



UNITED STATES  
CONSUMER PRODUCT SAFETY COMMISSION  
4330 EAST WEST HIGHWAY  
BETHESDA, MD 20814  
COMMISSIONER PETER A. FELDMAN

October 18, 2023

Matt Howard  
Chief Executive Officer  
Tooltechnic Systems North America LP  
400 North Enterprise Blvd  
Lebanon, IN 46052

Stephen F. Gass, Ph.D.  
Founder  
SawStop Holding, LLC  
9564 Southwest Tualatin Road  
Tualatin, OR 97062

VIA ELECTRONIC MAIL

Dear Mr. Howard and Dr. Gass:

Today, the United States Consumer Product Safety Commission (CPSC) voted to publish a Supplemental Notice of Proposed Rulemaking (SNPR) to promulgate a performance standard to address blade-contact injuries from table saws. This rulemaking was initiated in 2003 pursuant to a petition filed by Dr. Gass and others. I am seeking information that may be critical to the Commission's decision making. To allow for a complete record with sufficient time for review and additional comments, please provide the requested information **no later than November 15, 2023**.

Questions remain about what patents may be essential to the proposed active injury mitigation (AIM) performance standard and whether current owners have agreed to license this intellectual property (IP) on fair, reasonable, and nondiscriminatory (FRAND) terms. According to CPSC staff, as of 2016, Dr. Gass "has filed more than 140 patent applications and has more than 100 issued patents that pertain to SawStop technology."<sup>1</sup> While TTS Tooltechnic Systems AG and Co. KG (TTS) purchased SawStop LLC (SawStop) in 2017, I am unaware of anything in the Commission's record regarding patents that may have been filed since 2016 by either firm or their respective employees.<sup>2</sup> Nor does the record reflect any commitments by IP holders to grant FRAND licenses for AIM technologies to competitors.

---

<sup>1</sup> U.S. CONSUMER PROD. SAFETY COMM'N, DRAFT FED. REG. NOTICE: SAFETY STANDARD ADDRESSING BLADE-CONTACT INJURIES ON TABLE SAWS, SUPPLEMENTAL NOTICE OF PROPOSED RULEMAKING (Sept. 20, 2023) at OS-128, *available at*: [https://www.cpsc.gov/s3fs-public/Federal-Register-Notice-Safety-Standard-Addressing-Blade-Contact-Injuries-on-Table-Saws-SNPR.pdf?VersionId=Ce3FOVBmbG0\\_.8j.gd1h0k3VWHZZ.URw](https://www.cpsc.gov/s3fs-public/Federal-Register-Notice-Safety-Standard-Addressing-Blade-Contact-Injuries-on-Table-Saws-SNPR.pdf?VersionId=Ce3FOVBmbG0_.8j.gd1h0k3VWHZZ.URw) [hereafter CPSC STAFF BRIEFING PACKAGE].

<sup>2</sup> TTS herein refers to TTS Tooltechnic Systems AG and Co. KG, and any parent, subsidiaries, or affiliated legal entities and persons; SawStop herein refers to SawStop Holding LLC, and any subsidiaries, parents, and affiliated legal entities and persons.

CPSC staff believes that costs of the proposed rule would be significant and could raise the per-unit cost of a table saw by more than \$1,000. According to CPSC economists, reduced market competition would be a major driver of the increased cost:

The requirement of AIM technology in table saws almost certainly would result in most firms licensing the AIM technology from one of the firms who have patented the technology. This could grant a large amount of market power in the licensing of AIM technology. Firms would then have to spend additional money for licensing, along with installation of the technology. While most firms would likely continue production by licensing AIM technology, some firms, especially smaller firms, would likely drop out of the market altogether. This cost analysis captures higher price from licensing, and other costs, in its measurement of lost consumer surplus. There would also be an additional increase in price if a significant number of firms exited the market due to licensing ... This impact is not measured because staff is unable to determine, with certainty, how many firms would exit the market.<sup>3</sup>

Such a calculation is challenging, in part, because TTS and SawStop have failed to provide licensing terms and conditions for IP essential to the proposed standard. In 2019, TTS North America's CEO Fabian Klopfer stated that the firm was unwilling to "craft a workable license structure until such time as it appears that it would not be a futile exercise."<sup>4</sup> More troubling, Mr. Klopfer stated:

TTS will be happy to have a more in depth discussion about trying to formulate a license strategy that would facilitate more widespread adoption of AIM technology while not unduly harming SawStop's interests.<sup>5</sup>

This refusal to provide any information about FRAND licensing suggests that the firm would attempt to exploit monopoly power at the expense of consumers and competitors, should CPSC promulgate the proposed standard.

