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Via Electronic Mail
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The Honorable David J. Kappos
Under Secretary of Commerce for Intellectual Property
and Director of the United States Patent and Trademark Office
Mail Stop Comments - Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Attn: Lead Judge Michael Tierney, Covered Business Method Patent
Review--Proposed Definition for Technological Invention

Re: Transitional Program for Covered Business Method Patents—
Definition of Technological Invention, Docket No. PTO-P-2011-0087

Dear Under Secretary Kappos:

I am writing on my personal behalf to provide comments in response to the request of the United States Patent and Trademark Office (“the Office”) published in the Federal Register on February 10, 2012 (PTO-P-2011-0087). The comments expressed below are my own and not necessarily those of my firm.

Initially, I want to commend the Office on its drafting of the many proposed rule packages needed to implement the America Invents Act (“AIA”). As a whole, they are extremely well written and reflect significant deliberation on how to make the new legislation work in a way that is fair to all parties and that can be completed in the very short time allotted. Any criticism expressed below is directed to specific aspects of a few proposed rules. My silence on others may be interpreted as agreement with the proposed rule in its present form.

I also commend the Office’s attempt to unify the way the various procedures before the Board will be handled by proposing one set of trial practice rules to apply to all trial procedures (*inter partes* and post-grant review, the transitional program for covered business method patents, and derivation proceedings). While these proposed rules must necessarily be supplemented for each type of proceeding, having a single set of rules as a starting point will make practice before the Board easier to understand and

should improve compliance with the rules for those practicing across the spectrum of procedures.

Third, I commend the Office for its efforts to charge fees for the trial proceedings commensurate with the cost the Office expects to incur in conducting the proceedings. While there's been significant outcry that the fees are too large, the cost of a trial in the PTO is extremely reasonable compared to the high cost of litigation. The PTO is not subsidized by the public and thus must recover what it costs to run its business.

Finally, I commend the Office for proposing page limits on petitions in trial proceedings. One major problem with *inter partes* reexamination is that there is no limit on the size of the requests. Thus, such requests frustrate the Office's ability to do its job well from the very beginning of the proceeding and handicap the patent owner who must respond with a limited number of pages.

Proposed Rule 42.301:

Congress has charged the Office with "issu[ing] regulations for determining whether a patent is for a technological invention." Within reason, this charge permits the Office to determine by rule what patents will not be subject to the transitional program, even though they fall under the definition of "covered business method patents."

In response to its charge, the Office has attempted to define the phrase "technological invention" in proposed Rule 42.301. Unfortunately, the proposed definition is not very helpful in that it uses the terms "technological feature," "technological problem," and "technological solution" in the definition, begging further definition. The Office's difficulty is not surprising, as defining "technological invention" as one skilled in the art would define it is a daunting task. In the late 1990s, when the Solicitor's Office was drafting the initial set of software guidelines, we attempted to define the same term, without success.

I recommend a different approach, inspired by observations in the Office's analysis of the proposed rules for implementing the transitional program. *See* 77 Fed. Reg. 7083 (noting that "patents subject to covered business method patent review are anticipated to be typically classifiable in Class 705"). Building on that fact, as a starting point, the rule could read:

§42.301(b): In determining whether a patent is for a technological invention *solely* for the purposes of the Transitional Program under the AIA, if a patent is not classified in Class 705, it will be presumed to be a technological invention. If within Class 705, it will be presumed to fall under the definition of "Covered business method patent" and not a technological invention. Either presumption may be overcome by

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I know those in the Office can refine/rewrite this proposed rule to better capture the appropriate groups of patents, perhaps with exclusions and inclusions. In any case, such an approach would provide some guidance to those who appear before the Office and to the Office itself.

Again, I commend the Office for a “job well done.”

Thank you for the opportunity to provide comments on the proposed rules. If you have any questions or believe I can be of further assistance, please do not hesitate to contact me.

Sincerely,

Nancy J. Linck