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Committee for,
Amendments to the Rules for Practice for Trails
Before the Patent Trial and Appeal Board

Dear Committee,

I appreciate the opportunity to address this committee concerning rule amendments for the Patent Trial & Appeal Board.

Simply put, the PTAB, it's rules and administrative judges has destroyed our patent system.

A small independent inventor such as myself must have a dream, a patentable idea, invest in research, development, patent applications, production, sales, marketing and much more in order to bring a new product to market. This process, is in fact the American dream and often times represents the commitment of a-life-time, agony, stress, risking everything, all of which may be lost simply because the invented product is rejected by consumers.

However, if the dreams of that inventor come true, if the invented product proves a success, just at the moment when the American dream may be in sight, you can fully expect a fortune 100 company to infringe, stripping away the success an inventor has poured their-life into, while investing everything. That inventor may contact a law firm. That law firm may take the inventor's patent "infringement" case on a contingency-bases. That law suit may then be prosecuted within the U.S. Federal Court for nearly a year, at which time the defendant, that fortune 100 company files a petition within the PTAB. This is when the inventor's federal law suit is stayed, frozen, waiting upon the results of the PTAB. This is where the small independent inventor, myself, received an education, a shocking reality I never believed possible in the United States of America. This is my story.

I have been granted 10 utility patents all of which involve footwear, new technologies involving the internal illumination of footwear. The prosecution of these patents represents well over a $300,000 investment which began in 2008. However, no one could have known then, what would later become of our patent office in 2012.

Here is a snapshot of my shocking reality with the PTAB.

1. An accused “infringer”, in my case a Berkshire Hathaway company, has more rights within an U.S. Federal Court, an article three court, than within the PTAB. Here, a petitioner may present any and all relevant evidence and prior art, no matter the source, so to establish a defense within an article three court.
2. In contrast, a petitioner is greatly restricted as to what evidence may be presented to the PTAB during an Inter Party Review. Specifically, a petitioner is supposedly limited only to that “prior art” on file with the patent office at the time the subject patent was filed.
3. Why would any defendant in an article three court, restrict themselves from the ability to present any and all relevant evidence, by filing an IPR thus restricting themselves to only that prior art on file with the patent office, predating the filing of the subject patent? Seems like a bad idea, right? That was until I discovered the “rules” and abuses which take place within the PTAB.
4. Simply put, the rules governing the PTAB are in stark contrast to that of an article three court and it is these rules and abuses which have destroyed what was once the greatest patent system that had ever existed, its reliability, predictability, reliance and respect once held by innovators throughout the world.
5. The IPRs filed against me by a Berkshire Hathaway company (IPR2017-01809 & IPR2017-01810) were instituted on the bases that the preambles were not limiting. Therefore, the preamble “an internally illuminated textile footwear comprises” did not limit the claims to textile, this despite case law establishing preambles are limiting. This was an important victory for the petitioner, in that their petitions did not identify prior art of a textile footwear where the textile components are internally illuminated. Would such a ruling have been made in an article 3 court? Did the examiner believe he or she was granting a patent for an internally illuminated non-textile footwear?
6. Further, upon institution the PTAB adopted the petitioner’s definition of a shoe upper as being “anything” above the sole. This, despite undisputable evidence from text book teachings, and U.S. Customs which state that attachable components such as eyelets, tongues, embroidery, bows and other accessories are not considered the upper and that for a material to be considered an upper, that material must be suitable for use as a shoe upper. Again, an important victory for the petitioner.
7. Upon institution, the PTAB had transformed my internally illuminated textile footwear, a light diffusing textile, illuminated from an internal source, resulting in the textile upper being internally illuminated with an ambient glow across the outer surface of the shoe’s textile upper, into a non-textile footwear with a light positioned behind a plastic window. Would an article three court have made such rulings prior to trial? Did the examiner believe he or she was granting a patent for a light positioned behind a plastic window? Why was it “obvious” to the PTAB that my invention was a light positioned behind a plastic window, and why was this not “obvious” to the examiner. Who is guilty of malpractice, the PTAB, or the examiner? How is a patent holder expected to defend something that is not in fact his or her invention.
8. The U.S. Court of Appeals for the Federal Circuit ruled the PTAB had errored, that the preamble “an internally illuminated textile footwear comprises” was in fact limiting, but ruled that this error was “harmless” to me and refuse to remand the case back to the PTAB. That if remanded, the PTAB “would most likely invalidate the patent once again” based on a footnote which first appeared in the PTAB’s final ruling, sighting a prior art referenced a porous textile type material positioned behind a plastic window. On request for rehearing, it was explained to the court that the petitioner never claimed this porous textile type material was the upper and in fact was

positioned behind yet another plastic window, and given this footnote only appeared in the PTAB's final ruling, I was never provided an opportunity to respond to this allegation from the PTAB. My request for rehearing was denied.

