

From: Jeff Hardin <jeff@inventorrights.com>
Sent: Monday, November 11, 2019 3:31 PM
Subject: PPAC Questions regarding SUCCESS Act and IDEA Act

Dear PPAC,

My question on economically-disadvantaged inventors was raised by Jennifer Camacho at the last PPAC Quarterly meeting. Thank you for this, as it sparked an important discussion identifying some key concerns on the SUCCESS Act and also the IDEA Act. A link to that discussion is here: <https://www.youtube.com/watch?v=5QUhzCz8lfl>.

Unfortunately, not only did the USPTO not answer the question then (explained in Question II. below), the SUCCESS Act Report that was provided to Congress on October 31 has some serious concerns for inventors, particularly given the insight provided in their published testimonies.

I will be watching the livestream on November 14, and I respectfully request that PPAC ask (or the USPTO address) the questions below during the Legislative Update.

Please include this letter in the record, including the email correspondence in this email chain.

Question I.

- A. Will the USPTO correct the Report to include the theme on Enforcement Concerns?**
- B. Will the USPTO provide legislative recommendations in the Report to address those concerns?**

79% of inventors testified a very important, if not the most important, concern in "how to increase the number of women, minorities, and veterans who apply for and obtain patents", that concern being this: the lack of resources in enforcing, and the increased risks in defending, patents against PTAB challenges has become a barrier to participation. No participation means no "applying for and obtaining patents", and addressing that was the true intent of Congress. The USPTO defining "inventor-patentees" as only those who choose to pursue patents (see the footnote on page 1 of the Report) could be seen by some as a sleight of hand in order to ignore this very group of "would be" inventors. This question then arises: "What about reaching those 'would be' inventors who choose not to pursue patents due to the risks of enforcement?"

One thing the USPTO did not do in the Report was group the comments by entity type and see what trends arose, e.g. A) What type of entity raised a concern (was it an inventor, a lawyer, a business, etc)?, and B) What was that concern? A simple categorization of the comments using that inquiry reveals this very Enforcement Concern by inventors, as it was prevalent in 30 of the 38 inventors who testified. Despite this glaring statistic, the Report did not mention the concern brought up by inventors that post-grant patent challenges are a barrier to participation. I'm certain the remaining 8 inventors would also agree once they understood that a patent is no longer seen as an asset for the underrepresented; it has become a liability and a risk. Dr. Keir Finlow-Bates

(<https://www.uspto.gov/sites/default/files/documents/SUCCESSAct-Finlow-Bates.pdf>) was not alone when she said:

The Request for Comments poses the following interesting question: "What social and private benefits to small businesses owned by women, minorities, and veterans would you identify as resulting from increasing the number of patents applied for and obtained by those businesses?"

None. It would be a liability to them.

*Encouraging women, minorities and veterans to obtain patents under the current system is to encourage them to take great financial risks with a low chance of any reward. The patent granting process is already fraught with cost and risk[.]. However **the subsequent risk of**, after having paid and worked to obtain a patent reviewed by a qualified patent examiner, **[having a patent] struck down arbitrarily by the PTAB at the whim of a large financially rich corporate entity unwilling to pay the lawful royalties that the patent is supposed to award the inventor is too great.***

Almost fittingly, and yet sadly, in the "Potential benefits to individual inventor-patentees" section of the Report, you will find no mention of "the ability for an inventor to protect her invention" or "the ability for her to attract investors" as a benefit. Isn't this the whole point of a patent? The Report only mentions these benefits for individuals -- "heightened prestige, increased income and job promotions, new job opportunities, and increased professional networks" -- but what do any of these have to do with "securing to Inventors the exclusive Right to their Discoveries?" If the current patent law doesn't do that, then something is missing the mark. These Constitutional women, minority, and veteran Inventors who spoke realize this and have raised this valid concern. If Congress truly wants to increase the number of patents applied for and obtained by the underrepresented, Congress must first right the ship.

In fact, this very thing was spoken right out of the gate. At the very first hearing in Alexandria, my wife and I spoke first. She shared her story of being misdiagnosed during her bout with cancer, demanding innovation in medical diagnosis methods and the need for Section 101 reform. But before that, she spoke on behalf of all inventors: ¿De qué sirve tener una patente si no puedo defenderla? ("What good is a patent if I cannot defend it?") See Attachment 2 of my attached testimony. The actual recording is here with me translating: <https://www.youtube.com/watch?v=2fF7d9i0Km4>.

This concern was not mentioned, and a solution to address it should be recommended by the USPTO, as reaching these "Lost Einsteins" was the intent of Congress.

Question II. (The original question from Ms. Camacho on August 8 that was not answered.)

