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VIA EMAIL

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Re: Toyota Motor Corporation's Comments on
Eliciting More Complete Patent Assignment Information

Dear Mr. Vishnubhakat:

In response to the "Request for Comments on Eliciting More Complete Patent Assignment Information" published in the Federal Register (Vol. 76, No. 226) on November 23, 2011 ("the Notice"), we provide the following comments on behalf of Toyota Motor Corporation ("Toyota"). Initially, Toyota wishes to thank the U.S. Patent Office for the opportunity to present its views on providing more complete patent assignment information. As set forth below, it is Toyota's view that companies involved in manufacturing and/or technology research would benefit from more comprehensive patent assignment records. Below Toyota provides its comments on question (4) of the Notice, which is directed to the issue of obtaining updated patent assignment information after patent issuance.

Toyota is one of the largest automobile manufacturers in the world, with the U.S. being its largest market. Toyota has numerous facilities in the U.S., including research and development (R&D) facilities directed to various automotive and energy technologies. As a result of its R&D efforts in the U.S. and abroad, Toyota was awarded about 1,000 U.S. patents in 2011 for its innovations. Accordingly, Toyota has an interest in the U.S. Patent Office's proposed changes to the patent assignment rules both from the standpoint of a manufacturer as well as a holder of U.S. patents.

(4) Would it be in the public interest for the USPTO to obtain from applicants updated identification of the assignee after issue of the patent?

Yes, it would be in the public interest for the USPTO to obtain updated assignment information after a patent issues.

Toyota agrees with the comments provided in the Background section of the Notice at page 72372. Markets operate most efficiently when buyers and sellers can more easily find one another. More updated and comprehensive patent assignment information will assist companies and individuals that wish to contact patent owners concerning possible licensing and/or acquisitions of patent portfolios. In addition, a more complete patent assignment record allows manufacturers to better understand the competitive environment of the various market sectors. This allows them to better allocate their research and development resources, and to more accurately gauge both legal and business risks attendant with entering markets. Accordingly, providing a more updated and comprehensive patent assignment record would be beneficial to both patent owners as well as manufacturers that do business in the US.

One of the goals of the recently enacted Leahy-Smith America Invents Act (AIA) was to harmonize the U.S. patent laws with the rest of the world. Providing comprehensive and updated patent assignment records would be more in line with how other countries handle patent assignment records. For example, Article 98(1) (i) of the Japanese Patent laws requires mandatory registration of patent assignment in order to transfer patent rights. Other countries, such as Korea, United Kingdom and China have similar assignment registration requirements. Obtaining more complete assignment information would result in another step towards harmonization.

Obtaining more updated and comprehensive patent assignment information will also provide a benefit to the public concerning the post grant review proceedings of the AIA. The AIA will significantly expand the options available for reviewing patents. The post grant review proceeding may be based on any statutory ground of invalidity, including lack of written description, on-sale bar, as well as prior art. While the options available for reviewing issued patents are greatly expanded, they come at a cost. For example, significant time and resources can be expected in order to develop on-sale bar evidence as well as participate in the post review proceeding itself. In addition, the post grant review proceeding must be initiated within 9 months from the issuance of the patent, leaving little time for a third party to decide whether or not to initiate such a proceeding.

Having complete patent assignment information would ensure that third parties could factor the identity of the patent owner into the calculus of whether or not to initiate the post grant proceeding. For example, if the recorded assignment information is accurate, a company who is monitoring a particular patent could readily determine whether that patent falls within any of the "portfolio" licenses that it may have with other companies. Knowing the identity of the patent owner might also dictate a particular course of action, such as contacting the patentee to discuss a possible license agreement as opposed to initiating a post-grant review proceeding. Reducing unnecessary post-grant review proceedings would have the added benefit of saving the resources of the Patent Office.

Additionally, without such a requirement, post-grant assignees with litigious reputations will have an incentive to "hide" their patent acquisitions until after the post grant review periods expire, so that they can avoid any post grant challenges.

(ii) Are there limitations on the USPTO's rights and powers to require the reporting of such information?

The USPTO has authority to issue regulations to "govern the conduct of the proceedings in the Office" under 35 USC 2(b) (2) (A). This statutory authority should provide the USPTO with the right and power to require the reporting of patent assignment information.

(iii) At what time should such identification be made to the Office relative to a change?

35 U.S.C. 261 indicates that assignments will be void against subsequent purchasers unless it is recorded in the USPTO within three months from the date of the assignment document. The same or similar three month time period should be required for identification of assignment changes to the Office for issued patents.

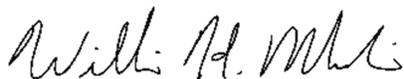
(iv) Should the USPTO consider requiring the identification of assignment changes during the maintenance period of the patent right, i.e., after grant, but prior to patent expiration?

The benefits of more complete assignment information endure for the life of the patent. For example, knowing the identity of a patent owner could be an important factor in determining whether or not to initiate a post grant review proceeding. Therefore, the USPTO should require identification of assignment changes during the life of the patent.

(v) What are the appropriate consequences of non-compliance?

In accordance with the consequences of not recording assignment information as set forth in 35 USC 261, the assignment should be void if not recorded in the USPTO.

Very truly yours,



William H. Mandir
On Behalf of Toyota Motor Corporation