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June 21, 2017

The Honorable David P. Ruschke
Chief Judge for the Patent Trial and Appeal Board
Patent Trial and Appeal Board
P.O. Box 1450
Alexandria, VA 22313-1450

Subject: Inter Partes Review
Apple v Voip-Pal.com Inc
Case IPR2016-01198
Patent 9,179,005 B2
Case IPR2016-01201
Patent 8,542,815 B2

Dear Judge Ruschke,

It has recently come to my attention that the original three judges assigned to hear IPR2016-01198, Patent 9,179,005 B2 and IPR2016-01201, Patent 8,542,815 B2 were removed from hearing these *Inter Partes* Reviews (IPR's). My research suggests that replacement of an entire panel of judges is almost unheard of in past Patent and Trademark Appeals Board (PTAB) practice, since such a change is likely to have impacts on all concerned. Presumably, there is something that all three have done, or have failed to do that is of sufficient warrant that it was necessary to replace all three in the middle of an IPR.

My understanding is that the principal actions that have been taken, to date by the removed panel of judges, are the institution of the two IPR's and the refusal to rehear the institution decisions. There may be things about the hearing that I don't understand, but the statistics released by the PTAB and other suggest that there is an overwhelming likelihood that a patent that has an IPR instituted will have some or all of its claims found to be un-patentable. Lee and Simpson in an article called "How Kill Rates are Affecting Patents" conclude, "Once the PTAB institutes a petition, the odds are overwhelmingly in favor of the petitioner. Of the 404 final

written decisions analyzed, 88 percent (356 of 404) resulted in at least one claim being invalidated. Importantly, this average remained steady between 2014 and 2015, providing petitioners with a reasonably high level of confidence that an IPR can and will weaken a challenged patent.”

<https://www.law360.com/articles/699860/ptab-kill-rates-how-iprs-are-affecting-patents>, accessed June 18, 2017

The very high percentage of patents that are invalidated in the IPR system appears to be several times greater than the percentage of invalidation for a similar patent through the federal court system. In “IPR Statistics Revisited, Yep it’s a Killing Field” Samson Vermont does an “apples to apples” comparison of kill rate between sec.102 cases filed in the PTAB versus federal court and concluded that the federal courts for sec. 102 cases have an 18.7% kill rate, while the IPR kill rate for similar patents is 41.1%. <https://www.patentattorney.com/ipr-statistics-revisited-yep-its-a-patent-killing-field/> accessed June 19, 2017

If the problem, with the actions of the previous panel impacted the decision to institute the two IPR’s or reject a rehearing of those decisions, it seems clear that putting a new panel in place will not have the same effect as rehearing the institution decision, since all instituted cases move forward with the strong assumption that some or all of the claims are invalid. If the previous panel acted inappropriately, it seems clear that the only way to make the patent owner even partially “whole” is to allow the new panel to reconsider the institution decision. It is a partial solution, because the new panel comes to the case with knowledge of the previous panel’s decision and may be swayed to a decision that supports their colleagues.

If the problem was not the action of the previous panel, but an implied or actual conflict of interest, by the judges (such as past employment, financial impact of a decision, close personal relationship or some other conflict) such a conflict should have been identified by the judges and/or the petitioner’s counsel:

[37 CFR 11.803\(b\)](#) provides that practitioners commit an ethical violation for failing to report APJs who have violated the applicable “rules of judicial conduct.” § 11.803 reads:

“A practitioner who knows that a judge, hearing officer, administrative law judge, administrative patent judge, or administrative trademark judge has committed a violation of applicable rules of judicial conduct that raises a substantial question as to the individual’s fitness for office shall inform the appropriate authority.”

If a violation that involves judicial misconduct has occurred, the applicable sanctions are contained in CFR Title 37 › Chapter I › Subchapter - › Part 42 › Subpart A › Section 42.12

(b) Sanctions include entry of one or more of the following:

- (1)** An order holding facts to have been established in the proceeding;
- (2)** An order expunging or precluding a party from filing a paper;
- (3)** An order precluding a party from presenting or contesting a particular issue;
- (4)** An order precluding a party from requesting, obtaining, or opposing discovery;
- (5)** An order excluding evidence;
- (6)** An order providing for compensatory expenses, including attorney fees;
- (7)** An order requiring terminal disclaimer of patent term; or
- (8)** Judgment in the trial or dismissal of the petition

Of the available sanctions for bias or misconduct on the part of the previous panel, it appears that only a judgment in the patent owner's favor or a dismissal of the action would make the patent owner whole.

I appreciate your difficult position, but as a former CEO of VoIP-Pal I am concerned that any bias, conflict or other problem with the previous panel may not be addressed in a way that the company is made whole.



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