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August 26, 2022

Small Claims Patent Court Comments
Administrative Conference of the United States
Suite 706 South
1120 20th Street NW
Washington, DC 20036

Re: Small Claims Patent Court Comments responding to 87 FR 26183 (May 3, 2022)

Dear Administrative Conference:

The National Association of Patent Practitioners ("NAPP") is a nonprofit 501(c)(6) membership association dedicated to serving the needs of professionals working in the field of patent prosecution. The mission of NAPP is to provide networking, education, collegial exchange, benefits, and a collective voice in patent law practice. NAPP represents hundreds of patent attorneys and patent agents who specialize in patent practice before the United States Patent and Trademark Office ("USPTO"). As such, NAPP members frequently use the US patent system and possess considerable knowledge and experience in US patent matters. Many NAPP members represent small businesses and individual inventors who would be frequent users of a small claims patent court.

NAPP believes there is a need for a small claims patent court. The monetary cost of a patent litigation in the US, often in excess of $5 million, exceeds the means for many small businesses and individual inventors. Furthermore, the monetary costs of US patent litigation make the enforcement of patent infringement untenable in small business matters, as the litigation costs could exceed the possible remedies. Accordingly, NAPP sees a need for a mechanism for small businesses and individual inventors to enforce their rights in a US patent to stop or obtain compensation for infringement for less than $1 million in litigation costs.

NAPP believes the venue for a small claims patent court should be within the USPTO, specifically at the Patent Trial and Appeal Board ("PTAB"), because of the PTAB's technical and legal expertise. Housing

the small claims patent court in this venue would provide the greatest efficiency, reduce costs over existing litigation paths, and result in the most satisfactory outcomes.

The costs in the US Patent litigation arise from discovery and multi-day trials. A small claims patent court that limits discovery, the time for argument, and the available damages would be of significant value to countless patent owners. As such, NAPP proposes:

1. A US small claims patent court administrated by the PTAB, following similar procedures as for IPRs. Patent owners, for a *filing fee comparable to IPR fees*, file a comprehensive infringement complaint that specifically identifies all infringing products with detailed claims charts (including evidence) and a damages calculation including royalty rate and royalty base. The plaintiff shall demonstrate its standing to sue and justify that the patent is still in force with proof of payment of the last maintenance fee. The infringement complaint may be filed for no fee in response to an IPR.
2. The USPTO will accept or reject institution based on the complaint and an optional preliminary response from the defendant, similar to the IPR procedures. The USPTO will reject institution if the issues are currently pending between the parties before an Article III court.
3. If instituted, the defendant may file an IPR for no fee in response and respond to the claim charts and damages assertions.
4. Similar to IPRs, a limited discovery period and limited number of expert declarations and/or depositions are allowed. Discovery shall be limited in scope and duration as follows:

    (a) a limited discovery period (to be established by the small claims court on a case-by-case basis);

    (b) a standard protective order and discovery procedures adequate to protect each party's trade secrets and other confidential information relating to the accused products and/or an assessment of damages, and to ensure compliance with discovery obligations;

    (c) use of a standard set of forms and procedures narrowly tailored to obtain evidence of direct infringement by the defendant and an amount of damages, including samples of infringing goods and related technical documentation relevant to the infringement allegations, and any financial, accounting or commercial documents needed for the assessment of prejudice suffered by the patentee;

(d) limited expert discovery, whereby each party is permitted to submit one expert report/declaration on technical issues and one expert report/declaration on the assessment of damages; and

(e) scope of discovery shall be limited to literal infringement (no doctrine of equivalents) and direct infringement by defendant (no contributory infringement or inducement).

5. A single, optional, limited time oral hearing is permitted. Otherwise, the PTAB decides the case on the papers.
6. Damages are limited to $5 million and no injunctions are permitted.
7. Personal jurisdiction is nationwide for all US Patents and all infringers. Collection of damages is permitted throughout the US.
8. The PTAB written decision is due within 12 months of institution. Review by the USPTO Director is permitted. Appeal is to the Eastern District of Virginia District Court for a *de novo* jury or bench trial. However, the PTAB decision and all papers from the PTAB infringement trial are automatically admissible in any District Court trial.
9. The standard of review is the same as in District Court. The Federal Rules of Evidence are used.

NAPP appreciates this opportunity to provide these comments to Administrative Conference of the United States directed to a small claims patent court. Please let us know if we can be of any further assistance with this matter.

Sincerely,

Christopher M. Turoski

Christopher M. Turoski
President, National Association of Patent Practitioners