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Via Electronic Mail
reexamimprovementcomments@uspto.gov

Mail Stop Comments - Patents
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Attention: Kenneth M. Schor

IBM Corporation Comments in response to "*Streamlining Patent Reexamination Proceedings*," 76 Fed. Reg. 22854 (April 25, 2011)

IBM fully supports the efforts of the United States Patent and Trademark Office ("Office") to improve both inter partes and ex parte reexamination by streamlining the governing procedural rules. We thank the Office for the opportunity to provide our views regarding the proposed changes. IBM agrees with the Office's view that streamlining reexamination procedures will reduce pendency and improve efficiency.

We support the majority of the rule changes proposed in the subject notice ("Notice"). However, we believe the criteria and process for selecting a representative rejection require some clarification from the Office. We also provide below our response to question 5 in the Notice regarding the Office's interpretation of "substantial new question of patentability." Our comments are primarily focused on ensuring that both patentees and requesters have a full and fair opportunity to be heard in the context of reexamination proceedings.

Representative Rejection

IBM agrees that identification of representative rejections from a group of adopted rejections should provide a mechanism for the Office to streamline what might otherwise be complex and repetitive reexamination proceedings. Nevertheless, we believe it is important for requesters to retain the ability to contest the grouping of rejections under appropriate circumstances. Thus, while the Notice indicates that the third party requester in an inter partes reexamination may file comments (to the examiner and on appeal) arguing that one or more rejections within a group would stand or fall independent from the representative rejection (p. 22859), the required scope and content of such comments is unclear. For example, would the requester need to address all the reasons a

particular rejection would not be overcome if the representative rejection were overcome, or just a single reason? What would be appropriate grounds for an examiner to adopt or reject the requester's arguments?

Further, we agree with the Office that if the patent owner overcomes a representative rejection, it is important for the examiner to consider whether any other rejection within the group overcomes the deficiency of the representative rejection prior to confirming the patentability of that claim (p. 22856). When representative claims are selected, it may be difficult for the requester and examiner to anticipate the patent owner's arguments. Once those arguments are presented, prompt attention should maintain fairness to the requester, improve efficiency, and avoid the need to consider remaining rejections for the first time late in prosecution or on appeal. We therefore encourage the Office to emphasize prompt and careful attention to such remaining rejections in examiner training and guidance.

With respect to ex parte proceedings, it is unclear what, if any, mechanism is available for ex parte reexamination requesters to object to the designation of a representative rejection. Ex parte requesters may be discouraged from bringing forth all known arguments against patentability if there is an undue risk of losing an argument through an incorrect grouping of rejections. We suggest providing a mechanism for ex parte requesters to respond to an examiner's grouping of rejections to ensure all unique rejections are addressed and to encourage the public to raise all known prior art promptly through ex parte reexamination requests.

IBM suggests the Office consider exempting reexamination requests raising sufficiently limited issues from the requirement for an examiner to identify a representative rejection. For example, if a request for reexamination is granted with respect to fewer than a certain number of claims, or fewer than a certain number of rejections, then a reexamination could be exempted from the requirement to identify a representative rejection.

Question 5

Should the USPTO change its interpretation of "a substantial new question of patentability" to require something more than "a substantial likelihood that a reasonable examiner would consider the prior art patent or printed publication important in deciding whether or not the claim is patentable"? See MPEP §§ 2242, 2642. If so, how should it be interpreted?

Answer: IBM believes the current threshold for granting reexamination requests is appropriate. This is evidenced by the high number of reexaminations resulting in either cancelled or amended claims. 11% of all ex parte reexaminations have resulted in a cancellation of all claims, 66% have resulted in claim changes, and

only 23% have had all claims confirmed.¹ Likewise, 45% of all inter partes reexaminations have resulted in cancellation or disclaimer of all claims, 43% have resulted in claim changes, and only 12% have had all claims confirmed.² These statistics show that the vast majority of reexaminations yield changes to the subject patents, not unjustified reexaminations.

These results reflect the substantive burdens and requirements inherent in reexamination proceedings. Although reexamination proceedings are less costly than litigation, they do entail a significant expense and, in the case of inter partes reexamination, require identification of the “real party in interest,” thus discouraging all but carefully considered and prepared requests.

In order to ensure that reexamination proceedings remain a robust avenue for the patent community to address patent quality issues, IBM suggests that the Office retain the current threshold for granting reexaminations. We urge the Office to interpret “substantial new question of patentability” in a way that provides a full and fair opportunity for any meritorious challenge to be heard.

Conclusion

IBM thanks the Office for providing the public an opportunity to comment on its proposal to streamline reexamination proceedings. We remain committed to work with the Office in developing improvements to the patent procurement process to promote efficiency and patent quality.

Respectfully submitted,

Manny W. Schechter
Chief Patent Counsel
Intellectual Property Law
IBM Corporation
schechter@us.ibm.com
Voice: 914-765-4260
Fax: 914-765-4290

Marian Underweiser
Intellectual Property Law Counsel
IBM Corporation
munderw@us.ibm.com
Voice: 914-765-4403
Fax: 914-765-4290

¹ http://www.uspto.gov/patents/EP_quarterly_report_March_2011.pdf

² http://www.uspto.gov/patents/IP_quarterly_report_March_2011.pdf