



March 23, 2012

Hon. David J. Kappos  
Under Secretary of Commerce for Intellectual Property  
and Director of the U.S. Patent and Trademark Office  
600 Dulany Street  
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Alexandria, VA 22313-1450

*Submitted via:* supplemental\_examination@uspto.gov

**Re: Comments on Proposed Rules: “Changes to Implement the Supplemental Examination Provisions of the Leahy-Smith America Invents Act and to Revise Reexamination Fees”  
77 Fed. Reg. 3666 (January 25, 2012)**

Dear Under Secretary Kappos:

Intellectual Property Owners Association (IPO) appreciates the opportunity to provide comments to the U.S. Patent and Trademark Office in response to the proposed Changes to Implement the Supplemental Examination Provisions of the Leahy-Smith America Invents Act and to Revise Reexamination Fees published in the Federal Register on January 25, 2012.

IPO is a trade association representing companies and individuals in all industries and fields of technology who own or are interested in intellectual property rights. IPO’s membership includes more than 200 companies and more than 12,000 individuals who are involved in the association either through their companies or as inventor, author, law firm, or attorney members.

IPO supports rules that will streamline and simplify post-issuance processes, allowing owners of intellectual property to avoid unnecessary litigation costs and delays in protecting their rights. IPO generally supports the rules proposed in new 37 C.F.R. 1, Subpart E—Supplemental Examination of Patents. There are aspects of the proposed rules, however, that IPO believes need reconsideration.

For example, proposed rule 1.605(a) limits a request for supplemental examination to no more than 10 items of information believed to be relevant to the patent. A patent owner seeking to have 11 items considered would need to pay for two separate requests for supplemental examination, thereby doubling the cost of the request from \$5,180 to \$10,360. Since the proposed fees are supposed to be based on the actual cost to the Office, an additional \$5,180 for one item of information seems excessive. Requiring multiple requests also overly complicates the proceedings. IPO recommends either not

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limiting the number of items to be considered, or charging a base amount up to a certain number of items with a reasonably proportional surcharge for each additional item.

Further, proposed rules 1.610(b)(7) and (8) presume that each item of information necessarily raises an “issue”. To the contrary, the patent owner may desire to submit a patent reference as an item of information without considering that reference to raise an issue. It should be sufficient for the patent owner to identify the item to be considered, explain why consideration or reconsideration is being requested or how information is being corrected, and identify the aspect of the patent for which supplemental examination is being sought. IPO is concerned that requiring patent owners to identify and explain each issue at the proposed level of detail will discourage the use of supplemental examination because patent owners may fear that any characterization exposes them to subsequent misconduct allegations.

The attached comments address IPO’s recommendations for the proposed rules in detail. IPO thanks the USPTO for considering these comments and would welcome any further dialogue or opportunity to support the USPTO in implementing the Supplemental Examination Provisions of the AIA.

Sincerely,

A handwritten signature in black ink, appearing to read 'R. F. Phillips', written over a horizontal line.

