AMERICAN BAR ASSOCIATION

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Via Electronic Mail
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April 18, 2011

The Honorable David J. Kappos
Under Secretary of Commerce for Intellectual Property
and Director of the United States Patent and Trademark Office
P.O. Box 1450
Alexandria, VA 22313-1450

Attn : Joni Y. Chang

Re: Comments on *Incentivizing Humanitarian Technologies and Licensing Through the Intellectual Property System*

Dear Under Secretary Kappos:

I am writing on behalf of the American Bar Association Section of Intellectual Property Law (the "Section") to provide comments regarding the United States Patent and Trademark Office (the "Office") proposal for a pilot program entitled *Incentivizing Humanitarian Technologies and Licensing through the Intellectual Property System*, 75 *Fed. Reg*. 181 (September 20, 2010), pages 57261-262. These comments have not been approved by the ABA House of Delegates or Board of Governors, and should not be considered to be views of the American Bar Association.

Under the proposed pilot program, a fast-track *ex parte* reexamination voucher would be offered to patent holders demonstrating humanitarian uses of patented technologies. This voucher could then be used on any patent owned by the patent holder or transferred on the open market.

The Section opposes the adoption of this pilot program. We recognize that the deadline for submitting comments with respect to this proposal has passed. Nonetheless, we offer the following comments in the event the Office is still considering the implementation of this program.

The Section opposes adoption of the program because, on balance, the benefits do not outweigh the disadvantages. In the first instance, while the program would presumably provide some incentive for encouraging humanitarian use of patented technologies, the degree of incentivization is questionable. The vast majority of issued patents are not subjected to reexamination. Since most patent holders will not have an expectation that their patents will be reexamined, we question whether this incentive would actually encourage humanitarian use of patented technologies.

Perhaps humanitarian use would be incentivized if the vouchers are traded on the open market, offering such applicants a monetary incentive. But a system in which such vouchers are market tradable could lead to significant abuse and examination inconsistencies. The vouchers could be highly sought after in certain litigation settings where they could be used by patent holders to expedite a reexamination proceeding initiated by a defendant. Some "deep pocket" litigants may pay a hefty premium to obtain a litigation advantage; however, such litigants may be taking no steps to apply their technology towards humanitarian ends.

Indeed, regardless of whether the vouchers are tradable or not, their primary use will be in the litigation context. In most instances, patent owners do not have a strong interest in expediting a reexamination proceeding unless litigation is pending or contemplated. It follows that the vouchers will be used primarily to advance a litigation strategy. While in general incentivizing humanitarian applications (even if only to a small degree) seems commendable, the value of such a goal becomes clouded upon recognizing that the cost of such incentivization may be litigation gamesmanship that produces no meaningful additional benefit to society or the patent examination process.

Finally, and most importantly, the proposed program would lead to inconsistency in the patent examination process. Each time a voucher is used, one reexamination proceeding will go to the head of the line, while other proceedings will take a step back. Thus, patent holders without a voucher will, at least in part, pay the price for this incentive program. Further, the process may discriminate against reexamination applicants in technological fields that are not amenable to humanitarian application. Given the questionable benefits of the program, the Section opposes the introduction of such inconsistency into the patent reexamination process. According to data issued by the Office in June 2010, the average pendency of a reexamination proceeding is already over two years. It would not be equitable to lengthen the pendency of such proceedings for some patent owners just so certain other patent owners can acquire a litigation tool.

The Section commends the laudable objective to incentivize humanitarian application of patentable technologies; however, the potential for litigation gamesmanship, ambiguity in the examination process, and inconsistent treatment of applicants outweigh any nominal incentive provided by the proposal.

Very truly yours,

Marylee Jenkins
Section Chairperson
American Bar Association
Section of Intellectual Property Law