JUDICIAL CONFERENCE OF THE UNITED STATES
WASHINGTON, D.C. 20544

THE CHIEF JUSTICE
OF THE UNITED STATES
Presiding

JAMES C. DUFF
Secretary

May 28, 2015

Honorable John Conyers, Jr.
Ranking Member
Committee on the Judiciary
United States House of Representatives
Washington, DC 20515

Dear Representative Conyers:

This letter conveys comments on behalf of the Judicial Conference of the United States on two patent reform bills under congressional consideration, specifically H.R. 9 (the "Innovation Act") and S. 1137 (the "Protecting American Talent and Entrepreneurship Act of 2015"). We appreciate that these two bills incorporate some changes to prior draft patent legislation as requested by the Judiciary. We write to ask for your consideration on two remaining areas of concern: (1) proposed rules for patent cases; and (2) the proposed extension and expansion of the ongoing patent pilot program (pilot).

Legislative Consideration of Patent-Related Rules and Procedures

In November 2013, the chairs of the Judicial Conference's Committee on the Rules of Practice and Procedure and the Advisory Committee on the Federal Rules of Civil Procedure, Judges Jeffrey S. Sutton and David G. Campbell, wrote to Congress about proposed patent legislation. Their letter emphasized the importance of the deliberative process Congress established in the Rules Enabling Act, 28 U.S.C. §§ 2071–2077. Congress passed the Rules Enabling Act to create a thorough and inclusive process for addressing procedural problems in the federal courts – a process that ensures a thorough evaluation of proposed changes while reducing the ever-present risk of unintended consequences. A copy of the letter from Judges Sutton and Campbell is enclosed. The concerns expressed in the letter apply to both H.R. 9 and S. 1137.

Consistent with the time-tested Rules Enabling Act process, the Supreme Court recently transmitted to Congress a package of revisions to the Federal Rules of Civil Procedure that aim to reduce discovery costs and burdens in all civil litigation, including patent litigation. In light of

these pending rule changes, it is not clear that additional discovery reforms are necessary at this time. Should Congress continue forward to enact patent-specific procedures, however, we note that S. 1137's approach of asking the Judicial Conference to consider the manner and extent to which various discovery rules reforms should be implemented is preferable to the more prescriptive approach adopted in H.R. 9.

We also note that Congress may wish to shorten the time period for various activities in a manner similar to the proposed pending rule amendments. For example, to reduce delay at the outset of litigation, proposed Civil Rule 4(m) shortens the time period for serving a defendant from 120 days to 90 days. In accordance with that pending rule change, we suggest a parallel amendment to S. 1137's customer stay provisions (35 U.S.C. § 299A(b)(3)(A)) to require the filing of such motions within 90 days after service of the first pleading or paper (as opposed to 120 days as currently specified). A similar revision may also be warranted as to S. 1137's provision regarding the deadline to submit a statement of renunciation in response to notice received pursuant to 35 U.S.C. § 285(c)(1)(C) and (E).

Finally, both H.R. 9 and S. 1137 direct the Supreme Court to eliminate Form 18 (the Complaint for Patent Infringement) from the Appendix to the Federal Rules of Civil Procedure. The contemplated change is already underway; the Supreme Court transmitted to Congress on April 29, 2015, a proposal to abrogate Form 18. That change, along with others mentioned above, will take effect on December 1, 2015, absent contrary congressional action. Accordingly, the provision regarding Form 18 in the legislation under consideration is unnecessary.

Patent Pilot Program

We have appreciated working with Congress in the past on patent reform legislation to implement the pilot created by Congress. The Federal Judicial Center (FJC), pursuant to Pub. L. No. 111-349, has been studying the implementation of the pilot within each pilot district and collecting data to produce the corresponding reports to Congress. The FJC's reports on the pilot will entail analysis of several statutorily required considerations, including reversal rates and case disposition times for patent cases. We believe much will be learned from the study of the pilot, and that it is important to see this process through.[1] It is, therefore, of great concern that H.R. 9 would extend the pilot to 20 years before receiving the benefit of the ongoing study.

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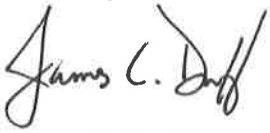
[1] Both H.R. 9 (section 8) and S. 1137 (section 13) require further study to determine whether to implement a pilot program for patent small claims procedures in the existing pilot courts. Small claims patent procedures, if implemented, could impact the analysis of findings from the ongoing patent pilot study.

In fact, such an extension would run the risk of institutionalizing patent specialization in the pilot courts without knowing if the program was indeed successful, and without the opportunity to address issues the study may reveal with patent specialization. In contrast to H.R. 9, S. 1137 does not extend the pilot at this juncture, but the pilot program has another six years to run. We favor the Senate approach to allow the existing pilot to serve its intended goals.

I reiterate our strong appreciation for your past willingness to work with us on patent reform issues. The Rules Enabling Act process in particular has worked well for the last 80 years or so, and we hope to see this collaborative partnership continue to work well long into the future. Thank you for considering our views. If you have any questions regarding our views of this legislation, please contact me or the Office of Legislative Affairs, Administrative Office of the U.S. Courts, at (202) 502-1700.

Sincerely,



James C. Duff
Secretary

Enclosure

Identical letters sent to: Honorable Bob Goodlatte
Honorable Charles E. Grassley
Honorable Patrick J. Leahy