

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re: RIN 0651—AC69

For: Notice of Proposed Rulemaking: Changes to
Implement the Supplemental Examination
Provisions of the Leahy-Smith America Invents Act
and to Revise Reexamination Fee

77 Fed. Reg. 3666
(January 25, 2012)

**Comments in Reply to the Notice of Proposed Rulemaking Entitled "Changes
to Implement the Supplemental Examination Provisions of the Leahy-Smith
America Invents Act and to Revise Reexamination Fees"**

Via Internet to: supplemental_examination@uspto.gov

Mail Stop Comments-Patents
Commissioner for Patents
P.O. Box 1450
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Attention: Cynthia L. Nessler
Senior Legal Advisor, Office of Patent Legal Administration,
Office of the Associate Commissioner for Patent Examination Policy

Dear Ms. Nessler,

In reply to the Notice of Proposed Rulemaking ("Notice") published January 25, 2012, at 77 Fed. Reg. 3666, we respectfully submit the following comments.

1. The Office should remove or reduce requirements for providing detailed explanations.

New 35 U.S.C. § 257 states that a patent owner may request supplemental examination to have the Office "consider, reconsider, or correct information believed to be relevant to the patent." The Notice proposes that in addition to submitting the necessary "items of information" believed to be relevant, patent owners should be required to explain in detail how each item of information raises each issue identified for examination with respect to the patent owner's patent (*see, e.g.*, Proposed Rule 1.610(b)). The Notice takes the position that a detailed explanation by the patent owner is necessary to ensure "efficient processing and treatment of each request."

The extensive requirements for a patent owner to provide detailed explanations may unduly shift much of the examination burden from the Office to the patent owner. It is our opinion that most patent owners facing the current or prospective enforcement of their patent will not be comfortable providing extensive detailed explanations in writing, such as, for example, the "identification of each issue" required by Proposed Rule 1.610(b)(7), the "detailed explanation" required by Proposed Rule 1.610(b)(8), and the "summary of the relevant portions" required by Proposed Rule 1.610(b)(11). Patent owners will be loath to provide such detailed explanations out of fear that any statements that make may be used against them in a later judicial or post-issuance proceeding. Similarly, redaction of documents should not be encouraged under the proposed rules as it runs contrary to the purpose of the supplemental examination to allow a patent owner to submit an item of information for further review by the USPTO for relevance.

Requiring the USPTO to review extensive comments and summary information submitted by the patent owner adds to the USPTO burden – it does not reduce the burden as contemplated by the proposed rules. The resources of the USPTO are better spent independently assessing the items of information submitted (Proposed Rule 610(b)(10) according to the list of issues provided by the patent owner (Proposed Rule 610(b)(4)). This approach has proven more than satisfactory in other areas of USPTO practice, such as, reissue practice where only at least one error need be identified, and *ex parte* prosecution where information is submitted the Office without requiring excessive detailed explanations.

New 35 U.S.C. § 257 itself does not call for such detailed explanations. Requiring them may unduly shift much of the examination burden from the Office to the patent owner, and will severely limit the circumstances under which patent owners will consider supplemental examination an acceptable means to have certain information considered, reconsidered, or corrected with respect to their patent.

Accordingly, we propose removing or at least reducing the extensive requirements for providing detailed explanations embodied in Proposed Rule 1.610(b).

To this end, here are practical changes that should be made:

- (a) Eliminate Proposed Rules 1.610(b)(6)-(b)(8) and (b)(11) entirely. The requirements of the remaining sections of Proposed Rule 1.610(b), especially Rule 610(b)(4) and (10), are more than sufficient.
- (b) Provide a simple form with checkboxes in place of the detailed explanations of Rules 1.610(b)(6)-(b)(8) and (b)(11). A simple form would be a more effective way to comply with 35 USC 257. The form need only have places for a patent owner to list an item of information, identify at least one issue that may be relevant for which supplemental examination is requested, and add citations to pertinent sections of the item of information or patent for which supplemental examination is requested. This

is more than sufficient information for the Office to assess whether to grant supplemental examination of the issues sought.

2. The Office should reduce the fees associated with supplemental examination.

The fees outlined in the Notice for filing a supplemental examination request and for initiating a subsequent modified *ex parte* reexam total \$21,300. This does not include possible additional non-patent document page count surcharges, which kick in for documents longer than 20 pages. While we wonder whether these fees are unnecessarily high as a general matter, we address two specific points below.

