, meaning that petition filing behavior accommodating those new cases would first be seen in FY20. As of the time this presentation was made, FY20 data included all of Q1.
- Note on calculating "% Change." To calculate the percent increase or decrease between a first and second number, take the second number and divide by the first, then subtract 1 ($1.00 to $1.25 is 1.25/1-1 = 0.25 = 25% increase. $1.00 to $0.75 is 1/.75-1 = -.25 = 25% decrease). The same applies to any number, including percentages.

Thank you!

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