



[3510-16-P]

## DEPARTMENT OF COMMERCE

### United States Patent and Trademark Office

[Docket No.: PTO-P-2012-0050]

### Request for Comments on a Patent Small Claims Proceeding in the United States

**AGENCY:** United States Patent and Trademark Office, Department of Commerce.

**ACTION:** Request for Comments.

**SUMMARY:** The United States Patent and Trademark Office (USPTO) is seeking comments as to whether the United States should develop a small claims proceeding for patent enforcement. Among the information of interest to the USPTO is whether there is a need and desire for this type of proceeding, in what circumstances is this proceeding needed if such a need exists, and what features this proceeding should possess. In particular the USPTO seeks information about core characteristics of a patent small claims proceeding including characteristics such as subject matter jurisdiction, venue, case management, appellate review, available remedies, and conformity with the U.S. constitutional framework (e.g. 7<sup>th</sup> Amendment). Additional details may be found in the supplementary information section of this notice.

**DATES:** To be ensured of consideration, written comments must be received on or before **[INSERT DATE 90 DAYS AFTER PUBLICATION IN THE FEDERAL REGISTER].**

**ADDRESSES:** Written comments should be sent by e-mail to [ip.policy@uspto.gov](mailto:ip.policy@uspto.gov). Comments may also be submitted by postal mail addressed to: Mail Stop OPEA, P.O. Box 1450, Alexandria, VA 22313–1450, ATTN: Elizabeth Shaw. Although comments may be submitted by postal mail, the USPTO prefers to receive comments via e-mail. Written comments should be identified in the subject line of the e-mail or postal mailing as “Patent Small Claims.”

Comments will be made publicly available after the comment period via the USPTO Internet Web site (address: <http://www.uspto.gov>). As such, information that is not desired to be made public, such as an address or phone number, should not be included in the comments.

**FOR FURTHER INFORMATION CONTACT:** David Gerk, Office of Policy and External Affairs, by phone 571-272-9300, by e-mail at [David.Gerk@uspto.gov](mailto:David.Gerk@uspto.gov) or by mail addressed to: Mail Stop OPEA, United States Patent and Trademark Office, P.O. Box 1450, Alexandria, Virginia 22313-1450, ATTN: David Gerk.

**SUPPLEMENTARY INFORMATION:** This inquiry correlates to several recent discussions the USPTO has had with Federal judges, academia, private practitioners and various stakeholder groups and bar and industry associations, exploring the desire and need for a patent small claims proceeding in the United States. The idea of a U.S. patent small claims court, however, is not new, having been raised first by industry and patent litigators over 20 years ago. In 1989, a conference hosted by Franklin Pierce Law Center, in cooperation with the Kenneth J. Germenshausen Center for the Law of Innovation and Entrepreneurship at the University of New Hampshire, examined how to streamline patent litigation through a small claims court. After this conference, both the American Intellectual Property Law Association (AIPLA) and American Bar Association Intellectual Property Section (ABA-IP) further recognized the need for such a small claims solution, and adopted measures to support a patent small claims court. In 1990, the AIPLA endorsed the creation of a "small" claims patent court that was described in Resolution 401.4, and in the same year the Secretary of Commerce formed an Advisory Commission on Patent Law Reform, which suggested further study of small claims procedures for patent cases in Federal courts. While a U.S. patent small claims proposal failed to advance further at that time, renewed discussion and consideration by bar associations, industry groups, practitioners, and members of the Federal judiciary, have now revived consideration and discussion of a patent small claims proceeding in the United States.

On Thursday, May 10, 2012, a roundtable of intellectual property experts co-sponsored by the USPTO and the United States Copyright Office convened at The George

Washington University Law School (GWU) to consider the possible introduction of small claims proceedings for patent and copyright claims in the United States. Conformity with the U.S. Constitution and a potential structural framework for small claims proceedings in the realm of patents and copyrights were among the topics explored. On October 1, 2012, in continuation of the discussion initiated at the GWU roundtable, the USPTO hosted a Patent Small Claims Proceeding Forum composed of experts to discuss the concept of a patent small claims proceeding. Now, the USPTO also seeks comments from the public regarding a patent small claims proceeding.