Richard F. Phillips  
President

## COMMENTS

<b>Proposed Rule for Supplemental Examination</b>	<b>Analysis and Recommendation</b>
<b>Proposed Rule 601(a) and (b)</b> Supplemental examination can be requested only by the patent owner(s) who can establish the entirety of the ownership interest.	This proposed rule is reasonable as the supplemental examination can substantively impact the rights of all owners.
<b>Proposed Rule 601(c)</b> Only the patent owner may file papers or otherwise participate in any manner in a supplemental examination proceeding.	It seems reasonable to prevent a third party from having any role during supplemental examination and to delay an opportunity for a third party to have an impact until the subsequent reexamination via the same options that are available to a third party with respect to an ordinary reexamination.  Note that this does not prevent a third party from submitting art under Rule 501, which will be considered separately from the supplemental examination.
A rule was <u>not</u> provided that addresses when supplemental examination is available. Presumably a patent owner may request supplemental examination at any time during the enforceability of the patent.	Availability of supplemental examination during the period of enforceability of a patent could be addressed in <b>Rule 601(a)</b> or a rule could be added as <b>Rule 601(d)</b> . An example is as follows: A patent owner may request supplemental examination of any claim of a patent at any time during the period of enforceability of the patent.
<b>Proposed Rule 605(a)</b> Each request for supplemental examination may request that the Office consider, reconsider, or correct no more than ten items of information believed to be relevant to the patent. More than one request for supplemental examination of the same patent may be filed at any time.	It is recognized that inequitable conduct charges are typically based on a small number of omitted references and that few patent owners will need to have a large number of items considered. However, a patent owner seeking to have 11 items considered would need to pay for two requests, which overly complicates the proceedings and results in an excessive charge for the eleventh item to be considered. It would be better to have no limit to the number of items to be considered or to have a base amount charged for up to a certain number of items with a surcharge for each additional item.  It is also recognized that the PTO needs to ensure that patent applicants are deterred from withholding references during original prosecution and subsequently submitting a large number of references via supplemental examination. However, these objectives are easily met based on the proposed fee structures discussed above.

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<b>Proposed Rule for Supplemental Examination</b>	<b>Analysis and Recommendation</b>
<p><b>Proposed Rule 605(b)</b> Any item of information includes any document submitted with a request. Additionally, “[i]f the information to be considered, reconsidered or corrected is not at least in part contained within or based on any document submitted as part of the request, the discussion within the body of the request relative to the information will be considered as an item of information.”</p>	<p>The proposed rule allows for an item of information to be merely a discussion within the request when there are no documents that correlate with the particular item. This flexibility is helpful and reasonable because some information may not correlate with a particular document or a document may provide complete details. However, it is only relevant if the cap in Rule 605(a) is retained or requires payment based on the number of items of information.</p>
<p><b>Proposed Rule 605(c)</b> Each item must be in writing so an audio or video recording must be submitted in the form of a transcript.</p>	<p>This proposed rule seems limiting considering the greater clarity provided by media in its original form. However, the Patent Office’s preference for a written transcript is understandable considering its resources and the ease of referring to a transcript rather than an audio or video recording. Because the information technology resources of the Patent Office will improve in upcoming years, this rule and others should be revisited in view of the increasing use of nonwritten digital information, especially video information, that is prevalent on the Internet.</p>
<p><b>Proposed Rule 605(d)</b> Items that are combined may be separately counted.</p>	<p>The language of Rule 605(d) regarding separately counting items is unclear. For example, it is unclear if anticipation by “reference A” and obviousness over “reference A” and “reference B” constitute two or three references. The Rule should specifically state whether “reference A” will be counted again as a reference supporting obviousness after being counted as a reference supporting anticipation.</p>
<p><b>Proposed Rule 610(a)</b> The fees include a fee for requesting supplemental examination and a fee for <i>ex parte</i> reexamination, if it is ordered.</p>	<p>This advantageous division of the fees is based on 35 U.S.C. § 257(d)(1). The proposed fee for supplemental examination, which was proposed to be \$5,180 beginning on September 16, 2012 for a large entity, will likely discourage use of supplemental examination except when reissue or owner-initiated <i>ex parte</i> reexamination is not available or is not sufficient to correct a problem. The fee for reexamination, if supplemental examination is ordered, was proposed to be \$16,120 for a large entity. While the broader threshold for supplemental examination relative to <i>ex parte</i> reexamination will cause examiners to confront items of information that they typically do not consider, it still seems reasonable for reexamination following supplemental examination to remain less expensive than for a regular reexamination because the question of whether there is a substantial new question of patentability will already be decided.</p> <p>It is recognized that collecting the fee for the reexamination when requesting supplemental examination avoids a delay while awaiting payment for the reexamination. However, if reexamination is ordered and the requester decides to cancel the claims within a set time period, it seems reasonable to refund a significant portion of the reexamination fee.</p>

