



American Intellectual Property Law Association

January 7, 2021

Attn: William Covey, Director for the Office of Enrollment and Discipline
Mail Stop OED
The United States Patent and Trademark Office
P.O. Box 1450
Alexandria, VA 22313-1450

Via Email: CLEguidelines@uspto.gov

**Re: Request for Comments on Proposed Continuing Legal Education Guidelines
[Docket No. PTO-P-2020-0042]**

Dear Director Covey:

The American Intellectual Property Law Association (“AIPLA”) is pleased to have the opportunity to present its views to the United States Patent and Trademark Office (“Office” or “USPTO”) in response to the Request for Comments on Proposed Continuing Legal Education Guidelines published in 85 Fed. Reg. 197 (October 9, 2020) (“2020 CLE Guidelines”).

Founded in 1897, the American Intellectual Property Law Association is a national bar association of approximately 8,500 members who are primarily engaged in private or corporate practice, in government service, and in the academic community. AIPLA members represent a wide and diverse spectrum of individuals, companies, and institutions involved directly or indirectly in the practice of patent, trademark, copyright, trade secret, and unfair competition law, as well as other fields of law affecting intellectual property. Our members represent both owners and users of intellectual property. Our mission includes helping establish and maintain fair and effective laws and policies that stimulate and reward invention while balancing the public’s interest in healthy competition, reasonable costs, and basic fairness.

AIPLA values its long relationship of working in partnership with the Office to foster innovation. In this instance, AIPLA’s member advocacy requires us to provide the following feedback that expresses our opposition to the Office’s proposal for CLE oversight.

The Office issued proposed 2020 CLE Guidelines that state:

The goal of the proposed guidelines is to clarify for registered practitioners and those granted limited recognition pursuant to 37 C.F.R. § 11.9(b) what types of CLE classes or activities will qualify for USPTO CLE credit. The guidelines also seek to establish a procedure for approving CLE courses that would qualify for USPTO CLE credit. Finally, the guidelines seek to establish the type of recognition practitioners will receive if they certify on their registration

statements that they have completed 6 credits of CLE in the preceding 24 months.¹

AIPLA is concerned that the Office's proposal will eventually result in a mandatory CLE program and an infrastructure to support its efforts, which will necessitate costly administrative resources. Ultimately, these costs will be passed onto innovators and the public. AIPLA strongly objects to these proposals and expansion of administrative activities.

More specifically:

1. While AIPLA supports practitioners maintaining professional competency, including by participating in CLE, we *oppose* the ongoing efforts by the Office to institute a *de facto* CLE requirement and establish federal oversight of such requirement, which appears to burden both the public and the Office, particularly when the Office never sufficiently analyzed such burdens or any potential benefit to the public.
2. AIPLA *opposes* the Office implementing a *federal* CLE reporting system. Practitioners are required to maintain legal competency under at least 37 C.F.R. §§ 11.6, 7, and 101. No further public notice beyond the current system is needed.
3. AIPLA *opposes* the Office's efforts to define what constitutes a qualifying IP-related CLE program. Numerous states already define and certify CLE programs. Adding federal definition or certification would unnecessarily duplicate and possibly conflict with state determinations.
4. AIPLA is further concerned rulemaking efforts regarding 37 C.F.R. § 11.11 fail to comply with federal rulemaking requirements, including, but not limited to, failure to comply with the Notice and Comment provisions of 5 U.S.C. § 553. We are concerned that establishing final rules under, for example, § 11.11 as set forth in 85 Fed. Reg. 197 (October 9, 2020), did not comply with statutory requirements and should be withdrawn.
5. AIPLA believes that the biennial registration requirements and CLE reporting systems are unnecessary and will ultimately lead to an active practitioner fee.

As set out in greater detail below, the Office has repeatedly proposed to expand the Office of Enrollment and Discipline (OED), and to impose the increased administrative costs of this expansion on patent practitioners through a registration fee system.² Several of these prior proposals have not been enacted, yet, the Office continues to propose this expansion in various forms. This expansion would: (1) require additional staff and resources to monitor and oversee as-yet undefined programs; (2) create new administrative burdens on practitioners; (3) disproportionately affect patent applicants—small and individual inventors and their counsel—who can least afford to pay these increases; and (4) create additional mandates for the Office that distract from the fundamental mission of the Office to examine patent applications.

¹ CLE Guidelines, 85 Fed. Reg. at 64128 (Oct. 9, 2020) ["Proposed 2020 CLE Guidelines"]

² See Section I, *infra*.

Under the Administrative Procedure Act (APA), Paperwork Reduction Act, and other statutes, the Office is required to justify these proposals substantively. It has not. The Office has not sufficiently identified any need that would justify expanding OED's function. The Office has not identified the specific benefit to users of the Office's services or to the general public that may result from this proposed expansion. And with respect to the present proposal, the Office has identified no legitimate need or purpose for the proposed expansion, specifically, imposing a federal CLE program and biennial registration statement requirement. The proposal thus appears to fail substantively to meet the requirements for agency action. Further, by failing to consider public comments, AIPLA is concerned that the Office did not comply with the requirements of the APA for Notice and Comment Rulemaking.

