

# AIPLA

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AMERICAN INTELLECTUAL PROPERTY LAW ASSOCIATION

2001 JEFFERSON DAVIS HIGHWAY ■ SUITE 203 ■ ARLINGTON, Virginia 22202

August 25, 2003

Mr. Nicholas P. Godici  
Commissioner for Patents  
United States Patent and Trademark Office  
Washington, D.C.

Re: Reply to Notice of Proposed Rulemaking  
Clarification of Power of Attorney Practice, and  
Revisions to Assignment Rules  
68 Federal Register 38258 (June 27, 2003)

Dear Commissioner Godici,

The American Intellectual Property Law Association (AIPLA) appreciates the opportunity to offer comments on the rule and practice changes proposed by the United States Patent and Trademark Office (PTO) in the subject notice.

AIPLA is a national bar association whose more than 14,000 members are primarily lawyers in private and corporate practice, in government service, and in the academic community. AIPLA represents a wide and diverse spectrum of individuals, companies and institutions involved directly or indirectly in the practice of patent, trademark, copyright and unfair competition law, as well as other fields of law affecting intellectual property. Our members represent both owners and users of intellectual property.

AIPLA supports the efforts of the PTO to transform the Office into a quality- focused, highly productive, and responsive organization and its migration to electronic files from paper files. However, it appears that some of the proposed changes, although characterized as a “clarification” of power of attorney practice, actually would implement changes that will cause significant problems for both the PTO and many applicants. Our comments and suggestions on specific proposals in the proposed rulemaking are as follows:

Section 1.12(b):

An editorial change in the second sentence of this paragraph should be made by removing the term "such." The first sentence in paragraph (b) relates to recorded documents such as assignments, open to the public, whereas the second sentence appears to relate to recorded documents that are not available to the public. Accordingly, the use of the term "such" is confusing. Assuming that the second sentence is intended to refer to the same types of records, but records that are not available to the public, it would be preferable to repeat the phrase "assignment records, digests and indexes" in the second sentence. By using different terminology in the first and second sentences there is at least an implied suggestion that different documents are covered. Clarification is requested.

Section 1.32:

We are concerned that the definitions in paragraphs (a) are both unclear and inappropriate. First, under paragraph (a)(1), power of attorney is stated to mean a written document by which a principal designates an "agent" to act on his or her behalf. The immediately preceding section (§ 1.31) indicates that applicants may be represented by a registered patent attorney or patent agent, or other individual authorized to practice before the United States Patent and Trademark Office in patent cases, addressing separately an attorney or agent. Accordingly, it would appear that paragraph (a)(1) should make reference to designating an attorney, agent, or other authorized individual, and the entire section modified to be consistent with the separate recognition in the regulations of a patent attorney, patent agent, or other authorized individual.

Second, in paragraph (a)(2), "principal" is apparently defined to mean all the individuals designated as inventor(s) in the application or the assignee of the entire interest. This would appear to indicate that the term "principal" would not include one of several joint inventors or an assignee of less than the entire interest under the application or patent. Consider the situation reported in *In re Goldstein*, 16 USPQ2d 1963 (Dep. Ass't. Com'r. for Patents 1988) involving an invention with joint inventors and joint assignees. In that case, one of the joint assignees associated with some of the joint inventors executed a revocation of an original power of attorney and executed a new power of attorney, but the other joint assignee associated with the remaining joint inventors refused to do so. The PTO accepted this revocation on the basis that an inventor or assignee should be free to name an attorney of their choosing to represent them. The PTO insisted that this revocation and new power of attorney did not affect the power of attorney executed by the other assignee and that the correspondence would continue to be sent to the original attorney to avoid dual correspondence. The term "principal" should be defined broadly enough to cover any inventor or assignee of even a part interest in the application or patent. Further, this definition should be used consistently unless otherwise indicated.

