

26 March 2012

Cynthia L. Nessler
Senior Legal Advisor
Office of Patent Legal Administration
Office of the Associate Commissioner for Patent Examination

Subject: HTC is OPPOSED to fee changes for 3rd-party initiated ex parte reexamination; HTC is in SUPPORT of increased fees for reexamination ordered as a result of a supplemental examination proceedings initiated by the patent owner as proposed by the USPTO in the Federal Register, vol. 77, No. 16, on 2012/1/25, Docket No. PTO-P-2011-0075

Dear Ms. Nessler,

I am writing to officially notify the U.S. Patent & Trademark Office (USPTO) that HTC is opposed to the dramatically higher fees proposed by the USPTO for third-party ex parte reexamination requests. The USPTO proposes that these higher fees should be paid by third-party reexamination requestors. Because the USPTO's new proposed fees are neither fair nor logical, HTC strongly objects to the proposed fee changes such as 37 CFR 1.20(c)(1), 37 CFR 1.20(c)(7), etc., to the extent such proposed changes attempt to raise fees on third-party reexamination requests.

Importantly, HTC does agree with the increase in fees for reexaminations associated with ex parte reexamination ordered as a result of a supplemental examination proceeding that is initiated by the patent owner. The public's interest in having a patent applicant disclose all known prior art during the initial examination strongly mandates such a fee increase, in HTC's opinion. Therefore, HTC supports the proposed changes such as 37 CFR 1.20(k)(1) and 37 CFR 1.20(k)(2) if they are applied to actions initiated by the patent owner.

Third parties request ex parte reexamination by the USPTO when the requestor believes that prior art proves that a patent should not have been granted by the USPTO. It is well-known that improvidently granted patents inhibit the progress and innovation of American business because an unjustly awarded patent essentially grants a monopoly that the patent owner did not earn by inventing.

To reduce its growing backlog of reexamination requests, it seems the USPTO now proposes to raise fees on third parties that file reexamination requests. By raising fees, perhaps the number of newly filed reexamination requests can be reduced. This approach is wrong-headed. It will not cure the real cause of the growing number of reexamination requests.

In fact, there is a strong public policy argument that reexaminations should be provided at no charge to the requestor. If a patent is granted when it should not have been, intellectual property is wrongly removed from the public domain which is owned by all Americans. The American public should not have to pay a fee to recover intellectual property that was taken from them.

It is also reasonable to expect that any improvidently granted patents would be corrected by the USPTO at little or no charge to the public. Consider the following:

A plumber bids \$2500 to install plumbing in a house; the plumbing must comply with local building codes; after the plumbing is installed, it is discovered that the plumbing does not comply with code; should the plumber get paid an additional \$17,500 to “fix” the plumbing that was installed incorrectly? Of course not. Reasonable people would expect the plumber to fix the deficient work at no additional cost because there was an agreed up-front price for the plumbing service.

Similarly, there are agreed up-front prices for examining a patent, such as the initial filing fee, continuation filing fees, etc.

If a patent claim is amended during re-examination, then it should never have been granted in the first place because it doesn't comply with the law. Like the plumber who has to fix the plumbing that did not comply with the law, why should the USPTO be paid again to correct its work? Especially, why should a member of the public who challenges the quality of the work have to pay the USPTO? It adds insult to injury when the USPTO asks the injured party (the public) to pay an exorbitant fee to the USPTO to return intellectual property that was wrongly taken by the patent-owner. If anyone other than the USPTO should bear additional fees, it should be the patent owner who incorrectly claimed his invention too broadly.

In summary, any additional fees associated with a patent's re-examination should be paid by the patent-owner because the patent owner is trying to claim an exclusive right in intellectual property that is owned by all Americans. It is fair and reasonable that the patent owner or the USPTO bear any additional expenses, not the third-party reexamination requestor, because the third-party requestor is performing a civic duty by ensuring that the USPTO does not grant unearned patent rights that remove publicly-owned intellectual property from the public domain.

Sincerely,

Jerald Gnuschke

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