AIPLA emphasizes that our objections relate to our significant concerns about the Office's involvement in any aspect of controlling, monitoring, or publishing CLE requirements or compliance. We do, nonetheless, encourage all patent practitioners to continue their legal education. Many organizations, including AIPLA, provide IP-related CLE that is monitored and approved by many state bars. AIPLA sees no benefit in adding federal oversight and administrative burden to an otherwise functioning CLE system.

The remainder of our comments address the evolution of the Office's efforts, greater detail outlining the positions noted above and fundamental faults with the Office's recent rulemaking.

I. Prior CLE and Practitioner-Fee Rulemaking Attempts

Since at least 2003, the Office has attempted to expand its oversight of practitioners by, *inter alia*, proposing additional administrative burdens to practitioners and new practitioner fees to pay for such activities, and establishing oversight and management of Continuing Legal Education (CLE) requirements.³

In 2003, the USPTO published a Notice of Proposed Rulemaking (NPRM) aimed at changing the rules of practice before the Office ("2003 NPRM").⁴ The USPTO did not issue a final rule following this 2003 NPRM, but in 2007 did issue a new federal register notice that made revisions to the original proposals ("2007 NPRM").⁵

³ See, e.g., USPTO, *OED Federal Register Notices*, available at <https://www.uspto.gov/learning-and-resources/patent-and-trademark-practitioners/oed-federal-register-notices>. In 2003, the USPTO proposed, in part, that "(t)o maintain active status, the practitioner would pay the annual fee required under §§ 1.21(a)(7)(i) and 11.8(d) and comply with the continuing legal education (CLE) requirements under §§ 11.12(a) and (e)." See *Changes to Representation of Others Before the United States Patent and Trademark Office*, 68 Fed. Reg. 69442 (Dec. 12, 2003). The instant AIPLA letter responds to the Office's Oct. 9, 2020 request for comments where ". . . the Office seeks feedback and information regarding the proposed CLE guidelines attached as Appendix 1. The goal of the proposed guidelines is to clarify for registered practitioners and those granted limited recognition pursuant to 37 C.F.R. § 11.9(b) what types of CLE classes or activities will qualify for USPTO CLE credit. The guidelines also seek to establish a procedure for approving CLE courses that would qualify for USPTO CLE credit. Finally, the guidelines seek to establish the type of recognition practitioners will receive if they certify on their registration statements that they have completed 6 credits of CLE in the preceding 24 months." Proposed 2020 CLE Guidelines.

⁴ 68 Fed. Reg. 69442.

⁵ 72 Fed. Reg. 9196 (Feb. 28, 2007). The Office "proposed amendments to, *inter alia*, the rules governing disciplinary proceedings for attorneys and agents who practice before the Office, principally rules 11.2, 11.3, 11.5, and 11.14 through 11.62. One hundred fifty-seven written comments were received. After reviewing the

Following receipt of comments to the 2007 NPRM, the Office decided that, because the “revised proposed sections eliminate or introduce substantive and procedural changes to the proposed rules,”⁶ it would not specifically address the comments it received.

On August 14, 2008, the Office issued a final rule based on the 2007 NPRM titled “Changes to Representation of Others Before the United States Patent and Trademark Office”⁷ (“2008 Final Rule”) where the Office declined to implement the previously proposed practitioner fee and CLE requirements. In this 2008 Final Rule, the Office also declined to answer the bulk of the comments that had been submitted⁸ and the matter seemed to have been dropped by the Office until formally revisited as part of an NPRM issued on July 31, 2019 (“2019 NPRM”),⁹ some eleven years later.

Despite the repeated efforts that yielded no promulgation of rules, there is a continued attempt to implement CLE and practitioner-fee rules with no explanation of why they are needed now. AIPLA is unaware of what, if anything, has changed.

II. 2019 NPRM and 2020 Final Rule

A. Summary

As part of the authorities granted under Section 10 of the Leahy-Smith America Invents Act (“AIA”), the USPTO issued the 2019 NPRM proposing an active patent practitioner fee and an associated discount for completion of an undefined CLE requirement.¹⁰

The USPTO received 84 comments critiquing both the necessity for the patent practitioner fee (PPF) and the merits of a USPTO administered CLE program. In the Final Rule notice,¹¹ the Office stated *eighty times* that it declined to address the merits of most comments, because it would not be acting in this area.¹² Instead, the USPTO withdrew the PPF requirement. However, with only minimal discussion in the rule preamble,¹³ the Office created a new requirement that practitioners file an as-yet undefined biennial practitioner registration

written comments, the Office has decided to revise several of the rules as then proposed and request additional comments on those revised proposals. Other proposed rules contained in the earlier Notice of Proposed Rule making remain under consideration by the Office. This supplemental notice of proposed rule making sets forth revisions that the Office is proposing to the rules governing the conduct of investigations and disciplinary proceedings. Interested individuals are invited to comment on the proposed revisions in the rules.”

