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From: Matt Rainey

Sent: Tuesday, May 30, 2006 7:18 PM

To: AB77.Comments

Subject: Comments on NPRM re Reexam rules - Intellectual Ventures 05-30-06

Attention: Mr. Kenneth M. Schor
Senior Legal Advisor
Mail Stop Comments - Patents
Commissioner for Patents
P.O. Box 1450
Alexandria, Virginia 22313-1450

May 30, 2006

Dear Mr. Schor,

Please enter the attached document, entitled "Comments on NPRM re Reexam rules - Intellectual Ventures May-30-2006" on behalf of Intellectual Ventures, LLC.

Thank you for your attention to this.

Sincerely,

--Matt Rainey
Reg. No. 32,291

Matt Rainey
Vice President/Patent Counsel
Intellectual Ventures
1756 114th Avenue SE, Suite 110
Bellevue, Washington 98004
Tel: 425-467-2330
Fax: 425-467-2352

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re:

RIN 0651-AB77
[Docket No.: PTO-P-2005-0016]

For: **Notice of Proposed Rulemaking:
Revisions and Technical
Corrections Affecting
Requirements for *Ex Parte* and
Inter Partes Reexamination**

**71 Fed. Reg. 16072
(March 30, 2006)**

***Comments In Reply To the Notice of Proposed Rulemaking Entitled "
Revisions and Technical Corrections Affecting Requirements for Ex Parte
and Inter Partes Reexamination "***

Mail Stop Comments - Patents
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450
Attn: Kenneth M. Schor, Senior Legal Advisor

by e-mail
AB77.comments@uspto.gov

Sir:

In reply to the Notice of Proposed Rulemaking ("Notice") published March 30, 2006, at 71 Fed. Reg. 16072, Intellectual Ventures, LLC submits the following comments.

Introductory Comments

Intellectual Ventures, LLC, based in Bellevue Washington, is in the business of creating new ideas. We create these ideas in-house and seek to protect them through the patent system. We work with internal and external inventors – some of the brightest minds of today's inventive society – to create our new ideas. In addition, Intellectual Ventures also seeks to build upon our own ideas by licensing and acquiring intellectual property from industrial, government and academic partnerships.

Our inventions span a diverse range of technologies, including software, semiconductors, medical devices and biotechnology. Intellectual Ventures is in the business of ideas, and we rely on a strong patent system to protect the innovation our company fosters. In short, we invent, and invest in inventions.

Intellectual Ventures offers these comments with the goal of building a long-term constructive partnership with the Office in its aim to reform the patent system. We support a strong patent system, and are a substantial customer of the Office's services. We recognize the Office's unique position in reforming the patent system and strongly support the goals of the Office's 21st century strategic plan for implementing the reform.

We believe that the reexamination procedures are an important part of the patent system because they help achieve high-quality patents and public reliance upon those patents, and offer our comments in the furtherance of these goals.

Proposal I

A. 37 C.F.R. § 1.512 and 1.921

The proposed rule changes seek to allow a patent owner to reply to a request for an *ex parte* reexamination or an *inter partes* reexamination prior to the Examiner's decision on the request. We believe that this proposed rule change should be implemented, but only with certain changes.

We believe that this proposed rule change allows for greater input from involved parties before an Examiner determines whether reexamination should be declared. The greater input would further the goal of a fair and efficient, well-informed reexaminations. In particular, it would allow patentees to inform the Patent Office of facts that may bear upon the decision on the reexamination petition, such as the outcome of litigation involving prior art submitted to the Patent Office with the petition, and other relevant factors. However, the following comments request further clarification and certain modifications to the proposed rule change.

A patentee's reply to a Director-ordered examination should be allowed.

Importantly, proposed Rule 192 explicitly denies the patentee the opportunity to reply to a Director's ordered reexamination. We believe this diminishes the laudable goal of increasing input, fairness and notice in the reexamination proceedings, and see no substantive difference between *ex parte* reexamination requests and Director-ordered reexaminations that would require such a limitation.

Accordingly, we urge that the Office reconsider the exclusion under proposed Rule 192 and allow for a patent owner reply under any request or direction for reexamination. It may be necessary to amend Rule 520 to implement this suggestion. It would be possible for the Office, for example, to notify the patent owner when information has "been brought to the Director's attention" under rule 520 and a reexamination is being considered. Currently, the proposed rules allow for a "loophole" in which third parties can bring information to an Examiner's or the Director's attention, without filing a request for

reexamination, and the Director may then declare a reexamination. In this case, the patent owner would not have had a chance to reply. Section 520 could be changed to allow for a notice to patent owners, with the appropriate time period for filing a reply, that their patent is being considered for reexamination, at the direction of the Director, due to newly found art.

The “removed or discarded” penalty should be deleted.

