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Cynthia L. Nessler  
Senior Legal Advisor  
Office of Patent Legal Administration  
Office of the Associate Commissioner for Patent Examination Policy  
P.O. Box 1450  
Alexandria, VA 22313–1450

Re: PTO-P-2011-0075 Changes To Implement the Supplemental Examination Provisions of the Leahy-Smith America Invents Act and To Revise Reexamination Fees

Submitted electronically to <http://www.regulations.gov>

Dear Ms. Nessler,

Thank you for the opportunity to provide comments in response to the Patent and Trademark Office’s (“PTO”) Notice of Proposed Rulemaking (“NPRM”) regarding the implementation of supplemental examination published January 19, 2012 in the Federal Register. I am a current second-year law student at Quinnipiac University School of Law, in addition to being a Law Clerk at an IP law firm in Fairfield, CT.

The America Invents Act (“AIA”) will fundamentally change the American patent system as we know it, focusing much on post-grant litigation, of which, supplemental examination is one option. Supplemental examination is intended as a remedy for the small inventor who made an honest mistake. However, there is a real danger that those with vast capital assets will exploit the provision. The provision fosters a culture where low-quality patents will become the norm, and where patentees will be able to avoid any penalties for filing such low-quality patents. There may well be other provisions within the AIA that meet the intended goals, but supplemental examination is not one of them. This thought in mind, I respectfully submit the following comments to the PTO.

#### **§1.20(k)(1)-(3) -- Supplemental and Reexamination Fees**

I do not support the proposed fees for the filing of a supplemental examination, as it creates an inequity in the patent system, which favors large companies with deep pockets. The overall cost of prosecuting and litigating a patent is already cost-prohibitive to small inventors. According to the 2007 American Intellectual Property Law Association Economic Survey the average cost to obtain a patent is between \$8,000 and \$14,000, if the patent goes through examination without any challenges. However, take into account amendment fees and maintenance fees, the average patent will cost a patentee over \$20,000. This is before supplemental examination and/or

reexamination even comes into play. The proposed fee for supplemental examination is \$5,180. This is a significant sum and may cause some patentees to abandon the patent, or force them to find money, which they do not have to try and protect themselves.

This is only the beginning, however, as the AIA allows the Director to order reexamination as a result of a supplemental examination. For those unlucky few who must go through ex parte reexamination because their supplemental examination request presented more than one substantial new question of patentability, the proposed fee is \$16,120. This is a 640% increase from the current ex parte reexamination fee of \$2,520. 37 C.F.R. § 1.2(c)(1). Considering the fact that it is also the failure of the PTO to find the prior art that will be brought up in such supplemental and ex parte examinations, it is unfair to pass the entire cost onto the patentee as the AIA allows the PTO to do.

Further, I take issue with the proposed fee of \$170 for any document between 21 and 50 pages and \$280 for each additional 50-page increment. This seems fundamentally unfair as the rule allows for a person to submit ten 20-page documents at no additional cost, but would assess a fee of \$170 for a person who submits only one 21-page document. The rule instead should focus on the total number of pages submitted, not the number of pages in each document.

### **§1.620(g) – Material Fraud**

The new supplemental examination proceeding encourages patent applicants to use a variety of strategies to obtain patents that would not have been available prior to the reform and also provides a get out of jail free card as described by Senator Waxman. 157 Cong. Rec. E 1208, extensions of remarks June 24, 2011. In addition to using new information, one could choose not to disclose “potential descriptions of a claimed invention in a prior art printed publication, or possible instances of prior patenting of the claimed invention by another, that are known to the applicant, and that might have a high probability of barring a patent or limiting scope. . . .” Rantanen, Jason and Petherbridge, Lee, *Toward A System of Invention Registration: The Leahy-Smith America Invents Act*, 110 Mich. L. Rev. 24, 25 (20011). A patent application may also not disclose known sales and public uses. Id. Expanding on Sen. Waxman’s fears, one could even use false data to obtain a patent. *Id.*

The AIA provides for criminal prosecution if “the Director becomes aware, during the course of a supplemental examination or reexamination proceeding ordered under this section, that a material fraud on the Office may have been committed in connection with the patent that is the subject of the supplemental examination. . . .” 35 U.S.C § 257(e). The proposed rule simply states the matter will be referred to the U.S. Attorney General’s office.

The threat of criminal prosecution will most likely be of no serious consequence without a policy change by the Director. This is a rarely used power to encourage criminal prosecution of those engaged in material misconduct. Rantanen, Jason and Petherbridge, Lee, *Toward A System of Invention Registration: The Leahy-Smith America Invents Act*, 110 Mich. L. Rev. 24, 26 (20011). Another problem with the threat of criminal prosecution is that such prosecution would be through U.S.C § 1001, which establishes liability for false statements in matter involving the United State government. *Id.* The statute of limitations under subsection 1001 is five years, and

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given the time it takes for a patent to be reviewed initially, the statements constituting material fraud will be too old by the time a supplemental examination or reexamination occurs. *Id.* Further, this provision is tasking the same entity that did not catch the fraud in the first place; therefore, a patentee can just sit on any information he has for five years and avoid any subsection 257(e) issues.

The supplemental examination now allows patent applicants to obtain patents using unsavory means, and if they get caught, allows for the patentees to immunize themselves against inequitable conduct and render their patent enforceable. In other words, supplemental examination provides “patent amnesty” for patents obtained inequitably. *Id.*

For the reasons outlined above, I do not support the changes in examination fees and I caution the PTO to closely monitor those patentees who elect to go through supplemental examination. The PTO must come up with a more effective procedure for preventing fraud. However, I understand the PTO cannot make procedural changes to the system, but that the PTO must encourage Congress to adopt a more effective means of preventing and prosecuting fraud upon the PTO.

I appreciate the opportunity to present my comments on these proposed rules and welcome the opportunity to discuss any of these points in more detail.

Sincerely,

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