⁶ 72 Fed. Reg. 9196, 9197.

⁷ 73 Fed. Reg. 47650 (Aug. 14, 2008).

⁸ In the 2008 Final Rule, the Office noted that it had received at least 157 comments regarding their rulemaking efforts. The 2008 Final Rule only responded to 65 of the comments, avoiding addressing issues relating to, among other things, practitioner fees and CLE requirements.

⁹ 84 Fed. Reg. 37398 (July 31, 2019).

¹⁰ 85 Fed. Reg. 46932, 46947-8 (Aug. 3, 2020). “In the NPRM, the USPTO proposed a new fee called the annual active patent practitioner fee, and an associated fee structure, under 37 C.F.R. §§ 1.21 and 11.8, so that patent practitioners, who directly benefit from registration, would bear the costs associated with maintaining the integrity of their profession, including the costs of OED’s register maintenance and disciplinary functions. . . . The annual active patent practitioner fee was proposed to be \$340, with a \$100 annual fee discount for those who certified completion of a certain number of CLE.”

¹¹ 85 Fed. Reg. 46932, 46960-68.

¹² 85 Fed. Reg. 46932, 46960-69, Responses to comments 81-163.

¹³ 85 Fed.Reg. 46932, 46964.

statement in a final rule issued.¹⁴ The Office also decided to postpone implementing this practitioner registration until March 1, 2022.¹⁵ And, although the 2020 Final Rule indicates that the USPTO Director *may*¹⁶ implement the registration statement, the USPTO appears to have interpreted the registration statement to be a *requirement* as promulgated in the proposed 2020 CLE Guidelines.¹⁷

In shifting policy and, at the same time, promulgating a Final Rule without answering the public's comments on the 2019 proposed rule, the USPTO summarily dismissed responding to the public's many concerns regarding CLE by stating that, as they did not adopt an "annual patent practitioner fee . . . there is no CLE discount in the Final Rule. . . [and] CLE remains voluntary, there was no need to address the public's concerns. However, [the Final Rule] provides that practitioners may be recognized in the online practitioner directory for completing" some CLE requirements.^{18,19}

B. Proposed Expansion of OED

1. CLE

The Office has provided no evidence that IP CLE programs, more than those already available through a multitude of sources, are needed. Still further, AIPLA is unaware why the Office, via its OED, needs to implement any type of CLE program. AIPLA is also greatly concerned about the Office's intent to insert itself as an arbiter of CLE for patent practitioners. The Office's proposal of a *de facto* CLE requirement is also unjustified and should be withdrawn.

Most state bar associations require CLE for maintaining active bar membership. For state bars that do not require CLE, professional competence drives regular participation in educational programs. Similarly, for non-attorney IP practitioners, the continuous and evolving nature of IP law and practice acts as practical motivation for CLE. For example, patent prosecutors need to stay abreast of Office policy and procedures, court decisions, and changes in laws to comply with the Office's regulatory requirements under at least 37 C.F.R. §§ 11.5, 6, and 101.

2. Registration Statement

The Office issued a rule to implement a proposed Biennial Registration Statement.

¹⁴ See 37 C.F.R. § 11.11 as listed in 85 Fed. Reg. 46932, 46992.

¹⁵ 85 Fed. Reg. 64128.

¹⁶ See Final Rule of 37 C.F.R. § 11.11(a)(2) ("(2) Biennially, registered practitioners and persons granted limited recognition *may* be required to file a registration statement with the OED director for the purpose of ascertaining whether such practitioner desires to remain in an active status. Any registered practitioner, or person granted limited recognition under § 11.9(b), failing to file the registration statement or give any information requested by the OED director within a time limit specified shall be subject to administrative suspension under paragraph (b) of this section.); 37 C.F.R. § 11.11(a)(3)(i) ("A registered practitioner, or person granted limited recognition under § 11.9(b), who has completed, in the past 24 months, five hours of continuing legal education credits in patent law and practice and one hour of continuing legal education credit in ethics, *may* certify such completion to the OED director.") (Emphases added.)

¹⁷ See, e.g., 85 Fed. Reg. 46932, 46942, 46948.

¹⁸ 85 Fed. Reg. 46932, 46963, Response to Comment 109.

¹⁹ The Final Rule published on August 3, 2020 (85 Fed. Reg. 46932), *in the absence of a previously proposed rule open to comment*, amends 37 C.F.R. § 11.11 to establish a biennial patent practitioner registration statement and a voluntary CLE certification.

