To: 2014_interim_guidance@uspto.gov

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From: Michelle Fisher

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Subject: Response to Request for Comments Related to Patent Subject Matter Eligibility

1. How has the Supreme Court's interpretation of 35 U.S.C. 101 in the past several years affected the enforcement of patents and the development of subject-matter- eligibility law? In your response please:

a. Identify the scope of the problem, including specific examples;

b. identify any legal and/or technical inaccuracies;

c. suggest possible changes and/or solutions to any problems with section 101; and

d. provide explanations and/or any legal, policy, or economic analyses supporting your comments.

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Problem #1

We are embarking on the next chapter of our business which is monetizing our patents During my evaluation of various IP licensing firms to help us with this, and the time and cost associated with this it has come to my attention that licensing and enforcing my patents in today's environment is very challenging and may even more difficult than the challenges I had during patent prosecution.

As just one example, I am being told that if I assert my patents, potential licensees may subject my patents to IPRs and CBMs. While I understand that a single IPR or CBM challenge to each patent could be considered by some to be a cost effective alternative to litigation, I have been told that the same patent could be subject to a continuous series of IPRs and CBMs. One attorney shared an example where a Defendant continued to challenge the same patent in five separate IPRs and a CBM, filing separate new challenges each time it lost the previous challenge.

Obviously, this would be both time consuming and expensive. As a small company, this would be a disaster for us. Contingency law firms have said that this current environment is too risky to enforce patents due to the unlimited IP'rs and CBM's. Thus, unfortunately, large corporations with deep pockets will continue to benefit from our innovation as well as the innovation of many small companies who are eclipsed later by big corporations. This coupled with the fact that companies led by women and people of color receive less than 5% and 0.3% respectively of Venture Capital investments, makes the playing field very un-level.

I've also, met with several firms who specialize in investing in IP and have been informed that the current climate with regard to 101 is too risky for them to invest in. So, the lack of capital not only has a direct impact on my business, but impacts job creation, housing, social well-being, and innovation.

According to the Small Business Administration (http://www.forbes.com/sites/jasonnazar/2013/09/09/16-surprising-statistics-about-small-businesses/#6f2cc55c3078)

- The SBA defines a small business as an enterprise having fewer than 500 employees
- Over 50% of the working population (120 million individuals) works in a small business
- Small businesses have generated over 65% of the net new jobs since 1995

In fact, a recent Forbes magazine article entitled "The Unsung Job Creator: Intellectual Property" echoed, "the Department of Commerce reported that IP-intensive industries support over 45 million U.S. jobs—30% of the nation's total—and contribute more than $6 trillion—or 38.2%—of United States GDP. (http://www.forbes.com/sites/dougschoen/2016/12/01/the-unsung-job-creator-intellectual-property/#119347f46c14).

Recommendations

In summary, hope that patent reform can help even the playing field, for example, by including a cap on IPR and CBM challenges and/or making the losing party pay an increasing multiple in IPR/CBM fees and damages as a deterrent for filing frivolous serial challenges to the same patent.

Problem #2

Unfortunately, 101 also appears to be a tool to justify retroactively rejecting broad ideas and penalizing inventors for having vision and filling voids in the market place with inventions filed 5 or 10 years ago for product(s) that would appeal to the broadest number of customers. If the inventor did not include details about how the invention improves a computer in their patent application filed 5 or 10 years ago for any number of reasons (i.e. not enough time or resources which is often the case for startups, ill advisement by attorneys, not wanting to expose their "secret sauce" to competitors especially to big and well capitalized companies to use the invention to clone their products, etc) , they should not be penalized. Instead, they should be given an opportunity to provide evidence from their inventors notebook, business plan, engineering designs, product requirements specifications, product functional specifications, computer code, test plans, users manuals, etc. Fortunately, the MPEP provides guidelines for providing evidence of prior invention in MPEP 715.07 (https://www.uspto.gov/web/offices/pac/mpep/s715.html) .

Recommendations

Abolish 101 or Provide any "Pre-Alice" applications an opportunity to demonstrate that the inventor thought about improvements to ta computer and/or provided more details about how their technical solution solved a technical problem similar to existing guidelines in MPEP 715.07. **This approach might also weed out the "bad actors " who abuse litigation since only the inventor's who provide evidence that they actually invented the idea would be patent eligible.**

Problem #3:

Examiners do not use the current guidelines to evaluate an application which is time consuming and costly for the Applicant.

Recommendation

The office action should be vacated if the Examination is not consistent with current guidelines.

Other recommendations

- Increase latches, time for enforcement, since inventors are often cases not able to assert their patents due to lack of capital.

- Increase term extension by 2-5 years due to the delays, increased direct cost, and indir3ct opportunity cost with respect to lack of funding, job creation, etc due to the Alice storm.

7. Does the concept of preemption, either separately or in the context of the Mayo two-step framework, capture useful insight in guarding against the issuance of overly broad patents? If so, please suggest possible legislative changes to capture those insights.

Yes, by definition pre-emption means that other inventions exist. So, pre-emption guards against overly broad claims. It should be included in step 2A since again the mere fact that claims overcome 102/103 means that the invention is novel.

16. To what extent should an invention that involves a business method be eligible for a patent? Please provide specific examples.

It is respectively suggested that business method inventions should not be treated any differently than any other invention and eligible for a patent subject to 102/103, of course. Stated another way, all

inventions should be evaluated under the same guidelines. Otherwise, without patent protection, there is no incentive for inventors, especially small inventors, to invent when big companies can simply take your ideas and venture capitalist, knowing this, will not fund ideas.

17. To what extent should an invention that involves computer software be eligible for a patent? Please provide specific examples.

It is respectively suggested that computer software inventions should not be treated any differently than any other invention and eligible for a patent subject to 102/103, of course. Technology is moving very fast (i.e. Moore's law states that computing capacity doubles every 18 months) and gives rise to ideas that we could never have imagined. Fifty years ago computers occupied an entire room or building. In contrast, today computers fit in the palm of your hand have the same if not more computing capacity than those 50 years ago. The advances in computer hardware have given rise to an infinite number of software innovations. Stated another way, software is no longer constrained by hardware. We are only constrained by our imagination. Thus, software can drive new innovations that were not practical in the past, improve productivity, save time, etc. Stated another way, all inventions should be evaluated under the same guidelines especially software Otherwise, without patent protection, there is no incentive for inventors, especially small inventors, to invent when big companies can simply copy your ideas and venture capitalist, knowing this, will not fund ideas. Indeed, recent reports have indicated that venture funding is down. For example, "Venture capital chases patents to friendlier climes" at http://watchdog.org/283886/venture-capital-chases-patents-friendlier-climes/

18. What mechanisms, other than the judicial exceptions, can be used to prevent issuance of overly broad software or computer-related patents that cover wide swaths of economic activity? Do you think that other provisions of title 35 (enablement, written description, definiteness, novelty, non-obviousness) could be used more effectively to achieve this goal? If not, please explain why.

102/103 are obviously ways to avoid broad patents. Enablement can also be a useful tool since the Specification would have to provide enough detail to teach one with ordinary skill in the art to make the invention. Also, as mentioned above, giving "pre-Alice" inventors an opportunity to provide evidence similar to 715.07 to demonstrate subject matter eligibility might also be a good remedy.