My concerns are not hypothetical. In 2015, SawStop brought a successful AIM patent infringement action against the Robert Bosch Tool Corporation (Bosch) before the U.S. International Trade Commission. Despite an "amicable" August 2018 settlement between the parties, Bosch appears to have left the U.S. market entirely for products containing the disputed AIM technology.<sup>6</sup> The company has since stated that it has no current plans to reenter the U.S.

---

<sup>3</sup> CPSC STAFF BRIEFING PACKAGE at OS-127.

<sup>4</sup> E-mail from Fabian Klopfer, Chief Executive Officer, TTS Tooltechnic Systems North America LP, to Mark Bailey, Economist, U.S. Consumer Prod. Safety Comm'n (June 1, 2019, 12:16 PM), *available at* <https://www.regulations.gov/document/CPSC-2011-0074-1350>.

<sup>5</sup> Id.

<sup>6</sup> E-mail from Meredith Tunick Kling, Corporate Governmental Affairs, Robert Bosch LLC, to Mark Bailey, Economist, U.S. Consumer Prod. Safety Comm'n (May 1, 2020, 9:35 AM), *available at* <https://www.regulations.gov/document/CPSC-2011-0074-1351>.

market.<sup>7</sup> The contents of the SawStop/Bosch settlement agreement remain secret, but they likely speak to the parties' motivations and are relevant to this rulemaking.<sup>8</sup>

Given the issues described above, I am asking for responses to the following:

1. A list of patents (whether pending or issued), trademarks, copyrights, and trade secrets relevant to meeting the requirements of the Commission's proposed safety standard presented in the current SNPR that have been owned or controlled by TTS, SawStop, or Dr. Gass, since 2000. For the record, please provide relevant identifying information, including the patent number and filing or issuance date. Additionally, please indicate current ownership, including property transfers and any relevant transaction dates.
2. For the IP identified in Question 1, please provide a list of all patent litigation since 2000 to which TTS, SawStop, or Dr. Gass has been a party. Please include not only patent assertion and defenses, but also any relevant administrative actions.
3. For the IP identified in Question 1, please provide the complete licensing history, if applicable, including licensees, terms, conditions, and copies of executed licensing agreements, where available.
4. If the Commission adopts this SNPR as proposed, do you commit either to making standard-essential IP freely available to competitors for use in the United States market or to licensing this IP on FRAND terms?
5. For the record in this proceeding, please provide a copy of the executed settlement agreement between SawStop and Bosch.

Thank you for your attention to this matter. Please copy Commission Secretary Alberta Mills (email: [cpsc-os@cpsc.gov](mailto:cpsc-os@cpsc.gov)) on your response, so that the correspondence can be included in the public record of the rulemaking proceeding. If you wish to seek confidential treatment for any of the requested information, you may file your response with CPSC staff pursuant to 16 C.F.R. 1015.18.

---

<sup>7</sup> Id.

<sup>8</sup> E-mail from Mark Bailey, Economist, U.S. Consumer Prod. Safety Comm'n, Meredith Tunick Kling, Corporate Governmental Affairs, Robert Bosch LLC (Apr. 20, 2020, 3:40 PM) ("[y]ou stated that as of right now no details can be shared related to the licensing of AIM technology or the re-introduction of an AIM equipped saw into the US market"), available at <https://www.regulations.gov/document/CPSC-2011-0074-1351>.

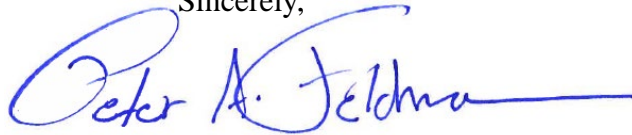
Matt Howard and Stephen F. Gass, Ph.D.

October 18, 2023

Page 4 of 4

Should you have any questions please contact my Counsel, Thomas Fuller, at [TFuller@cpsc.gov](mailto:TFuller@cpsc.gov), or (202) 669-7299.

Sincerely,

A handwritten signature in blue ink that reads "Peter A. Feldman". The signature is fluid and cursive, with a long horizontal line extending to the right from the end of the name.

Peter A. Feldman

cc:

Alberta Mills

Secretary

U.S. Consumer Product Safety Commission