AIPLA is not opposed, in principle, to registered patent practitioners maintaining current contact information and status on file with the Office. In fact, AIPLA supports the Office's requirement for practitioners to maintain up-to-date contact information as needed. AIPLA is, however, opposed to any rule requiring practitioners to periodically verify information in the absence of any change by the practitioner. If the goal is to clear the roster of inactive practitioners, AIPLA believes that there are easier ways to implement such a system.

The need to provide a registration statement biennially—when the practitioner needs to make no changes—is simply an additional administrative burden on the practitioners and the Office. Practitioners would need to docket and comply with additional paperwork that does nothing to enhance or support their ability to represent and advocate for inventors and innovators. This new paperwork is covered by the Paperwork Reduction Act,²⁰ but in the Final Rule notice, the Office declined to seek clearance under the Paperwork Reduction Act. Consider, for example, that in the Aug. 3, 2020 Final Fee Rule, the Office states that “(t)he collection of information involved in this Final Rule have been reviewed and previously approved by the OMB.”²¹ According to the Office of Information and Regulatory Review's (OIRA) website, however, OMB review was not sought until *after* the Final Fee Rule was promulgated. Further, according the OIRA website, the information collection was not materially changed from prior approved collections,²² whereas the changes to 37 C.F.R. § 11.11 are entirely new.

The Office would have to build an infrastructure, including hardware, software, and personnel, to establish and maintain records of biennial registration statements, as well as the new procedures for notifying compliance or lack thereof, the procedures for rectifying lack of compliance, and disciplinary action for practitioners who otherwise comply with all other requirements.

The Office's ongoing attempts at increasing oversight will set up a new cycle of compliance that is unrelated to core activities like preparing, prosecuting, defending, and supporting patent applications and patents.

C. Potential Duplication of State Efforts

AIPLA is concerned that, should the Office act in any active capacity regarding CLE programs, it may unnecessarily duplicate state CLE requirements for attorney practitioners, potentially creating confusion and additional costs. Already, practitioners licensed in multiple jurisdictions must address differing requirements. The Office's proposal would add another layer of administrative complexity. Before the Office implements a program already underway in most states, it should first answer several critical questions about these duplicated efforts:

How will the Office coordinate with state bar programs?

²⁰ Paperwork Reduction Act 44 § USC 3506(c)(2). This 1980 Act is designed to reduce the total amount of paperwork burden the federal government imposes on private businesses and citizens.

²¹ See 85 Fed. Reg. 46932, 46985.

²² See *View ICR – OIRA Conclusion*, re Control No. 0651-0012, Office of Information and Regulatory Affairs, Office of Management and Budget, Executive Office of the President, [Reginfo.gov](https://www.reginfo.gov/public/do/PRAViewICR?ref_nbr=202007-0651-003), available at https://www.reginfo.gov/public/do/PRAViewICR?ref_nbr=202007-0651-003.

If the Office gets in the business of certifying CLE programs, will it expand its staff to accommodate CLE oversight?

How will the Office resolve conflict between state and federal requirements?

Will the Office institute additional fees to pay for the staff and resources needed to certify a CLE program?

Will CLE providers (professional organizations, non-government entities (NGO's), and other CLE providers) be taxed to garner revenue for the Office to pay for its expansion?

From the perspective of current CLE providers, if a practitioner participates in a federal CLE program, will these CLE providers then have to convince state CLE regulators to accept such a program as compliance with state requirements?

Has the Office analyzed and justified the additional costs on patent agents? On CLE providers?

The Office should consider further whether this additional federal involvement acts to hamper CLE providers from maintaining and updating their programs. For example, a CLE provider might be disincentivized if every new program would need state and now *federal* review.

D. USPTO Has Not Adequately Quantified Burdens of Proposed Expansion

The 2020 Final Rule establishes—*without a prior comment period*—37 C.F.R. § 11.11(a)(3), that practitioners may voluntarily certify their participation in CLE programs.²³ Aside from the Office's failure to comply with administrative procedures requiring public input, AIPLA is concerned that the suggestion that practitioners might voluntarily certify compliance with completion of CLE programs will significantly harm both practitioners and the clients they represent. For example, while the Office proposes CLE certification is voluntary, such certification will be publicized. The public will likely not understand the distinction between a voluntary and required certification. A public record that reports a lack of certification—by omission—essentially makes the CLE requirement mandatory. The public would not be on notice regarding *why* a practitioner might or might not choose to make a “voluntary” submission. In addition, patent agents and attorneys who do not have a state CLE requirement may have more difficulty meeting the requirements for CLE certification. This may include obtaining appropriate documentation of CLE certification, since often certification by states is done using bar numbers, and patent agents have none. Moreover, existing CLE providers may be excluded from the proposed expansion.