First, the Notice does not indicate that any of the fees associated with a supplemental examination request filing will be reduced for small entities. In combination with the professional service fees necessary for a patent practitioner to file and prosecute a supplemental examination and any resultant reexamination proceeding, the full filing fees are likely to make pursuing supplemental examination cost prohibitive to many small entities.

Second, it is likely that some documents submitted by a patent owner in a supplemental examination proceeding may be of considerable length. For example, items of information to be considered in a supplemental examination proceeding that were generated in a prior or concurrent litigation are often of considerable length. We wonder whether the proposed non-patent document page count surcharges are necessary to presumably cover the Office's review voluminous documents that the patent owner will already be required to summarize for the Office under Proposed Rule 1.610(b)(11). If lengthy documents must be summarized so that the Office does not have to review them in detail, the document page count surcharges seem superfluous.

Accordingly, we propose that the Office reduce all of the fees associated with supplemental examination, including the request filing fees and the document page count surcharges, particularly for small entities.

3. The Office should require fee payments only as they are due.

The Proposed Rule 1.610(a) should not require that the fee for filing a supplemental examination also be accompanied by a fee for ordering a reexamination. This thwarts the intent of Congress to allow a patent owner to seek supplemental examination by unnecessarily requiring an additional upfront payment of at least \$16,120 for costs the USPTO will not even incur until after the request for supplemental examination has been decided. The patent owner should only have to pay fees for the specific USPTO services sought. The USPTO can easily require payment of the reexamination fees once supplemental examination is granted.

4. The Office should count a combination of references under 35 U.S.C. §103 as a single item of information.

Under Proposed Rule 1.605(d), the Office proposes to count separately items of information even if they are combined in a single issue. This amounts to an over count. Moreover, the over count in a common example for which patent owners are likely to avail themselves of supplemental examination. The Office should not unnecessarily restrict access to supplemental examination and should count a combination of references under 35 U.S.C. §103 as a single item of information.

5. The Office should correct the typographic error in Proposed Rule 1.610(b)(10).

Proposed Rule 1.610(b)(10) appears to have a typographic error. In particular, "(b)(3)" in line 2 should be --(b)(4)--.

6. The Office should provide additional guidance as to what constitutes material fraud.

New 35 U.S.C. § 257 states that if the Office becomes aware of a "material fraud" on the Office during the course of a supplemental examination (or resultant reexamination), the Office shall refer the matter to the U.S. Attorney General and may take "any other actions" that it is authorized to take, including the cancellation of patent claims. New 35 U.S.C. § 257 does not define "material fraud."

The Notice states that the Office interprets "material fraud" to be something "narrower in scope than inequitable conduct," as defined by *Therasense* (77 Fed. Reg. 3666, 3667). The Office has not provided additional guidance on what it thinks may constitute "material fraud," including exemplary hypotheticals.

Accordingly, given the potentially great consequences resulting from a finding of material fraud, we propose that the Office provide additional guidance on the Office's view of what may constitute "material fraud."

7. The Office may be overestimating the popularity of supplemental examination.

The Notice indicates that the Office estimates that there will be around 1,430 supplemental examination request filings per year (77 Fed. Reg. 3666, 3675). The Notice points to the potential benefits to patent owners in curing possible inequitable conduct and the broader scope of supplemental examination proceedings compared to existing reexamination proceedings.

The estimate of 1,430 annual supplemental examination request filings appears to be largely based on the average number of district court patent case filings occurring in recent years. Specifically, it is estimated by the Office that 40% of recent patent cases would have led to a supplemental examination request filing if the proceeding had been available to the patent owner.

Though the Notice notes that the Federal Circuit's recent *Therasense* decision may reduce the need for patent owners to pursue supplemental examination request filings, the Office may still be underestimating the effect of *Therasense* in obviating the need for a supplemental examination request filings. After *Therasense*, a finding of inequitable conduct requires so-called "but-for" materiality and specific intent to deceive by the patent owner (with the exception of affirmative egregious misconduct). A supplemental examination proceeding is not the only mechanism by which a patent owner can prove a lack of but-for materiality, and a supplemental examination proceeding does not focus on the patent owner's intent.

In addition, as noted above, adoption of the extensive requirements of Proposed Rule 1.610(b) would also discourage the use of supplemental examination by patent owners.

Accordingly, we propose that the Office revise its projections to account for the substantially lower number of annual supplemental examination requests that are likely to be filed.

8. Conclusion

Consideration of the above comments is respectfully requested.

Respectfully submitted,

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