

October 16, 2014

The Honorable Michelle K. Lee  
Deputy Under Secretary of Commerce for Intellectual Property and Deputy Director of  
the United States Patent and Trademark Office  
600 Dulany Street  
P.O. Box 1450  
Alexandria, Virginia 22313-1450

Via Electronic Mail to: [TrialsRFC2014@uspto.gov](mailto:TrialsRFC2014@uspto.gov)

**Re: Digimarc Corporation's Comments in Response to the "Request for Comments on Trial Proceedings Under the American Invents Act Before the Patent Trial and Appeal Board," 79 Federal Register 36474 (June 27, 2014)**

Dear Deputy Director Lee:

Digimarc Corporation appreciates the opportunity to provide comments in response to the Request for Comments on Trial Proceedings under the American Invents Act (AIA) before the Patent Trial and Appeal Board (PTAB).

Digimarc is a pioneer in a signal processing innovation known as digital watermarking. We offer software, consulting services and other solutions to customers in retail, packaging, publishing, radio, television, anti-piracy and copyright communications. In addition, Digimarc's shareholders have invested in patents in digital watermarking and related fields. Digimarc has over 900 granted and pending U.S. patents. Digimarc's patent portfolio has consistently been ranked among the leaders in the computer software category of the IEEE Spectrum's Patent Power Scorecard and the Wall Street Journal's Patent Scorecard of the top 50 companies in Information Technology.

Digimarc endorses the comments submitted by the Intellectual Property Owners (IPO) Association and by the Innovation Alliance (of which Digimarc is a member). As the IPO Association explains in their thoughtful and thorough comments, the Patent and Trademark Office's (PTO) adoption of a "broadest reasonable interpretation" (BRI) standard is predicated on there being a reasonable opportunity to amend patent claims. Without the PTO allowing amended claim review and training the appropriate personnel



to examine amended claims, the AIA’s contemplation of an “Amendment of the Patent” would, as a practical matter, remain unfulfilled.<sup>1</sup> Thus, under circumstances where there is no reasonable opportunity to have amended claims reviewed and, when appropriate, allowed in a PTAB proceeding, the BRI standard should be removed and the approach advocated by the IPO Association should be adopted.

We make this submission to emphasize that small, entrepreneurial companies like Digimarc rely on the U.S. patent system. We have approximately 150 employees in the United States. Through investment in innovation and the ability to protect this work through patents, Digimarc and similarly situated companies have and will contribute to economic growth in this country.<sup>2</sup> When reviewing the comments of the IPO Association and the Innovation Alliance, please consider them as supporting changes to the PTAB trial proceedings that are important to small companies like Digimarc and to our economy.

Thank you.

Sincerely,



Joel Meyer,  
Executive Vice President, Intellectual Property  
Digimarc Corporation

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<sup>1</sup> 35 U.S.C. § 316 provides: “(a) Regulations.- The Director shall prescribe regulations ... (9) setting forth standards and procedures for allowing the patent owner to move to amend the patent under subsection (d) to cancel a challenged claim or propose a reasonable number of substitute claims. . . . (d) Amendment of the Patent.- (1) In general.- During an inter partes review instituted under this chapter, the patent owner may file 1 motion to amend the patent in 1 or more of the following ways: (A) Cancel any challenged patent claim. (B) For each challenged claim, propose a reasonable number of substitute claims. . . .” See also 35 U.S.C. § 326(a)(9) and (d).

<sup>2</sup> “President Obama firmly believes that entrepreneurs and small businesses are engines of economic growth, and that their investments and innovation have been at the forefront of our economic recovery. *Tax Relief for Middle-Class Families and Small Businesses*, <http://www.whitehouse.gov/economy/jobs/tax-relief-for-160-million-workers>; “Large companies may seem to define American culture worldwide, but it is the small business that represents the American identity. Small business helped build this county and is still vitally important to the economy today...The success of small businesses is essential to the strength of regional and national economies and will become crucial to ensuring a strong and sustainable global economic recovery” *Highlight: OECD Looks at Small Business*, U.S. Economic Development Administration, August 2014, <http://www.eda.gov/news/blogs/2014/08/01/highlight.htm>; “Small businesses are a key driver of economic growth...” Statement of Tom Wheeler, Chairman, Federal Communications Commission, Before the Committee on Small Business, U.S. House of Representatives, Hearing on “Is the FCC responding to the Needs of Small Business and Rural America?”, September 17, 2014, <http://www.fcc.gov/document/chairman-wheeler-statement-house-committee-small-business>.