²³ 37 C.F.R. § 11.11(a)(3)(i) (“A registered practitioner, or person granted limited recognition under § 11.9(b), who has completed, in the past 24 months, five hours of continuing legal education credits in patent law and practice and one hour of continuing legal education credit in ethics, may certify such completion to the OED director.”); *Id.* at (ii) (“A registered practitioner, or person granted limited recognition under § 11.9(b), may earn up to two of the five hours of continuing legal education credit in patent law and practice by providing patent *pro bono* legal services through the USPTO Patent Pro Bono Program. One hour of continuing legal education credit in patent law and practice may be earned for every three hours of patent *pro bono* legal service.”)

Further, the specter of an OED investigation based on individual certification of the merits of a CLE program (as indicated in the proposed 2020 CLE Guidelines and new rule § 11.11), is unacceptable as this is a *voluntary* certification. Further exacerbating this problem is the proposed need for practitioners to maintain records of completion of CLE programs (currently undefined). This is particularly problematic because at least some practitioners, including patent agents and attorneys in states that do not require CLE, may have no way to obtain appropriate documentation of CLE certification.

In the proposed 2020 CLE Guidelines, the Office imposes additional burdens on practitioners. In the 2020 CLE Guidelines at § III, the Guidelines state that “[i]t is recommended that practitioners who certify completion of CLE keep records that substantiate such completion for three previous reporting periods (i.e., six years). Although there is no specific recordkeeping requirement, practitioners should be aware that the USPTO’s OED may request that a practitioner supply documentation that substantiates his or her completion of CLE or ‘other activities.’”

It is unclear how something can be voluntary, not require recordkeeping, and still be subject to requirements to produce documentation—documentation that, if not produced, could result in disciplinary action up to and including disbarment.

Given such consequences for a “voluntary” act, especially in the absence of a defined, existing problem that implementing a voluntary certification would solve, AIPLA submits that the USPTO must address a number of important questions before implementing such a burden on practitioners and their clients.

Further, the Office appears to have overlooked a requirement of law that even “voluntary” certifications are covered by the Paperwork Reduction Act.²⁴ Thus, if the Office intends to proceed with this “voluntary” program, it must start over and comply with the regulatory requirements and public review processes required by law.

*a. How will practitioners decide what records are required and how long to maintain such a paper trail?*²⁵

Consider, for example, where a practitioner certifies that they took a class and therefore complied with the Office’s conception of CLE. Unless the class was pre-certified by some recognized entity, the practitioner would be uncertain whether the class was actually an appropriate CLE program. Currently, some states permit self-certification *of the fact that they participated in a CLE program that was previously endorsed by those states’ bar associations*. In these states, practitioners are *not* making a determination or certification that any specific CLE program meets any particular standard.

²⁴ See 5 C.F.R. § 1320.3I (coverage includes both “reporting” and “recordkeeping,” whether “voluntary, or required to obtain or retain a benefit”); § 1320.3I(4)(i) (coverage extends to “any requirement contained in a rule of general applicability”); *Id* at §§ 1320.10, .12 (coverage extends to paperwork whether created by regulation or by guidance).

²⁵ 44 USC § 3506(c)(2). See also Executive Order (E.O.) 12866, *Regulatory Planning and Review*, 58 Fed. Reg. 51735 (Oct. 4, 1993); OMB Circular A-4, *Regulatory Analysis*, 68 FR 58366 (Oct. 9, 2003).

b. What public policy is served by the Office's current efforts? How do the Office's efforts support innovation and innovators? Why does the Office seek to expand the OED's activities with no justification and when no problem or issue has been identified and debated as required by at least 35 U.S.C. § 2?

The Office has only made vague and unsubstantiated allegations of the need for the Office certifying CLE. It is understood that the Office is charged with regulating practice before the Office, but these new oversight authorities serve no apparent practical purpose. The Office provides no evidence that: 1) establishes significant lack of CLE participation in the patent bar; 2) establishes a problem that voluntary CLE is intended to solve; 3) voluntary CLE would actually solve such a problem; or 4) any public benefit is outweighed by the costs of establishing voluntary CLE.

Further, AIPLA submits that practitioner CLE certification with OED will lead to unintended consequences including additional burdens on both practitioners and the Office, and increased applicant costs (which disproportionately affect solo, small, and medium sized entities (SMEs)). It will also raise the specter of yet another way to render patents unenforceable as a result of practitioners being accused of failing to properly comply with yet another set of administrative requirements. This raises yet another important question.

c. Where does the Office obtain the required resources to implement the proposed programs?

AIPLA is concerned that the administrative and practical complexities of creating a new federal CLE oversight system would tax Office resources that would be required to qualify the CLE activities of federal, state, and non-governmental entities. Such time and economic expense would far outweigh any potential benefit to the public. There is no evidence to support the assertion that federal oversight or management of CLE will add any value to the public. If the Office persists in its desire to regulate CLE programs, the Office will require additional personnel to review CLE programs, monitor compliance, and add another layer of oversight for practitioners—time, money, and resources that could be better spent in representing inventors and fostering innovation and invention. AIPLA has expressed some of its concerns in prior submissions to the Office²⁶ that the Office has declined to address directly in each round of the decades of successive attempts at instituting a federal CLE program.

