



February 4, 2008

The Honorable Patrick J. Leahy, Chairman
Committee on the Judiciary
United States Senate
433 Russell Senate Office Building
Washington, D.C. 20510

The Honorable Arlen Specter, Ranking Member
Committee on the Judiciary
United States Senate
711 Hart Senate Office Building
Washington, D.C. 20510

Re: Senate Patent Reform Bill, Preserve Third Party Reexamination

Dear Chairman Leahy and Ranking Member Specter:

As a patent attorney currently on staff at the Electronic Frontier Foundation (EFF), a nonprofit, membership-supported public interest organization working to protect consumer interests, civil liberties, innovation, and free expression in the digital world, I write today to note our concern with regard to at least one provision of S. 1145, the Patent Reform Act of 2007. Forbidding third parties from requesting ex-parte reexamination is contrary to the public interest for numerous reasons, the most critical of which are described below.

While we appreciate the Senate's efforts thus far and believe that S. 1145 takes a significant first step toward improving patent quality and reducing the costs and uncertainties of litigation, we wish to comment specifically on Section 5 of The Act and its potential to eliminate all legitimate third-party requested reexamination requests. This significant change to the current system for maintaining patent quality is described in the Draft Judiciary Committee Report of the Patent Reform Act of 2007, which states on page 20 that "Section 5 of the Act creates a new post-grant review (PGR) system for United States patents, replacing and eliminating inter partes reexamination, in a new chapter 32 in title 35." This statement is followed by footnote 87:

Ex-parte reexamination, based on a request by the patentee, is retained. *See* new Section 303(a) of the Act. However, third parties may no longer request an ex-parte reexamination. Thus, third parties wishing to challenge the patent will use the new post grant review system; patentees wishing to have additional art considered by [sic] will use the old ex-parte reexamination system.

First, patent examiners are under immense time constraints and do not always discover prior art that might render a patent invalid. Second, patent applicants often do not provide the Patent Office with all relevant art. It is critical that third parties be permitted not only to submit relevant documents to examiners after the issuance of an invalid patent but also provide clear and concise explanations of how the art is relevant to narrowing or invalidating the claims. While some proposals continue to allow third party submissions without comment, the reexamination process provides third-parties with the ability to comment and guide the examiners to the most relevant aspects of the art, saving the PTO's much-needed resources. As current and past use of the reexamination processes has shown, the public has tremendous knowledge of the prior art and the ability to assist examiners in improving patent quality. We support any measure that encourages valuable input to examiners, and believe that barriers, if any, to third-party submissions should be as low as possible to encourage the robust application of this provision.

If enacted, Section 5 would devastate the public interest we represent because both ex parte and inter partes reexamination are extremely powerful tools for the public to use in helping to ensure that only valid patents are maintained. In fact, we have successfully used both forms of reexamination to bring to the Patent Office's attention new prior art that invalidated issued patents having a significantly negative impact on the American public.

For example, as part of EFF's patent-related initiatives, it has called on the public to review the history of prior inventions that are widely distributed but poorly documented so that they can be brought to the attention of the U.S. Patent and Trademark Office (PTO) through the reexamination process. EFF collaborates with members of the software and Internet communities as well as legal clinics and pro bono cooperating attorneys to help in these efforts.

EFF has submitted five such petitions for reexamination, four of which have already been granted and the last of which EFF expects will be after the PTO has had an opportunity to review it (since it was filed at the end of last week). One of the first reexamination requests submitted by EFF has already resulted in the PTO revoking the patent.¹

As evidenced by EFF's success on its project, reexaminations can serve the public interest in high quality patents and support the patent system; they are not merely attempts to harass legitimate patent owners but rather ensure that the public domain is unencumbered and available to everyone, particularly to non-commercial, educational, and small entities that rely heavily on it.

EFF is in the process of collecting prior art on at least five more patents that it believes should not have been granted in the first place. The current draft of Section 5 of the Patent Reform Act would eliminate the public's ability to challenge these patents and thus would hurt, not help, the health of the patent system and the public's perception of and confidence in it.

¹ For more information, see <http://www.eff.org/patent>.

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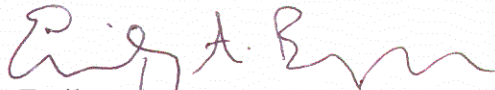
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To be clear, EFF supports a Post Grant Review procedure, but the creation of this system should not mean the elimination of the ex parte or inter partes systems because the PGR system cannot meet the public's needs on its own. The form of PGR currently proposed in the Senate's bill is an inadequate substitute for reexamination because it would only permit nonprofit organizations like EFF to question the validity of issued patents within twelve months of issuance. (We are not commercial actors and thus would have difficulty showing economic harm directly from the patent, a requirement to request Post Grant Review after twelve months.) Since the true effect of a patent on the public is frequently not realized until well after the first year of its term, there would be no way for us to then have any concerns we may have regarding its validity addressed.

Out of the hundreds of thousands of patents issued every year, it is almost impossible to know which are worth targeting in the first 12 months, and many patents lie dormant during the first year and do not surface as a threat until after the PGR process would have expired. Further, the PGR process will be much more expensive and resource intensive than the reexamination process. Finally, because there is only a proposal for a second opportunity to challenge the patent if an individual or entity is economically harmed by a patent, 501(c)(3) nonprofit entities like EFF would have difficulty meeting that standard and could not participate.

In closing, as a nonprofit that works to defend the public domain and open access to science, we respectfully urge the Senate to preserve third party reexamination as it exists today or to, at a minimum, eliminate the economic harm requirement from the new PGR system. Please do not foreclose our ability, or that of other organizations like us, to meaningfully participate in the patent process.

Sincerely,

A handwritten signature in red ink, appearing to read "Emily A. Berger". The signature is fluid and cursive, with a prominent initial "E" and a long, sweeping underline.

Emily A. Berger,
Electronic Frontier Foundation