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<b>Proposed Rule for Supplemental Examination</b>	<b>Analysis and Recommendation</b>
	<p>In the fee setting executive summary of February 7, the rationale for setting these fees slightly above cost for 2013 is to “encourage applicants to provide all relevant information during initial examination which facilitates compact prosecution.” This appears to be an irrational basis for setting these fees, especially when the purpose of creating supplemental examination is to avoid wasteful litigation and to provide patent holders an avenue to correct innocent failures to submit relevant information. The contradiction here is that Congress has provided a new avenue to remove inequitable conduct issues, but the PTO immediately sets fees to deter the use of the procedure. Also, the fees are really high considering the work the patent owner is doing in the submission. Because a second fee and submission will be required to submit an item following a request with 10 items of information, it seems that the fee is not really based on real workload assumptions and costs. As noted above, it is suggested that the limit to the number of items to be considered be eliminated or replaced with a base amount for up to a certain number of items with a surcharge for each additional item.</p>
<p><b>Proposed Rule 610(b)(1)-(3)</b> A cover sheet itemizing each component submitted as part of the request is required. A table of contents for the request is required. The patent must be identified by number, date of issue and by the first named inventor.</p>	<p>Requiring a table of contents and a cover sheet will be helpful. The requirement to identify the date of issue and the first named inventor is not burdensome but it also seems unnecessary.</p>
<p><b>Proposed Rule 610(b)(4)</b> The request must list each item to be considered and its publication date.</p>	<p>IPO supports the proposed rule.</p> <p>It would be helpful to clarify that the patent owner bears the burden of establishing the publication date of a non-patent publication, if not apparent from the document, and that the publication date qualifies the non-patent publication as prior art to the patent based on the patent’s claimed priority date. Whether a publication date is apparent from the document can be satisfied by reference to the printed publication date if published in print; however, additional proof is required for a patent owner to establish the relevant date of publication of any document not published in print, such as documents that have only been published on the Internet. It may also be helpful to specifically require citations to non-patent publication to be listed with a particular format such as “by author, title, pages being submitted, publication date and, if available, publisher and place of publication.”</p>
<p><b>Proposed Rule 610(b)(4)(i)-(iii)</b> Explanation of why consideration or reconsideration is being requested or how information is being corrected.</p>	<p>The statute does not require an owner to identify why the request is being filed. However, this requirement does not seem onerous. In an example provided in the commentary to the rules, it is stated that “the patent owner may submit a patent with the request as an item of information and explain that the patent was not considered (or was inadequately</p>

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<b>Proposed Rule for Supplemental Examination</b>	<b>Analysis and Recommendation</b>
	considered) during the prior examination, and the consideration (or reconsideration) is requested....” Unfortunately, the remainder of the example collapses the requirements of Rules 610(b)(4), 610(b)(6) and 610(b)(7) into a single sentence. The requirement in Rule 610(b)(4)(i)-(iii) should be considered to be met by simply providing an explanation of why consideration or reconsideration is being requested or how information is being corrected.
<b>Proposed Rule 610(b)(5)</b> Identify prior and concurrent proceedings at the PTO.	IPO supports the proposed rule, but the following changes should be made: (1) “post patent Office” should be corrected to say “post-issuance”; and (2) litigation (e.g. in District Court, ITC, or appeal therefrom) should be added to the list of proceedings required to be listed.
<b>Proposed Rule 610(b)(6)</b> An identification of each aspect of the patent for which supplemental examination is sought, including an identification of the structure, material, or acts in the specification that correspond to each means-plus-function or step-plus-function element, as set forth in 35 U.S.C. 112(f), in any claim to be examined.	It is reasonable to require the identification of the aspect of a patent to be corrected, such as the claims. The requirement regarding claims under 35 U.S.C. § 112(f) is unique but it would help the process of evaluating the request.
<b>Proposed Rule 610(b)(7)</b> An identification of each issue raised by each item of information.	This proposed requirement presumes that the patent owner considers that the item of information raises an issue. For example, the patent owner may desire to submit a patent reference but does not consider it to raise an issue. This proposed rule should be eliminated or replaced. If not eliminated, the following is a possible replacement: “An identification of each issue raised by each item of information, to the extent that the patent owner considers there to be an issue, and without admitting that the issue cited in the statement is, or is considered to be, material to patentability as defined either in § 1.56(b) or this section.”
<b>Proposed Rule 610(b)(8)</b> A separate detailed explanation for each identified issue, discussing how each item of information is relevant to each aspect of the patent identified for examination, and how each item of information raises each issue identified for examination.	This proposed requirement presumes that the patent owner considers that the item of information raises an issue. This is an onerous requirement that will severely limit the use of supplemental examination and should be dropped from the final rules. This portion of supplemental examination will raise its own inequitable conduct issues. It should be sufficient to just identify the item to be considered, explain why consideration or reconsideration is being requested or how information is being corrected, and identify the aspect of the patent for which supplemental examination is being sought. It is unlikely that a patent practitioner will recommend making the correlations required by this proposed rule unless the potential damage caused by correlating items in the patent to prior art information and making statements on the same clearly outweighs the existing problems and clouds over the patent. After

