

April 9, 2012

Mail Stop Comments – Patents  
Commissioner for Patents  
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ATTN: Cynthia L. Nessler, Senior Legal Advisor

Mail Stop Patent Board  
Director of the United States Patent and Trademark Office  
P.O. Box 1450  
Alexandria, VA 22313-1450  
ATTN: Lead Judge Michael Tierney

**Re: Comments on Notice of Proposed Rulemaking:**

**Changes To Implement the Supplemental Examination Provisions and To  
Revise Reexamination Fees**  
**77 Fed. Reg. 3666 (January 25, 2012)**

**Changes To Implement Inter Partes Review Proceedings**  
**77 Fed. Reg. 7041 (February 10, 2012)**

**Changes To Implement Post Grant Review Proceedings**  
**77 Fed. Reg. 7060 (February 10, 2012)**

**Changes To Implement Transitional Program for  
Covered Business Method Patents**  
**77 Fed. Reg. 7080 (February 10, 2012)**

**Transitional Program for Covered Business Method Patents  
Definition of Technological Invention**  
**77 Fed. Reg. 7095 (February 10, 2012)**

Cummins Allison is appreciative of the opportunity to express its views regarding the Notices of Proposed Rulemaking identified above (the “Notices”).

Cummins Allison is a privately held U.S. manufacturer with approximately 1000 employees and is headquartered near Chicago, Illinois. Cummins Allison engages heavily in research and development surrounding its core money handling technology and equipment, and attributes its enduring history and market success largely to the effectiveness of the U.S. system of patent laws and intellectual property protections.

Section 6(a) of the America Invents Act (AIA) amends 35 U.S.C. Title 31 to replace the prior inter partes reexamination procedure with a new post-grant procedure known as inter partes review. Section 6(d) adds an entirely new post grant challenge procedure at 35 U.S.C. §§321 – 329 known as post grant review. Post grant review provides a challenger with a more courtroom-like forum and range of bases upon which to attack the validity of a patent at the USPTO within the first nine months of the life of the patent. Section 18 of the AIA introduces yet an additional variant of post grant review referred to as a transitional program for challenging certain types of patents (namely, “covered business method patents”) at any point during the life of the patent.

The proposed rules would implement Section 6 and Section 18 of the AIA. Cummins Allison fully embraces the intention and objectives of the draft rules, and takes this opportunity to express its strong interest in maintaining, and, potentially, expanding the scope of the specific regulations described below. In some case, Cummins suggests further reconsideration and possible revision to still further improve implementation and effectiveness.

#### **Proposed §42.301 - Technological Invention**

This proposed section would establish a definition for determining whether a patent is for a technological invention, and thus for determining whether such patent is ineligible for consideration in a transitional post-grant review proceeding for covered business method (CBM) patents.

Cummins Allison commends the USPTO for its diligent efforts to provide a fair and meaningful definition of “Technological Invention,” as is required by the America Invents Act, for the implementation of the Transitional Program for Covered Business Method Patents. We believe that, while the legislative history referenced in the Federal Register Notice of Proposed Rulemaking does much to identify which patents are eligible for review and those which are not, key portions of the pertinent legislative history that are contained in the Congressional Record have been omitted from the Federal Register in the Notice as drafted, and the Notice could be improved with the inclusion of comments made by Senator Durbin during Senate consideration of the AIA.

Senator Durbin’s comments were offered in an effort to better define and clarify Senate intent with respect to “technological inventions.” His remarks were recorded in the Senate on the same day, and during the same timeframe, as those offered by other Senators (Schumer and Coburn) who are currently referenced in the legislative history section of the USPTO draft Definition of Technological Invention (Federal Register, Vol. 77, No. 28, February 10, 2012, page 7096). The omission of Sen. Durbin’s comments provide an incomplete reference to important AIA legislative history with respect to the Transitional Program for Business Method Patents provision.

We strongly encourage the USPTO to reference Sen. Durbin and acknowledge his insightful comments by adding those comments (quoted below) to the “Discussion of

Specific Rules” section of Federal Register, Vol. 77, No.28, page 7096, in order to more fully and more accurately reflect the legislative history of the Leahy-Smith America Invents Act. The inclusion of Sen. Durbin’s comments, in addition to those currently cited in the legislative history section draft Definition of Technological Invention, will help provide additional clarity and a more comprehensive and complete legislative history with respect to the technological inventions definition.

