

# JAPAN INTELLECTUAL PROPERTY ASSOCIATION

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The Honorable David J. Kappos  
Under Secretary of Commerce for Intellectual Property and  
Director of the United States Patent and Trademark Office  
United States Patent and Trademark Office  
Alexandria, Virginia

Re: JIPA Comments on the "Changes To Implement Transitional Program for Covered Business Method Patents"

Dear Under Secretary Kappos:

We, the Japan Intellectual Property Association, are a private user organization established in Japan in 1938 for the purpose of promoting intellectual property protection, with about 900 major Japanese companies as members. When appropriate opportunities arise, we offer our opinions on the intellectual property systems of other countries and make recommendations for more effective implementation of the systems. (<http://www.jipa.or.jp/english/index.html>)

Having learned that the "Changes To Implement Transitional Program for Covered Business Method Patents", published by the United States Patent and Trademark Office (USPTO) in the Federal Register, Vol.77, No.28, on February 10, 2012. We would like to offer our opinions as follows. Your consideration on our opinions would be greatly appreciated.

JIPA again thanks the USPTO for this opportunity to provide these comments and welcomes any questions on them.

Sincerely, yours,

Yoichi Okumura

President

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JAPAN

**JIPA Comments on the “Changes To Implement Transitional Program for Covered Business Method Patents”**

JIPA has closely and carefully examined the proposed amendment to 37CFR, publicized in the Federal Register issued by the United States Patent and Trademark Office (USPTO) as of February 10, 2012, under the title of "Changes To Implement Transitional Program for Covered Business Method Patents" (hereinafter referred to as the "Proposed Amendment"). JIPA hereby presents its comments on this proposed amendment.

1. As far as JIPA understands, the Proposed Rules provide for the procedure relating to covered business method patents, which are subject to an exception to PGR.

2. The USPTO presents the definitions of the concepts of "covered business method patent" and "technological invention" in the "Transitional Program for Covered Business Method Patents – Definition of Technological Invention," which is separately stipulated. However, as these definitions are not clear enough, what kind of patent can meet the definition of a covered business method patent, which is required to be demonstrated under §42.304, Content of petition, is unclear.

JIPA understands that the definition will become clearer as actual review results are accumulated. Nevertheless, JIPA would strongly request that the USPTO provide those who institute PGR with supplementary materials that could help them gain a better understanding of the definition of this concept, while showing specific case examples.

3. As compared to an ordinary PGR, a covered business method patent review additionally requires that the patent in question is a covered business method patent. In other words, if the patent fails to meet this requirement, the fees already paid for instituting PGR would be wasted. This would discourage users from choosing this review process.

Therefore, JIPA would strongly request that the USPTO consider establishing a two-phase fee schedule, which requires (i) fees for the review as to whether the patent in question is a covered business method patent, and (ii) fees for implementing PGR, separately.

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