Under paragraph (a)(3), revocation is defined to mean the cancellation by the principal of the authority previously given by the principal to an agent. This definition would appear to exclude the typical situation where a new principal (e.g., a subsequent assignee) revokes the power of attorney given by an old principal (e.g., the original assignee). Accordingly,

appropriate modification of this definition should be made in conjunction with the definition of "principal" ultimately adopted by the PTO.

Under § 1.32(b) the PTO has proposed that a power of attorney must name as attorney or agent either: (i) one or more joint inventors; (ii) up to ten registered practitioners; or (iii) those registered patent practitioners associated with a customer number. The proposed alternative of naming either those registered patent practitioners associated with a customer number or only up to ten registered practitioners is unduly strict, unwise, and fails to take into consideration the practicalities of much patent prosecution. While AIPLA recognizes the benefits of the customer number system in work saving for the USPTO and in streamlining the process for filers in making address and power of attorney changes for large numbers of applications, the limitation of ten patent practitioners is unduly restrictive. Further, to adopt the limitations as proposed will certainly cause a great deal of disruption for the PTO, many applicants and many of their representatives.

The AIPLA requests that the PTO consider the wisdom of making a fundamental change in a power of attorney document that appears in almost every patent application. Changes that affect almost every patent application, as opposed to a practice that affects only a small number of applications, can cause significant disruption to the PTO and applicants, particularly in transition. The PTO has already experienced at least some savings and avoidance of the burden of entering the registration numbers of individual practitioners because of the widespread use of a customer number. This useful procedure, however, simply does not address several of the typical situations encountered in patent prosecution. Further, the proposal to reject any power of attorney that does not comply with the new rules, as proposed, is certain to cause unnecessary work for the PTO, many applicants, and many of their representatives. The proposed policy and practice also may give rise to arguments by some litigants regarding the validity and enforceability of a patent that is prosecuted under a power of attorney that does not comply with the proposed rules. The additional work and risks that are associated with the proposal are alone sufficient to cause a great deal of concern about the proposed changes.

Under the proposed rules, the PTO would deny entry to powers of attorney not in compliance with the proposed rules and would be required to send out a notice to file a new power of attorney. This requirement will impose a huge and unnecessary burden on the PTO, on many applicants and their representatives, and will further delay patent examination and publication of patent applications. These additional costs and delays will be aggravated when filing a continuing application with a power of attorney that is typically a copy of the power from the parent application that will not be in compliance with the proposed rules, if adopted. Since these continuing applications are often filed long after execution of the original power of attorney, the costs and delays caused by tracking down inventors to execute a new power of attorney in compliance with the new rules will be significant. Because of the mobility of many inventors and the recent trend of corporate downsizing, many inventors are no longer employed by the interested assignee at the time the continuing application is filed. Tracking the inventors

down will be expensive and difficult, and may lead to many more petitions under Rule 1.47 to accept applications with non-signing inventors, burdening both applicants and the PTO.

There are many situations in corporate practice where it is desirable to give a power of attorney in an application to both in-house attorneys at a given site and attorneys of an outside firm. In many of these situations, this practice easily exceeds the proposed threshold of ten practitioners which would necessitate use of a customer number. While it is recognized that there is an opportunity to have a separate customer number for each combination of in-house practitioners or outside law firm practitioners, it is both very burdensome and risky to manage these different customer numbers and the practitioner registration numbers associated with each of them. Many firms will not use more than one customer number because of the potential liability issues that may be raised by the use of multiple customer numbers.

While we question the wisdom of the proposed changes, if the PTO nevertheless considers adopting the proposed changes, we believe that the adverse impacts on the PTO, some applicants and some practitioners could be minimized if: (1) the number of patent practitioners that could be named in a power of attorney is raised to a more reasonable threshold of 25 before a customer number is required; and (2) that the PTO not reject as improper any power of attorney listing more than 25 patent practitioners, but enter the power of attorney for the subset of the first 25 listed practitioners where more than 25 practitioners are listed in a power of attorney. If the PTO considers the threshold of 10 to be of considerable importance to its operations, consider an alternative procedure whereby any power of attorney listing more than 10 patent practitioners would not be rejected, but would be entered for the first subset of 10 listed practitioners and applicant would be invited to pay a fee, commensurate with the additional work required at the PTO, to add additional practitioners. These proposed modifications to the rule changes as proposed by the PTO are more reasonable, in our judgment, and are likely to promote a less disruptive transition to the practice and goals set by the PTO.