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	<p><i>Therasense</i>, a failure to submit information during prosecution is a safe haven compared with the potential for a requestor's comments to be construed as a misrepresentation.</p> <p>Section 257(a) refers to the request being based on information “believed to be relevant to the patent...” It is acknowledged that this phrase can be reasonably interpreted to justify the requirement to explain why an issue is relevant. However, it is submitted that proposed Rule 610(b)(8), particularly when combined with proposed Rule 610(b)(7), will have a chilling effect on the use of supplemental examination due to the perception that these requirements could expose the patent owner to a subsequent allegation of inequitable conduct based on a characterization made in the supplemental examination.</p>
<p><b>Proposed Rule 610(b)(9)</b> A copy of the patent must be submitted for which supplemental examination is requested and other documents issued with respect to the patent.</p>	<p>This requirement is unnecessary because an issued U.S. patent is readily available to the USPTO.</p>
<p><b>Proposed Rule 610(b)(10)</b> The request must include copies of the items to be considered including translations.</p>	<p>With the exception of U.S. patents and published applications, these are necessary requirements. Note that the proposed rule should refer to Rule 610(b)(4) and not Rule 610(b)(3).</p>
<p><b>Proposed Rule 610(b)(11)</b> Documents over 50 pages in length must be summarized.</p>	<p>This is an onerous requirement that will discourage use of supplemental examination. Additionally, the rule can be avoided by merely dividing a document into sections.</p>
<p><b>Proposed Rule 610(b)(12)</b> A submission is required in compliance with § 3.73(b) to establish the entirety of the ownership interest as required by proposed Rule 601(b).</p>	<p>IPO supports the proposed rule.</p>
<p><b>Proposed Rule 610(c)</b> The request may also include an explanation of why each item of information submitted with the request does or does not raise a substantial new question of patentability.</p>	<p>Because supplemental examination is a possible pre-step to <i>ex parte</i> reexamination and the patent owner has provided the PTO with the information to reach a decision on whether there is substantial new question of patentability via the request for supplemental examination, the proposed rule appropriately places the burden on the PTO to determine whether there is a substantial new question of patentability. This proposed rule also appropriately allows the patent owner to optionally explain why a substantial new question of patentability has not been raised.</p>
<p><b>Proposed Rule 610(d)-(e)</b> A filing date will only be given for a request in compliance with Rules 605 and 615. An opportunity will be</p>	<p>If the request is denied, a filing date is not granted. Consequently, if a civil action is commenced or notice letter is filed or issued after the "real" filing date, which is then not granted due to a deficiency, any allegation in the action or letter is not correctable by supplemental examination under</p>