Proposed Rule 921(c) states that any reply that does not comply with section (b) will be returned or discarded – apparently, even for trivial reasons. Because one of the goals of adding new Rule 921 is to increase the input from the patent owner upfront to increase efficiency, proposed Rule 921(c) seems unduly harsh, and is unlike other Patent Office rules that allow a submission to be corrected if not in proper form. We strongly urge that the Office issue a Notice of Failure to Comply rather than discarding the reply.

The proposed 50-page limit should be altered.

Proposed Rule 1.921(b) would set a 50-page limit to the patent owner’s reply. It is understandable why the Office seeks to set a page limit to the reply due to the time constraints of the request procedures. However, we recommend the Office set a page limit related to the number of claims at issue and the number of references cited. It may be that a third-party requester submits a great many prior art references, in which case 50 pages will not be sufficient to provide appropriate commentary.

Alternatively, the Office could require that a fee be paid for each page over the 50-page limit. This would create an incentive for limiting the pages, without removing the right to do so, which may be needed in certain circumstances.

The 50-page limit appears to be an arbitrary limit since no explanation for its calculation was given in the Notice. Patentees are faced with defending the validity of their patent during reexamination, and the proposed rules may force them to choose between arguments instead of presenting all arguments because of an arbitrary page limit. We believe this diminishes the goal of a fair reexamination proceeding and request reconsideration.

Electronic filing should be provided for in this rule change.

On a procedural point, the Notice states that patent owners are "strongly encouraged" to file any reply under proposed Rule 192 by fax or by hand-carrying the reply to the appropriate Central Reexamination Unit (CRU). However, we fail to see how this furthers the Office's worthy goal of becoming a paperless office. We commend the Office on its implementation of the Electronic Filing System (EFS) and believe the movement towards electronic filing is good and should be encouraged. We fail to see why the Office is not encouraging electronic filing under proposed Rule 192 also. We understand that updated software for the EFS may be required before all reexamination papers can be filed by EFS, but we would encourage the Office to implement such software and permit patent owners to file replies under proposed Rule 192 by EFS. An EFS filing should be instantaneous, which furthers the Office's goal of timely filing in

reexaminations. Therefore, we request clarification on this issue, namely as to whether a patentee may electronically file a reply under proposed Rule 192.

Proposal II

Revised 37 C.F.R. § 1.945

The proposed rule change seeks to prohibit supplemental patent owner responses to an Office action in an *inter partes* reexamination without a showing of sufficient cause. We strongly disagree with this proposed rule change.

Proposed Rule 945(b) seeks to require patentees who may wish to have a supplemental response entered to make a showing with sufficient cause as to why the supplemental response should be entered. Sections (b)(1) and (b)(2) require the patentee to explain how the requirements of 1.111(a)(2)(i) are met and why the supplemental response could not have been filed earlier.

However, "compelling reasons" for entering a supplemental reply is not the standard set by sections 111(a)(2)(i)(A)-(F), and no justification has been suggested for why a patentee should be subjected to such an obstacle. We submit that the undefined but presumably considerable "compelling reason" standard is unnecessary, and will unfairly prevent patentees from presenting information to the Patent Office that will assist in achieving a correct outcome in reexaminations.

This will reduce the quality and reliability of reexamination decisions, and thus this proposed rule should not be implemented.

Proposal III

Revised 37 C.F.R. § 1.33(c)

This proposed rule change seeks to designate the correspondence address for the patent as the correct address for all notices, official letters, and other communications for patent owners in an *ex parte* reexamination or an *inter partes* reexamination, and to simplify the filing of reexamination papers by providing for the use of "Mail Stop *Ex Parte* Reexam" for the filing of all *ex parte* reexamination papers (not just *ex parte* reexamination requests), other than certain correspondence to the Office of the General Counsel.

We support the proposed rule change, and recognize the need to ease the burden on the Office in corresponding with patent owners in reexamination proceedings.

However, since the correspondence address will be the only address used for mailings by the Office under proposed rule 33(c), and no double correspondence will be sent, we strongly encourage the Office to promptly post all correspondence electronically,

either on private or public PAIR. This will allow attorneys working for patent owners during the reexamination proceedings, who may not all work at the same correspondence address (which is relatively common these days), to keep up to date on the proceedings and the Office correspondence.

Additionally, we support the creation of a single mail stop that will simplify the filing of reexamination papers.

Proposal IV

These proposed rule changes seek to clarify the terminology and applicability of certain reexamination rules, and to correct inadvertent errors in the text of certain reexamination rules.

Intellectual Ventures supports the goal of these rule changes.

Consideration of the above comments is respectfully requested.

Respectfully submitted,

Intellectual Ventures, LLC



Matthew Rainey, Esq.

Vice President/Patent Counsel
Reg. No. 32,291

Date: May 30, 2006

1756 114th Avenue SE, Suite 110
Bellevue, Washington 98004

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