#### Section 1.34:

AIPLA does not support the proposed changes to this section as presently understood. Although the commentary regarding proposed § 1.34 suggests that it is being proposed to read “a registered patent attorney or patent agent must specify his or her exact name, as registered, and the registration number with his or her signature,” this is not the text present in the proposed revised regulation. The proposed text appears to be closely aligned with the present text of paragraph (a) of § 1.34 and is acceptable in our view. The commentary at page 38260, however, suggests a different proposal is being made. To the extent that the PTO intends to change the wording of the present regulation, AIPLA considers the proposal to be unnecessary and unwise, particularly where the PTO retains the authority to ask for further proof of authority to act in a representative capacity. This type of departure from the exact name, as registered, should not cause any inconvenience or additional work on the part of the PTO, or raise an issue of the authority to act in that application, yet the PTO invites these issues with an unnecessarily strict requirement.

Further, although the PTO appears to assume that the associate power of attorney practice set forth in paragraph (b) of present § 1.34 is no longer necessary because of the introduction of the customer number practice, this assumption is clearly incorrect. There are many situations where an associate power of attorney practice is useful, even with the availability of a customer number practice. For example, there may be circumstances where new counsel assumes prosecution responsibility from former counsel prior to his or her ability to obtain an executed revocation of power of attorney from a client. An associate power of attorney can effectively bridge this gap. It may be desirable to have patent practitioners from a law firm and a corporation listed in a power of attorney to promote the most efficient prosecution of a single patent application. The patent practitioners in the law firm may be associated with a customer number but it is desired to list certain individuals in a corporate patent department as having a power of attorney, or vice versa. An associate power of attorney may also be useful where an out-of-D.C. area patent practitioner (at a firm or in-house at the assignee) appoints a local practitioner to assist in prosecution or with some procedural or petition issue thus making effective use of local practitioners to the benefit of their client, without imposing additional costs and burdens on the client. These situations, among others, are not adequately served by the customer number practice. Although the PTO indicates that it is difficult for it to enforce the termination of the authority of an associate practitioner when the principal power of attorney is terminated, reducing burdens on the PTO is not a sufficient basis for instituting such a change. In addition, the burden on the PTO should be secondary to the burden on patent practitioners who should ensure that they are acting with authority from the principal authorized to act.

Section 1.36:

The comments made above with respect to the proposed definition in § 1.32(a)(2) also apply to paragraph (a) of § 1.36. Again, the revocation of a power of attorney should be available to any one of joint inventors and any assignee of an interest in the application or patent.

Sections 3.24 and 3.25:

In these sections, the PTO has proposed accepting digitized images of documents for recordation in .tiff or another format prescribed by the Director. Since the trademark divisions already accept .jpg files, we request that the .jpg format also be considered acceptable by the PTO and explicitly included in the rules as adopted.

Section 3.34:

The PTO is proposing to change the practice with regard to recordation of assignments mailed to the PTO with new applications so that only the Notice of Recordation (and NOT the assignment itself) would be returned to the applicant. To assist in matching these Notices of Recordation with the appropriate application filed on a given day, the PTO says it will include the title of the invention on the Notice. This could still leave ambiguity. It would be far better if the PTO made provision for inclusion of an Attorney Docket Number on the Assignment Cover Sheet and then captured this information and included it on the Notice of Recordation.

Mr. Nicholas P. Godici  
August 25, 2003  
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We appreciate the opportunity to provide comments on the notice entitled "Clarification of Power of Attorney Practice, and Revisions to Assignment Rules," and would be happy to assist in any way we can.

Sincerely,

A handwritten signature in black ink that reads "Michael K. Kirk". The signature is written in a cursive style with a large, stylized 'M' and 'K'.

Michael K. Kirk  
Executive Director