

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re:
RIN 0651-AC73

For: **Notice of Proposed Rulemaking:
Changes to Implement Transitional
Program for Covered Business
Method Patents**

**77 Fed. Reg. 7080
(February 10, 2012)**

**Comments In Reply To the Notice of Proposed Rulemaking Entitled
"Changes to Implement Transitional Program for Covered Business Method
Patents"**

Via Internet to: TPCBMP_Rules@uspto.gov

Mail Stop Comments-Patents
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Due: April 10, 2012

Attention: Lead Judge Michael Tierney, Covered Business Method Patent Review Proposed Rules

Dear Judge Tierney:

In reply to the Notice of Proposed Rulemaking published February 10, 2012, at 77 Fed. Reg. 7080, we respectfully submit the following comment:

37 C.F.R. § 42.304

Proposed rule § 42.304(a) states that the "petitioner must demonstrate that the patent for which review is sought is a covered business method patent." Proposed rule § 42.301(b) indicates that a "covered business method" is a "patent that claims a method or corresponding apparatus" having certain features. What is unclear, however, is whether the demonstration made by the petitioner should address the patent and subject matter as a whole, or whether the petitioner needs to address each claim individually.

Trying to fit the majority of patents neatly into the classification analysis proposed by the PTO is expected to be difficult. Patents typically include a number of claims covering different embodiments of the same invention. Some claims may cover embodiments that are explicitly financial in nature, while other claims may cover embodiments of the invention that are not financial in nature.

Taking a data processing patent as an example, assume for the purposes of argument that half of the patent's claims are related to "the practice, administration, or management of a financial service or product," and that half of the patent's claims are not. How should a petitioner address the grounds for standing?

If the PTO makes a decision on the grounds for standing based on the patent as a whole, the result will be unfair to one of the parties. On one hand, it would be unfair to prevent the petitioner from pursuing the claims directed to a financial embodiment when the patent also is directed to other, non-financial embodiments. On the other hand, it would be unfair to a patent owner to pull claims directed to non-financial embodiments into a CBM proceeding, simply because another set of claims in the same patent are eligible.

There are further complications when one considers that a set of non-financial claims in combination with other claims could be pulled into a CBM proceeding, while an identical set of non-financial claims separated into their own patent could not be pulled into a CBM proceeding. These identical claims would be subject to different levels of scrutiny simply based on other claims that may appear in the same patent. Unequal, unpredictable treatment of identical claims based on their presentation cannot be the result that Congress intended.

Instead, a more equitable approach may be for the PTO to conduct its eligibility analysis on a claim-by-claim basis, and indicate in § 42.304(a) that the petitioner must demonstrate the grounds for standing for each claim for which review is sought. With this requirement, claims directed to financial embodiments can be identified as such and addressed by the petitioner, while non-financial claims remain protected from an unwarranted CBM proceeding. This would also allow the PTO to proceed with a CBM proceeding on just those claims in a patent which meets the eligibility requirements, rather than putting ineligible claims into review or dropping eligible claims from review based on the patent as a whole. This claim-by-claim approach would also meet Congress's intent of providing a substantive review process for financial business method claims meeting all the qualifications, while providing petitioners and patent owners with some certainty as to whether their claims are susceptible to a CBM challenge.

Conclusion

Consideration of the above comments is respectfully requested.

Respectfully submitted,

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