



**Comments by CONNECT**  
**Submitted to the United States Patent and Trademark Office**  
**Related to the Notice of Proposed Rulemaking on**  
**Changes to Implement the Preissuance Submissions by Third Parties Provision of the**  
**America Invents Act**  
**Docket No. PTO-P-2011-0073**  
**March 5, 2012**

**Summary:**

CONNECT's mission is to propel creative ideas and emerging technologies to the marketplace by connecting entrepreneurs with the comprehensive resources they need to sustain viability and business vibrancy. That mission will be impacted as the United States Patent and Trademark Office ("USPTO") considers changes to the rules of patent practice under the America Invents Act ("AIA").

It is critical that the Agency consider the impact of proposed rules on the innovation community because a strong patent portfolio is a critical factor in an emerging company's ability to successfully break into a market. Under the proposed rules, patent applicants will not receive notification of a third party preissuance submission, requiring developing companies to devote already limited resources to monitoring the Image File Wrapper ("IFW").

**Introduction:**

CONNECT is a nonprofit organization dedicated to creating and sustaining the growth of innovative technology and related businesses. Since 1985, CONNECT has assisted in the formation and development of over 2,000 companies across a broad spectrum of technologies and is widely recognized as one of the world's most successful regional programs linking investors and entrepreneurs with the resources they need for success. As a leading voice in the innovation community, CONNECT believes it is compelled to add its unique perspective to the voices being heard by the USPTO.



CONNECT is hosting a series of AIA Regulatory Review Meetings where IP counsels and other IP experts in San Diego's innovation community have an opportunity to learn more about AIA Regulations and how they will impact start-up/emerging companies. CONNECT and San Diego's innovation community greatly appreciates USPTO's assistance in providing key USPTO leaders to participate in AIA Regulatory Review Meetings.

These comments and suggestions were developed in partnership with the aforementioned San Diego based IP experts present at CONNECT's AIA Regulatory Review Meetings. CONNECT heartily commends the Office for their proactive step in establishing the AIA Roadshow and hopes the Office will accept the suggestions expressed herein in a constructive manner.

**I. To further decrease patent pendency and avoid unduly burdening start-up applicants, the USPTO should provide applicants with a courtesy electronic notification of third-party preissuance submissions while eliminating service requirements.**

CONNECT recognizes that reduction of pendency rates is essential to promoting innovation in America and that eliminating the IDS requirement for third-party submission of prior art may decrease challenges regarding proper service. However, eliminating notice to the applicant of third-party filings significantly increases the burden on start-up companies and universities because they commonly lack the capacity to monitor patent applications. Completely shifting this burden onto the applicant may decrease the quality of patent examination because the applicant would not be put on notice of such submissions and would be unable to respond to third parties.

In recognition of the significant burden that would be placed on all but the most sophisticated applicants, CONNECT suggests the USPTO send a simple electronic notification to the applicant any time a third-party submission is accepted and placed in the IFW. The notification does not need to be subject to complex and burdensome service requirements. Instead, the notice could simply be a "courtesy" to the applicant and exempt from service requirement challenges. A courtesy notice would reduce pendency by decreasing service-related challenges, while at the same time affording reasonable notice to the applicant.



**II. Alternatively, third party notification of applicants should be continued because it is of minimal cost and inconvenience while imposing the burden of third party submission discovery on applicants would be cumbersome and costly.**

As stated by Congress, the AIA is “designed to establish a more efficient and streamlined patent system” to improve quality and limit costs.<sup>1</sup> Eliminating the third party notice provision would create an inequitable and inefficient system that abrogates a minor burden on third parties in favor of imposing a cumbersome duty to monitor on the applicant. Daily portfolio monitoring is especially costly for universities and research institutions with large patent portfolios and start up companies with limited resources. Finally, eliminating notice requirements will not encourage third-party submissions because notice requirements are already a minor inconvenience.

In summary, the USPTO should provide applicants with a courtesy electronic notification of third-party preissuance submissions while eliminating service requirements. Alternatively, the USPTO should continue to require third parties to notify applicants of submissions in order to prevent the larger burden of daily patent application monitoring from falling on applicants.

Respectfully submitted,

CONNECT, by\*:

*Timothy Tardibono*

Timothy Tardibono, M.A., J.D.  
V.P. of Public Policy & Chief Counsel  
timothy@connect.org  
202.412.7791

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<sup>1</sup> U.S. House, Committee on the Judiciary. America Invents Act of 2011 (H. Rpt. 112-98, Part I). Text from: Committee Reports. Available from: Thomas (Library of Congress), <http://thomas.loc.gov>; Accessed: 2/29/12.

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