In summary, voluntary CLE certification would unfairly prejudice the public and burden practitioners, would be complex and costly for the Office to administer, and would be more of a burden to practitioners than a benefit to the public. The costs of administration, including certifying CLE courses, maintaining and recording CLE records, would likely result in the

²⁶ AIPLA Comments on USPTO Setting and Adjusting Patent Fees During Fiscal Year 2020 [Docket No. PTO-P-2018-0031] at pp. 5-9 (September 30, 2019) (commenting on proposed annual practitioner fee and CLE discount), available at AIPLA Comments on USPTO Setting and Adjusting Patent Fees; AIPLA Comments on Supplemental Comments on Annual Patent Practitioner Fee Proposal in USPTO Setting and Adjusting Patent Fees During Fiscal Year 2020 [Docket No. PTO-P-2018-0031] (Nov. 8, 2019) (same), available at AIPLA Comments to USPTO on Annual Patent Practitioner Fee Proposal; AIPLA Comments to the Patent Public Advisory Committee Public Hearing on the Proposed Patent Fee Schedule [Docket No. PTO-P-2018-0046] at pp. 4-6 (Sept. 11, 2018) (same), available at AIPLA Comments to the Patent Public Advisory Committee Public Hearing in the Proposed Patent Fee Schedule; AIPLA testimony provided during Patent Public Advisory Committee Meeting Fee Setting Hearing (Sept. 6, 2018).

need for additional fees, the costs of which would ultimately be borne by inventors and other stakeholders.²⁷

E. USPTO May Not Have Adequately Complied with the Laws Governing Rulemaking

As discussed above, the 2020 Final Rule implements CLE and registration rules that are *substantively different* from the 2019 NPRM, and no public comment period has been opened on these new and substantively different rules. AIPLA is concerned that 37 C.F.R. § 11.11 has not been lawfully promulgated, and cannot serve as support for implementing guidance for at least the following reasons:

- As the Office itself acknowledges, by refusing to answer public comments on the proposed CLE rule, the final registration rule is not a “logical outgrowth” of the proposed CLE rule.²⁸ The Administrative Procedure Act²⁹ bars rule promulgation without a new round of notice and comment.³⁰ On the other hand, if the proposed and final rules are logically related, the Office erred in refusing *eighty times* to answer the public comments.
- This is a new “collection of information” covered by the Paperwork Reduction Act (“PRA”),³¹ and thus a proper notice-and-comment period is required to evaluate the four questions required by statute.³² This biennial registration will be covered by the PRA even if the Office elects to act by guidance rather than regulation.³³ Neither the July 2019 NPRM nor the August 2020 Final Rule observe the requirements of this statute. In fact, the Final Rule states that the Office specifically elected *not* to do so.³⁴
- The Office did not perform a regulatory flexibility analysis with respect to any rule governing those practitioners that qualify as small entities in violation of the Regulatory Flexibility Act.³⁵ In fact, the Office specifically *declined* to do so.³⁶
- The Office apparently failed to comply with a number of Executive Orders: Executive Order 12866 requires the Office to identify a specific and necessary “compelling public need, such as material failures of private markets to protect or improve . . . the well-being of the American people”;³⁷ Section 1(b)(5) of that Executive Order provides that an agency “shall consider incentives for innovation, . . . costs of enforcement and compliance (to the government, regulated entities, and the public)”;³⁸

²⁷ While our concerns are primarily focused on the voluntary CLE certification, the biennial registration requirement presents similar issues in terms of administrative costs, especially in addressing logistical issues of persons who unintentionally fail to submit a registration statement. If the purpose of the registration statement is to confirm that practitioners wish to maintain active status, then the statement could be implemented as a simple statement by those who no longer wish to remain active. Such an optional statement should be far less costly to administer. Maintaining current contact information should be all that is needed to maintain the practitioner rolls.

²⁸ See Responses 81-163, 85 Fed. Reg. 46932.

²⁹ See, e.g., 5 U.S.C. § 553.

³⁰ See *Mid-Continent Nail Corp. v. U.S.*, 846 F.3d 1364, 1373-74 (Fed. Cir. 2017).

³¹ 44 U.S.C. § 4501 *et seq.*

³² 44 U.S.C. § 3506(c)(2)(A); 5 C.F.R. § 1320.8(d)(1).

³³ 5 C.F.R. § 1320.10.

³⁴ Responses 130 and 135, 85 Fed. Reg. 46932.

³⁵ 5 U.S.C. §§ 601 *et seq.*; 85 Fed. Reg. 46932, 46979.

³⁶ 85 Fed. Reg. 46932, 46979, col. 3.

³⁷ E.O. 12866 §§ 1(a), 1(b)(1).