9. Why should anyone in my position, who dares to create and innovate, trust the U.S. Patent Office. The U.S. Patent system is broken and in this broken state, it only serves to break the backs of individuals like myself in order to serve big business and big tech. The PTAB ignored my specifications, teaching, claimed elements, multiple licenses, commercial success, my own production and sales and instead allowed a Berkshire Hathaway company to reinvent my invention to nothing more than a light positioned behind a plastic window; nothing more than a "technology" which has been in the market place for over 30 years.
10. Not only did the PTAB willingly allow Berkshire Hathaway to reinvent my invention, the PTAB willingly allowed Berkshire Hathaway to repeatedly reinvent the prior art. Specifically, "a thin film, sheet or coating" used to secure fiber optics. Though my invention did not rely upon fiber optics, the PTAB was all too willing to allow Berkshire Hathaway to reinvent this "thin film, sheet or coating" into a structural layer suitable for the production of footwear, positioned between a shoe liner and shoe upper, whereby LEDs may be attached, while contacting both a plastic window and the "leather" upper of a shoe. Never mind the fact that the inventor of the "thin film, sheet or coating", never made any such disclosures of this kind, the PTAB ruled that such a reinvention was obvious. This, despite the fact that the petitioner's own expert stated in deposition, he was not aware of a need or motivation for this reinvented element to contact the petitioners window and leather upper. Which of course, was a critical claim limitation. This fantasy on the part of Berkshire Hathaway and swallowed hook line and sinker by the PTAB, resulted in defused light passing through a plastic window. Whoop-de-doo!!!
11. Over the course of my IPR, there was a total of five judges who comprised my three-judge panel. Of course, none of these judges ever served as an examiner within the art of footwear. As a result, these five judges used the "broadest reasonable definition" and "obviousness" as weapons of destruction. An article three court respects our nations laws, the rule of law and the rights of patent owners. I only wish the U.S. Patent office demonstrated the same.
12. Is a panel of three PTAB judges who institute a petition ultimately bias, during the balance of trial and in their final ruling? What motivation might they have so to ultimately disagree with their first decision? What can human nature tell us?
13. PTAB rules and abuses involves conflicts of interest. Unlike our judiciary, a PTAB judge need not disclose conflicts he or she may have as it concerns the petitioner and inventor/defendant. For example, an attorney representing a fortune 100 company in a patent case, found herself later serving as an administrative judge in an IPR which her former employer, that fortune 100 company was in fact the petitioner, attempting to invalidate a competitor's patent it had allegedly infringed. The rules did not require the PTAB judge to recuse herself. Is this acceptable? Did she still own stock in her former employer's company? Did she benefit directly or indirectly by way of the ruling she participated in. Alternatively, was she the "lead" administrative judge in the case, thus having a stronger influence in the final decision.
14. Upon institution of my IPRs, stats confirmed the PTAB invalidated 84% of all patents which are instituted. If we are to believe 84% of these patents are in fact invalid, contrary to the rules and abuses which take place within the PTAB, the patent office is instead in a very different crisis. That crisis would involve the malpractice of examiners, the good men and women who work hard to advance innovation and ultimately prosperity within our nation. However, this is not

the case. The malpractice which is taking place is within the PTAB and the PTAB has destroyed our patent system and as a result, innovators are abandoning the U.S. Patent Office.

15. The federal court system limits an inventor's damages to a reasonable royalty, this reasonable royalty may not be larger than the costs associated with financing a law suit within federal court, much less the PTAB. This holds true even when a case may be prosecuted on a contingency-bases, which is why contingency agreements do not include PTAB proceedings.
16. I was quoted as much as $600,000.00, in defense costs so to respond to a petition brought against me by a fortune 100 company. This, combined with the rules and abuses within the PTAB, all in an attempt to persuade the PTAB, that my patent, should be among the 16%, of instituted patents that should not be invalidated. In other words, the patent office after careful examination, having received all fees due, determined that my patent should be allowed, and therefore granted. However, only later does the patent office require me to redirect my attention from a federal court law suit, seek yet another law firm, one specializing in PTAB litigation and respond to a patent office proceeding within the PTAB, so to defend the validity of the vary patent they examined, validated, allowed, issued and that I had paid for including maintenance fees. And for what, so the patent office can now determine for a second time the patentability of my invention, but this time at an enormous cost to me, within a rigged tribunal, a corrupt court.
17. Who benefits? The inventor, or BIG BUSINESS? The 100 plus billion dollar publicly traded companies who have no issue with infringing on intellectual property, destroying the American dream for a small independent innovator of new technology; yet believe they cannot receive a fair trial in federal court. I suggest that the PTAB was created for big business so to remove the pesky small innovators from the market. That the PTAB, its rules and abuses is not a fair and equitable court. That the PTAB, in its arrogance and elitism has knowingly and intentionally afflicted irreversible harm to our patent office, our patent system, innovation, innovators, economic growth, prosperity, dreams, ambitions, families, lives and insults and disparages both those individuals who dare to participate in our patent system, as well as those good men and women who work hard in the examination process of patent applications.

My prayer is that our patent system will once again be the envy of all nations.

Truly yours,

Roy R. Smith III (Trae)