**ISSUES FOR COMMENT:** Interested members of the public are invited to submit written comments on issues that they believe are relevant to a U.S. patent small claims proceeding. The topics and questions listed below are included to identify specific issues upon which the USPTO is interested in obtaining public opinion. The tenor of the following questions should not be taken as an indication that the USPTO has taken a position or is predisposed to any particular views.

*Comments on one or more of the following would be helpful:*

1. Provide a general description of your understanding of the need or lack of a need for a patent small claims court or other streamlined proceedings. If you believe there is a need, please provide a description of which types of patent cases would benefit from such proceedings. If you believe that there is not a need for such a court or proceedings, please share why you hold such a view.

2. Please share your views, along with any corresponding analysis and empirical data, as to what a preferred patent small claims proceeding should look like. In doing so, please comment on any of the following issues:

(a) what the possible *venues* for a small claims proceeding should be, including whether patent small claims should be heard by Federal District Court judges or magistrates, whether patent small claims should be handled by an Article I court, such as the U.S. Court of Federal Claims, or whether patent small claims should be heard in another venue not specifically listed here;

(b) what the preferred *subject matter jurisdiction* of the patent small claims proceeding should be, including which if any claims, counterclaims, and defenses should be permitted in a patent small claims proceeding;

(c) whether parties should agree to waive their right to a *jury trial* as a condition of participating in a small claims proceeding;

(d) whether there should be certain required *pleadings or evidence* to initiate a small claims proceeding;

(e) whether a *filing fee* should be required to initiate a small claims proceeding and what the nature of that fee should be;

(f) whether *multiple parties* should be able to file claims in a small claims proceeding and whether multiple defendants may be sued together;

(g) what role *attorneys* should have in a small claims proceeding including whether corporations should be able to represent themselves;

(h) what the preferred *case management characteristics* that would help to control the length and expense of a small claims proceeding should be;

(i) what the preferred *remedies* in a small claims proceeding should be including whether or not an injunction should be an available remedy and any minimum threshold or maximum cap on damages that should be imposed;

(j) whether a small claims proceeding should include *attorney's fees* or some form of a "loser pays" system;

(k) whether a small claims proceeding should include *mediation* and whether mediation should be mandatory or permissive;

(l) what type of *record* should be created during a small claims proceeding including whether hearings should be transcribed and whether a written decision should be issued;

(m) what *weight* should be given to a decision rendered in a small claims proceeding in terms of precedent, *res judicata*, and estoppel;

(n) how should a decision in a small claims proceeding be *enforced*;

(o) what the nature of *appellate review* should be including whether there should be a direct appeal to the U.S Court of Appeals for the Federal Circuit or whether there should be intermediate review by a U.S. district court or some other venue;

(p) what, if any, *constitutional* issues would be raised by the creation of Federal small claims proceedings including separation of powers, the right to a jury trial, and/or due process;

(q) whether the patent small claim proceedings should be *self-supporting financially*, including whether the winning and/or losing parties should be required to defray any administrative costs, and if so, how would this be accomplished;

(r) whether and how to *evaluate* patent small claims proceedings, including whether evaluations should be periodic and whether the patent small claims proceeding should be launched initially as a pilot program; and

(s) any other additional pertinent issues not identified above that the USPTO should consider.

3. Please share any concerns you may have regarding any unintended negative consequences of a patent small claims proceeding along with any proposed safeguards that would reduce or eliminate the risk of any potential negative unintended consequences, to the extent any such concerns exist.

The USPTO will make any comments it receives publicly available via the USPTO Internet Web site (address: <http://www.uspto.gov>). The USPTO will also make various background materials regarding small claims proceedings available via its Web site.

Date: December 13, 2012

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David J. Kappos  
Under Secretary of Commerce for Intellectual Property and  
Director of the United States Patent and Trademark Office

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