³⁸ See Responses 85, 126, and 137, 85 Fed. Reg. at 46961, col. 1, and 45697, col. 1.

and Executive Order 13771 requires a cost-benefit analysis, and a two-for-one deregulatory action. The Office also apparently declined to consider regulatory principles of Executive Orders 12866, 13563, or 13771.³⁹ Whatever rationales may have been offered before do not apply to the current registration rule.

AIPLA provided comments to the 2019 NPRM and opposed, in part, to both an annual practitioner fee (APF) and an associated discount for “certifying compliance with approved continuing legal education” (“2019 Comments”).⁴⁰ However, those comments, and many other similar comments, were not addressed in the 2020 Final Rule.

Specifically, following receipt of negative comments, the Office finalized the 2020 Fee schedule that included new alterations to 37 C.F.R. § 11.11. The *new* text and authorities were *first* presented in the Final Rule notice of August 3, 2020.⁴¹ For example, in the 2019 NPRM, 37 C.F.R. §§ 11.11(a)(2) and (3)(i) did not exist. Nonetheless, in the August 3, 2020 Final Rule, the Office added authorities to authorize a biennial practitioner registration *statement* (substantively different from the proposed fee) and to permit registered practitioners to certify CLE completion (substantively different from the proposed discount). By presenting the changes to 37 C.F.R. § 11.11(a)(2) in the 2020 Final rules *for the first time*, the Office has promulgated such Final Rules without regard to 35 U.S.C. § 2(b)(2)(B), which requires, in those limited instances where the Office is permitted to engage in rulemaking, that they comply with the Notice and Comment provisions of at least 5 U.S.C. § 553.

AIPLA is concerned that the 2020 Final Rule is a stepwise approach to instituting an active practitioner fee and mandatory CLE requirements in the face of overwhelming public opposition. Thus, the Office’s shift between the 2019 NPRM and 2020 Final Rule avoids regulatory oversight by first creating unfunded, unfounded, and unnecessary programs that will then require adding fees to support such programs. As such, the 2020 Final Rule should be withdrawn, at least with respect to the CLE rules and the biennial registration statement.

III. Answers to Questions Regarding the Proposed CLE Guidelines

AIPLA now addresses the underlying substance of CLE programs even though we continue our strong objections to the Office expanding its non-core function and administrative activities.

1. What course topics should qualify for USPTO patent CLE credit?

Subject to our objections, AIPLA supports CLE programs that include any course or activity that trains and educates practitioners in patent law and practice.

Since each educational program is unique, any attempt to prescribe *a priori* qualifications for CLE programs invites subjective and arbitrary standards. Thus, AIPLA believes that attempts

³⁹ Responses 85, 126, and 137, 85 Fed. Reg. at 46932.

⁴⁰ Sheldon Klein, President, American Intellectual Property Law Association, *Letter re: Comments on USPTO setting and adjusting patent fees during fiscal year 2020 [Docket No. PTO-P-2018-0031]*, page 5, September 30, 2019 (“2019 Comments”) available at https://www.aipla.org/docs/default-source/advocacy/documents/aipla-comments-on-fy2020-patent-fee-setting-nprm-2019sep27.pdf?sfvrsn=c4c344ce_0.

⁴¹ 75 Fed. Reg. at 46992.

to define CLE programs in more detail than, e.g., patent-related subject matter, is ill-advised. AIPLA declines to elaborate further.

The definition provided under the “American Bar Association Model Rule for Minimum Continuing Legal Education (MCLE) and Comments” should be sufficient. CLE credits may be earned by participating in legal education programs that have a significant intellectual or practical content designed to increase or maintain the patent practitioner’s professional competence and skills as a patent practitioner.⁴²

2. What parameters should be used to determine what subject matters beyond those listed in 37 C.F.R. § 11.5(b)(1) would qualify for patent CLE credit, if any?

AIPLA urges that it is inappropriate for the USPTO to attempt to define the scope of CLE programs.

37 C.F.R. § 11.5(b)(1) provides a non-exhaustive list of matters that are undertaken by patent practitioners. Any attempt to define “parameters” to determine whether a particular CLE program would be useful to practitioners and those they represent will *by necessity* result in a non-exhaustive list. That list would invite argument, form a potential basis for punishing practitioners for noncompliance, form a basis for allegations of patent unenforceability, and omit appropriate subject matter. AIPLA submits that all courses that help educate and train practitioners in their patent-related practice should qualify to satisfy the requirements of, among other things, 37 C.F.R. § 11.101 – Competence.⁴³

3. What activities should qualify for USPTO CLE credit, either in patent law and practice or ethics?

Again, AIPLA objects to the Office involving itself in what activities that would qualify for CLE credit.