We strongly encourage the USPTO to include the following reference to legislative history:

*See, e.g., 157 Cong. Rec., S5433 (daily ed. Sept. 8, 2011) (statement of Sen. Durbin) (“I also note that there is an exemption in section 18 for patents for technological inventions. House Judiciary Chairman Smith provided useful clarification with respect to the scope of that exemption in the June 23, 2011, Record.” “I agree with Chairman Smith, and would note again that vibrant and job-creating industries have developed around the types of mechanical inventions he describes that deal with the counting, sorting, authentication and scanning of currency and paper instruments. I am confident that the PTO will keep this in mind as it works to craft regulations implementing the technological invention exception to section 18.”)*

#### **Proposed §1.20 - Reexamination Fees**

This proposed section adjusts the fee for filing a request for ex parte reexamination and sets a fee for petitions filed in ex parte and inter partes reexamination proceedings, as well as petitions filed for inter partes review and post grant review (including covered business method patent review).

Cummins Allison is aware that in many cases the proposed fees represent significant increases from those imposed for previous post-issuance procedures. However, Cummins Allison believes the fees as proposed are not only justified, but they are absolutely essential to achieve two important goals of the AIA :

- 1) To permit the fees to more accurately reflect the cost of these processes, particularly in view of the enormous added complexity of shifting Federal court-style litigation and discovery to the PTO, and in order to comply with the mandate that the processes are completed within a twelve month deadline
- 2) To discourage abuses by ill-spirited challengers seeking no other objective than protraction of litigation and delays of justice for the patentee

Consistent with these objectives Cummins Allison recommends the proposed section include an explicit accommodation of indexing the stated fees to adjust for inflation.

**Proposed §42.100(c) and §42.200(c) - Administration Deadline**

These proposed sections would require a one-year timeframe for administering the inter parts review and post-grant review procedures, respectively, with up to a six-month extension for good cause shown. Cummins Allison feels the imposed deadline is critical to achieving the objectives of the post issuance procedures, namely, to establish with certainty and expediency the status of a granted patent, without undue prejudice to the patentee. Cummins Allison also strongly endorses the position communicated by USPTO with respect to the high threshold for granting any amount of extension beyond an initial one-year timeframe.

In addition, Cummins Allison advocates communication of a clear statement of the impact on a post issuance procedure when an administration deadline lapses. Certainly, a rule without established repercussions for non-compliance has limited, if any, influence. For example, when a deadline expires in a post-issuance procedure, is it intended that the procedure be dismissed? With or without prejudice to the petitioner? Or the patentee? Will estoppel provisions subsequently apply to the petitioner who brings an inter partes review or post-grant review which lapses? Cummins Allison respectfully submits that the likelihood of achieving the objectives of this important rule is only as strong as the incentives for motivating compliance.

**Proposed §42.106(a) and §42.206(a) - Real Party in Interest**

These proposed sections would require that a petition for inter parts review or post-grant review, respectively, only be considered when the petition identifies “all the real parties in interest.”

Cummins Allison considers this rule to be extremely important for avoiding abuse of the process by straw-man petitioners, and strongly opposes any view that the real party in interest need not be identified or should remain anonymous. Cummins Allison has regrettably found itself in the position of the victim of such abuses, and from a first-hand perspective offers its opinion on the value of this type of requirement. Cummins Allison strongly advocates that the discovery rules for both inter partes review and post-grant review be expanded to accommodate investigation by the patentee of compliance with these provisions by a petitioner, and, further, that repercussions for any non-compliance when established, relative to both the named petitioner and any unnamed but verified real parties in interest, be outlined and enforced. At a minimum, Cummins Allison recommends that all estoppel effects enforceable against the petitioner and named real parties in interest and privies of the petitioner (35 U.S.C. 325) be enforceable against any actual real parties in interest and privies of the petitioner not identified in the petition as filed.

**Proposed §42.302 (a) - Standing To File CBM**

This proposed section would provide that a petitioner may not file a petition to institute a covered business method (CBM) patent review of the patent unless the petitioner, the petitioner's real party in interest, or a privy of the petitioner has been sued for infringement of the patent or has been charged with infringement under that patent.

Cummins Allison recognizes and agrees with the rationale of specifying the prerequisite conditions for filing a CBM review. Unquestionably, efficient administration of the CBM proceedings by the PTO within the specified time constraints necessitates this type of a control. Cummins Allison recommends that, consistent with this objective, the PTO provide guidance as to the standard for satisfying the "has been charged with" prong of the eligibility criteria. For example, would an offer to license be viewed as a "charge" justifying a petition for CBM? At what point does disclosure of a patent or communication of such property justify a CBM petition? Clarification is requested.

Sincerely,

CUMMINS ALLISON

A handwritten signature in blue ink, appearing to read "J. G. Knoll", is written over the typed name.

Jeffrey G. Knoll

Executive Vice President  
Corporate Counsel