

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 Inter Partes Review Proceedings"

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 Inter Partes Review Proceedings", 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 Inter Partes Review Proceedings”

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 Inter Partes Review Proceedings" (hereinafter referred to as the "Proposed Amendment"). JIPA hereby presents its comments on this proposed amendment.

1. As far as JIPA understands, an inter partes review (IPR), which has been introduced under 35USC.311, is a quick, effective and efficient procedure for challenging the validity of a patent, as compared to district court litigation.

2. §42.100(c) of the Proposed Rules provide as follows:

(c) An inter partes review proceeding shall be administered such that pendency before the Board after institution is normally no more than one year. The time can be extended by up to six months for good cause by the Chief Administrative Patent Judge.

An IPR proceeding, which is to be concluded within one year, is preferable for patent users who desire speedy settlement of disputes. At the same time, an extension of up to six months will be granted if there is good cause. JIPA would request that in what situation good cause is found should be clarified in the MPEP or other materials. In particular, JIPA would request that flexible coordination be made for extending the time limit for response in cases where the parties are outside the United States.

3. §42.107(b) of the Proposed Rules provide as follows:

(b) Due date. The preliminary response must be filed no later than two months after the date of a notice indicating that the request to institute an inter partes review has been granted a filing date. A patent owner may expedite the proceeding by filing an election to waive the preliminary patent owner response.

JIPA understands that in order to have an IPR proceeding concluded within one year, the time limit for the patent owner's response needs to be set short. However, filing a preliminary response is a very important issue for the patent owner. The two-month period is too short for the patent owner who needs to fully examine the grounds stated in the petition and may need to consider whether or not to file for additional discovery. Therefore, JIPA would request that the time limit for response in an IPR proceeding be set longer, at least to three months (as in the case of response to an office action in an examination proceeding).

4. §42.108(c) of the Proposed Rules provide as follows:

Sufficient grounds. Inter partes review shall not be instituted for a ground of unpatentability unless the Board decides that the petition supporting the ground would, if unrebutted,

demonstrate that there is a reasonable likelihood that at least one of the claims challenged in the petition is unpatentable. The Board's decision will take into account a preliminary patent owner response where such a response is filed.

JIPA agrees with the idea of setting a threshold for instituting an IPR so as to prevent the abuse of this process. However, this provision does not specifically indicate the level of the threshold for IPR, "a reasonable likelihood," as compared to the threshold for reexamination before the amendment, "a substantial new question of patentability." JIPA would request that this point be clarified in the MPEP or other materials.

(EOD)