A. How is the USPTO going to identify those "would be" applicants who are not able or willing to enter into the patent bargain because of the disadvantage they will face when their patents are challenged at the PTAB?

B. What legislation will the USPTO recommend to solve this problem on the back-end? (Many inventors provided solutions to this. See "Inventor-Owned Patent", Recommendation #5,

on Page 20 of my attached testimony.)

Kimberley Alton responded to this question, saying that the USPTO did receive testimony regarding this concern. **She said "that is something that we will touch on in the report", yet I do not find it in the Report.** Moreover, what Ms. Alton did say in response merely focused on the *pro bono* and *pro se* programs, which only serve to help the underrepresented on the front end of the patent process - what the USPTO defined as "inventor-patentees". However, the actual concern is on the back end once a patent is received, as inventors now understand the enormous cost and risk in defending an issued patent in our AIA patent system, and as a result, many are electing to not participate in the first place. This theme permeated the testimonies. That the USPTO didn't answer the question then, and that the Report doesn't mention it now, demands attention and correction.

Question III.

Will the USPTO correct the Report to include these three missing legislative recommendations that I provided in my written testimony? Each of these will incentive inventors without disrupting the status quo, yet for some reason, they were not included in the Report (not even in Appendix A).

1) Establish the definition for an "inventor-owned" patent as a patent owned by the original inventor(s). Then, when an inventor-owned patent is challenged at the PTAB, require prior consent by the inventor(s) who remain the owner of said patent.

Economically-challenged inventors are not the "trolls". Let's pull these inventors out from under the bus. If the PTAB becomes more economical and faster for these inventors, then they'll go. Otherwise, give them the option to stay in an Article III court where they can receive representation. See Recommendation #5 on Page 20 of attached testimony.

2) Expand venue in 1400(b) to include judicial districts where an inventor named on the face of the patent performed her research.

Post *TC Heartland*, this allows an inventor to continue innovating in her garage without being forced to traverse the U.S. to protect her rights when someone else decides to steal or infringe. Moreover, this does not allow bad actors to forum shop. Inventors named on the face of patents are not the "bad actor forum shoppers". Let's enable inventors to stay home in their innovation labs where they are performing their best work. See Recommendation #4 on Page 20 of attached testimony.

3) Abolish Retroactive Application of IPRs on preAIA patents.

The retroactive application of IPRs on preAIA patents voided any integrity that existed in the patent bargain social compact between the government and her people. *Oil States* didn't address it, but the USPTO and Congress can. If we ignore the unconstitutionality of APJs, I must say I was disappointed to read the USPTO's position in *Celgene v. Peter*. Truth be told: *no inventor* who had already disclosed her invention to the government and the public could have reasonably anticipated that inter partes re-examination in front of an examiner would or could be replaced

with inter partes review in front of three APJs in a "courtroom like proceeding." This completely changed the risk factor retroactively for inventors -- increasing costs and/or requiring the engagement of legal counsel to defend her patent in an entirely different venue with a different set of rules -- and is indeed *ex post facto*. Suddenly pulling the rug out from under inventors when they already willingly disclosed their invention subject to the provisions of previous patent law is unjust, and excluding IPRs on preAIA patents would restore inventor confidence and integrity in a fair patent system. The Director can solve this immediately -- not only does he have the power to deny institution and "shall consider the effect of any such regulation on the economy and the integrity of the patent system" pursuant to 35 USC 316(b), he took an oath to support and defend first *the Constitution* against all enemies, foreign and domestic, where the takings, due process, and *ex post facto* clauses are immediately present. See Recommendation #7 on Page 21 of attached testimony.

I would appreciate the USPTO amending the report to include these three recommendations that were omitted from the appendix. I put in an extraordinary amount of effort to assist the USPTO in its study pursuant to the SUCCESS Act, including traveling with my wife and children to Alexandria on my own expense, providing a detailed 35-page written testimony outlining seven specific legislative recommendations, participating in the Young Inventors Showcase with Greg Micek (See Section III "The Golden Standard Program Without a Diversity Gap" of my attached testimony) (Greg was recently elected to be a Houston Hero for his public service), personally reaching out to USPTO offices, speaking with Mr. Ritchie who on July 26 said, "Your recommendations are exactly what we are looking for", and even attempting to meet with Deputy Undersecretary Laura Peter and Dr. Andrew Toole on multiple occasions on subsequent visits to the Patent Office but to no avail.

I am not a paid lobbyist. I am a stakeholder; a *pro se* inventor; the husband of a minority, female inventor and would-be patent applicant and current breast cancer patient; and a genuine advocate for American innovation. I respectfully submit this request.

Thank you for your service, and in order to restore rights for inventors, I am
Very truly yours,
Jeff Hardin

--

Jeff Hardin
Inventor Rights
InventorRights.com
832.390.0060 (m)