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<b>Proposed Rule for Supplemental Examination</b>	<b>Analysis and Recommendation</b>
provided to complete the requirements	35 U.S.C. § 257(c).  To cure this, a filing date should be granted to an incomplete request or by keeping the request confidential until after a filing date is granted.
<b>Proposed Rule 615(a)-(b)</b> A request must be formatted in accordance with § 1.52. Court documents and non-patent literature can be redacted but not changed in size.	These are necessary requirements, but the extent of permitted redaction should be clarified by replacing “redacted” in Rule 615(b) with “redacted to the extent required by a Protective Order”.
<b>Proposed Rule 620(a)</b> Within three months following the filing date of a request for supplemental examination, the Office will determine whether a substantial new question of patentability affecting any claim of the patent is raised by any of the items of information presented in the request. The determination will generally be limited to a review of the issues identified in the request as applied to the identified aspects of the patent. The determination will be based on the claims in effect at the time of the determination and will become a part of the official record of the patent.	The timing is required by § 257(a).  However, with regard to the scope, the second sentence should be revised as follows:  “The determination will <del>generally</del> be limited to a review of the <u>items and any</u> issues identified in the request as applied to the identified aspects of the patent.”  It is submitted that the term “generally” gives the PTO too much discretion as to what to use as a basis for determining what is a substantial new question of patentability since the statute merely says that the Director must determine “whether the information presented in the request raises a substantial new question of patentability.” The other changes reflect the comments above with regard to Rule 610(b)(7).
<b>Proposed Rule 620(b)</b> The PTO may hold in abeyance action on other documents filed after a request until after issuance of a supplemental examination.	This proposed rule seems appropriate considering the statutory requirement to complete the supplemental examination within three months under § 257(a).
<b>Proposed Rule 620(c)</b> Unauthorized papers filed in a supplemental examination proceeding will not be entered or will be expunged.	IPO supports the proposed rule.
<b>Proposed Rule 620(d)</b> The patent owner must, as soon as possible upon the discovery of any other prior or concurrent proceedings at the PTO, file a notice.	IPO supports the proposed rule, but the following changes should be made: (1) “post patent Office” should be corrected to say “post-issuance”; and (2) litigation (e.g. in District Court, ITC, or appeal therefrom) should be added to the list of proceedings required to be listed.
<b>Proposed Rule 620(e)</b> Interviews are prohibited during the supplemental examination.	Considering the opportunity to conduct an interview during the reexamination and the statutory requirement to complete the supplemental examination in three months, this prohibition seems to appropriately balance diverging objectives.
<b>Proposed Rule 620(f)</b> Amendments are prohibited during the supplemental examination.	Considering the opportunity to amend claims during the reexamination and the statutory requirement to complete the supplemental examination in three months, this prohibition seems to appropriately balance conflicting objectives.



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<b>Proposed Rule for Supplemental Examination</b>	<b>Analysis and Recommendation</b>
<p><b>Proposed Rule 625(a)</b>                      A supplemental examination proceeding concludes when the supplemental examination certificate is electronically issued, which will indicate the result of the determination whether any of the items of information presented in the request raised a substantial new question of patentability.</p>	<p>IPO supports the proposed rule.</p>
<p><b>Proposed Rule 625(b)</b>                      If the supplemental examination certificate states that a substantial new question of patentability is raised by one or more items of information in the request, ex parte reexamination of the patent will be ordered under 35 U.S.C. 257. Upon the conclusion of the ex parte reexamination proceeding, an ex parte reexamination certificate will be published.</p>	<p>IPO supports the proposed rule.</p>
<p><b>Proposed Rule 625(c)</b>                      If the supplemental examination certificate indicates that no substantial new question of patentability is raised by any of the items of information in the request, and ex parte reexamination is not ordered under 35 U.S.C. 257, the electronically issued supplemental examination certificate will be published in due course. The reexamination fee for supplemental examination, as set forth in § 1.20(k)(2), will be refunded in accordance with § 1.26(c).</p>	<p>IPO supports the proposed rule.</p>
<p><b>Proposed Rule 625(d)</b>                      Any ex parte reexamination ordered under 35 U.S.C. 257 will be conducted in accordance with §§ 1.530 through 1.570, which govern ex parte reexamination, except for certain distinctions due to the nature of supplemental examination including reliance on the definition of information material to patentability under § 1.56(b), notwithstanding § 1.555(b).</p>	<p>IPO supports the proposed rule.</p>