PUBLIC PATENT FOUNDATION
Representing the Public's Interests in the Patent System

PUBPAT

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VIA EMAIL

Attn: Lead Judge Michael Tierney, *Inter partes* Review Proposed Rules
Mail Stop Patent Board
Director of the United States Patent and Trademark Office
P.O. Box 1450
Alexandria, VA 22313-1450
inter_partes_review@uspto.gov

Re: Docket No. PTO-P-2011-0083: Changes To Implement Inter Partes Review Proceedings

Dear Judge Tierney:

The Public Patent Foundation ("PUBPAT") is a not-for-profit legal services organization that works to protect the public interest in the patent system. Its activities include challenging undeserved patents through litigation and reexamination to unlock technology that belongs in the public domain. I write to express PUBPAT's views on the proposed rules to implement *inter partes* review proceedings detailed in 77 Federal Register 28 (10 Jan. 2012) pp. 7041-7060 (the "Proposed Rules"). PUBPAT is grateful for this opportunity to comment on the proposal.

First, PUBPAT respectfully suggests that the Office reconsider the amount of the newly proposed fee for IPR. Currently, a party may request *inter partes* reexamination for a fee of $8,800. The newly proposed fee of $35,800 to petition for *inter partes* review more than quadruples that cost and makes it prohibitively expensive for many small business entities and nonprofits. Failure to lower this fee will reduce valuable input to the patent system from all but large corporations, shifting the balance of power away from the public interest.

PUBPAT appreciates that the Office is bound by 35 U.S.C. § 41(d)(2), which directs that fees for services such as IPR be set at amounts to cover their costs and provides no reduction in fees for small businesses or nonprofits. Considering the cost to the system of lost input, however, PUBPAT urges the Office to investigate ways of reducing its costs through more efficient processing or otherwise relieving small entity and nonprofit petitioners of the bulk of the proposed petition fee for *inter partes* review.

Second, the Proposed Rules state at § 42.102(b) that the Director may impose a limit on

the number of *inter partes* reviews that may be instituted during each of the first four years after the amendment takes effect. PUBPAT respectfully suggests that the Office suspend its imposition of a limit for at least the first year under the new rules in order to gauge the appropriate limit to set for future years. Given the uncertainty that accompanies any new rules along with the increased fees IPR entails, the likelihood of the Office receiving more IPR petitions than it can support during the first year is unlikely.

Further, if and when the Director decides to impose a limit on the number of IPRs that may be instituted, PUBPAT suggests that these limits restrict petitions per quarter instead of per year. Implementing the limit quarterly instead of annually will prevent a situation in which an unexpectedly high number of IPRs filed early in the year exhausts the annual limit and, thus, requires other petitioners to wait six or nine months before they can file their petition for review of a questionable patent.

PUBPAT appreciates the challenge the Office faces in implementing rules to serve competing interests and hopes the Office finds the above comments useful. Please feel free to contact me if I may be of any further assistance on this matter. Thank you for your service to the American people.

Sincerely,

Daniel B. Ravicher

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