THE BOSTON PATENT LAW ASSOCIATION

Via Email: info@acus.gov
Attn: Administrative Conference of the United States

Re: Small Claims Patent Court Comments

To Whom it May Concern:

The Boston Patent Law Association ("BPLA") wishes to thank the United States Patent and Trademark Office ("USPTO") and the Administrative Conference of the United States ("ACUS") for the opportunity to respond to the request for comments regarding issues associated with, and options for designing, a small claims patent court. *See* 87 Fed. Reg. 26183 (May 3, 2022).

The BPLA is an association of more than 800 intellectual property ("IP") professionals, providing educational programs and a forum for the exchange of ideas and information concerning patent, trademark, and copyright laws in the First Circuit, focusing on the greater Boston area. The membership of the BPLA includes IP professionals working in all areas of science and technology, including pharmaceuticals, biotechnology, medical devices, chemistry, electrical engineering, mechanical engineering, and computer technologies. Members include in-house counsel, as well as attorneys in private practice and academia. All are sensitive to developments in the law that affect American business.

The BPLA submits these comments solely as its consensus view. It should be noted that, in many cases, issues of confidentiality and privilege constrain the public identification of specific clients and examples. Accordingly, the following comments are based primarily on the anecdotal experiences of the BPLA's membership. They are not necessarily the views of any individual member, any firm, or any client.

The BPLA appreciates efforts by the USPTO to explore alternative forums for resolution of patent disputes, and is attuned to the needs of inventors and patent owners in cases where the amount of damages may not warrant the full cost of patent litigation, or where the cost of patent proceedings are not practicable. The BPLA strongly believes that inventors and patent owners should have access to avenues to protect their intellectual property. However, presently available avenues for patent enforcement and challenges are only accessible to parties with substantial resources, often leaving solo inventors, small business concerns, and entities otherwise lacking funds with limited ability to enforce their patents or secure freedom to operate. Furthermore, the cost of patent litigation precludes patent enforcement in cases where damages are likely low, but where, nevertheless, a real issue of infringement exists.

Nonetheless, there are myriad challenges the USPTO must carefully consider in order to make a small claims court (or alternative reduced cost forum) workable. In particular, while a "small claims" type tribunal has been established within the U.S. Copyright Office (the Copyright Claims Board or "CCB"), there are a number of key features of copyright law that make it amenable to such a court that are absent in patent law. For example, statutory limits on damages, cases where individual copyrighted works have relatively limited value, and a comparatively limited role for expert testimony are features of copyright litigation that fit well in a small claims context, but are generally not germane to the patent system, which has characteristic components that may be challenging to adapt to a reduced cost proceeding. In short, the price tag associated with patent litigation is often driven by the number and complexity of legal issues involved, and, as a result, merely streamlining procedure is unlikely to reduce costs in a way that would provide a viable alternative forum for patent disputes.

One example of a cost driver for patent proceedings is discovery, which plays a key role in providing a factual record from which a tribunal can decide important issues such as literal infringement, infringement under the doctrine of equivalents, written description, enablement, and inequitable conduct. Any curtailing of discovery in an attempt to reduce price burdens would have to be carefully balanced against interests of parties in having the factual bases for their cases adequately developed, made of record, and heard.

Expert testimony is also a major driver of expense, not only in the form of expert fees, but also costs associated with live expert testimony, but is also commonly integral to patent litigation due to its importance to a wide array of legal issues often raised in patent disputes. While it is possible that parties could voluntarily agree to a process that eliminates or limits expert testimony (*e.g.*, in favor of decisions made by a technically qualified judge or judges) as at the CCB, those circumstances are likely be to rare, as expert testimony is often critical to many elements of patent litigation, from claim construction (which can be determinative), to validity, infringement (*e.g.*, application doctrine of equivalents), and damages. The BPLA suggests that the USPTO carefully consider the issues that influence the high cost of patent litigation and post-grant proceedings, and how those would be addressed in a small claims-type forum. For example, streamlining the parties' ability to raise certain issues, or limit the theories presented, may be able to reduce cost, but implementing such a rule itself raises issues of due process and equity that would need to be the subject of scrutiny.

In addition, as the USPTO considers stripping down features of a voluntary proceeding to try to achieve the goal of reduced cost as compared to federal district court litigation or post-grant proceedings, consideration should be given to whether such an option would meaningfully differ from available mechanisms for dispute resolution, such as binding arbitration. The USPTO should consider whether its efforts may simply produce a system redundant of extant forums.

The BPLA welcomes additional requests for comments from the USPTO that provide more specific proposals to facilitate substantive suggestions. To that end, the USPTO should consider convening an advisory board of litigation and post-grant practitioners that can provide substantive input on these numerous issues, as this would advance the process. Such a panel would be well-equipped to provide useful input on any proposed forum, and to give detailed consideration to critical issues like potential removal of cases (to the Patent Trial and Appeal Board or a federal district court), issue preclusion, and estoppel. These features would be foundational to any such forum, and would need to be well thought out to ensure the public's ability to provide a fair evaluation of any such system. Regardless, the BPLA believes that any proposed avenue for resolution of these "small claims" type disputes would likely have to be voluntary on the part of both parties, in order to avoid raising equity and due process concerns, such as those that might accompany the loss of a patent by a party deprived of the ability to mount a fulsome case for its defense. The USPTO could consider options for removal to administrative proceedings or district court litigation to mitigate those concerns. However, limitations around removal would need to be considered to avoid providing a short circuit that would eviscerate the intent behind creating a reduced cost forum in the first place. One option for such limitations could include fees or cost shifting if the party removing the case ultimately loses on the merits. Such a departure from the American rule that each party bears its own costs, however, would itself require careful consideration.

The BPLA appreciates the opportunity to respond to this request, and looks forward to the opportunity to further engage with the USPTO on this issue.

Thank you in advance for your consideration of these comments.

Sincerely,

Boston Patent Law Association

By: 

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