Currently, patent practitioners are required to maintain professional competency.⁴⁴ Trying to define *how* that is done or what activities one engages in when maintaining that competency is an effort that would require considering each individual’s activity and its nexus to IP-related matters.⁴⁵

To the extent that practitioners engage in IP-related activities, AIPLA recommends that practitioners, CLE providers, and CLE regulators consider all matters reasonably related to

⁴² See American Bar Association, *ABA Model Rule for Minimum Continuing Legal Education (MCLE) and Comments*, Sections 1(A) and 4(A), February 6, 2017.

⁴³ 37 C.F.R. § 11.101 (“A practitioner shall provide competent representation to a client. Competent representation requires the legal, scientific, and technical knowledge, skill, thoroughness and preparation reasonably necessary for the representation.”)

⁴⁴ See, e.g., 37 C.F.R. § 11.101 – Competence.

⁴⁵ 37 C.F.R. § 11.101. See also 37 C.F.R. § 11.7 that states, in part, that “(a) No individual will be registered to practice before the Office unless he or she has: . . . (2) Established to the satisfaction of the OED Director that he or she: (i) Possesses good moral character and reputation; (ii) Possesses the legal, scientific, and technical qualifications necessary for him or her to render applicants valuable service; and (iii) Is competent to advise and assist patent applicants in the presentation and prosecution of their applications before the Office.”

providing IP support to the public be within its scope. Any activity that should qualify for CLE, so long as it is directed to the overall goal of training and educating practitioners in patent law and practice.

4. Should organizations or providers outside the USPTO be authorized to deliver USPTO CLE courses? If so, how should such courses be approved?

Subject to our objections, any provider that can deliver IP-related subject matter should be permitted and encouraged to do so.

AIPLA therefore recommends that CLE providers should include any entities (governmental, professional, NGO, etc.) with the ability to manage and deliver IP-related education. The Office should minimize resources, including expense and oversight, dedicated to certifying CLE courses or providers. It is unclear what public benefit would be obtained from having the Office *approve* any CLE program or provider.

5. In what manner should the USPTO recognize practitioners who make the CLE certification on their mandatory registration statement?

AIPLA reiterates its position that the USPTO should not publicly recognize practitioners who participate in CLE programs, or conversely, identify those who do not certify CLE participation.

AIPLA is concerned that recognizing practitioners who voluntarily certify their CLE certification would unfairly prejudice the public against practitioners, including patent agents and attorneys who do not have a state CLE requirement. No USPTO recognition is appropriate because regulations already require that practitioners be legally and technically competent.

USPTO publication of practitioner participation in CLE programs is undesirable. By meeting the requirements for practice before the Office and obtaining a registration number, all practitioners are asserting that they are competent, both legally and technically, to practice before the Office. If the Office now publishes or recognizes some “super” certification, the public may not understand its meaning. Is the person who has a CLE certification somehow better qualified than other practitioners? Why? Does this indicate an insufficiency in the USPTO’s current accreditation system? If not, why would further certification be needed and what does it mean?

The USPTO’s assertion that CLE certification is “voluntary” is questionable in light of the Office’s efforts to institute a federal CLE program and near-term ramifications of practitioner “self-certification.” If a practitioner does not voluntarily certify CLE compliance, then they may be branded as less competent than those who do. If one certifies that they participated in some CLE, does that mean that they are somehow more competent than required by, e.g., 37 C.F.R. § 11.7(a)(2)?⁴⁶

⁴⁶ 37 C.F.R. § 11.7 states, in part, that “(a) No individual will be registered to practice before the Office unless he or she has: (1) Applied to the USPTO Director in writing by completing an application for registration form supplied by the OED Director and furnishing all requested information and material; and (2) Established to the satisfaction of the OED Director that he or she: (i) Possesses good moral character and reputation; (ii) Possesses

In addition, the cost of administering a recognition program for practitioners would provide little benefit to the public. A showing of participation in CLE is not a requirement that qualifies one to practice before the Office in patent matters. The costs of administration, including certifying CLE courses, maintaining CLE records, will likely result in the need for additional fees, the costs of which will ultimately be borne by inventors and other stakeholders.

6. Are there any other issues or concerns that the USPTO should consider regarding the CLE guidelines? If so, what are they and how and why would they apply?

AIPLA is concerned that the proposed CLE guidelines may impose particular burdens on patent agents and other practitioners who are not otherwise required to meet state-related CLE requirements. Many patent attorney practitioners have CLE requirements for their state bars, but patent agents do not have to meet any state CLE requirements. Further, because patent agents are not required to meet state-related CLE requirements, and indeed, are not able to join some state bar organizations, their ability to obtain certifications from providers attesting to CLE attendance or otherwise proving CLE compliance is more challenging. Thus, the cost, availability, and proof of qualifying CLEs for patent agents may disproportionately adversely affect patent agents.

Further, for many inventors and inventive entities (especially small and medium-sized entities), patent agents represent a pool of advisors who are often less expensive than attorneys. Adding additional costs and burdens to practitioners will result in those costs ultimately being passed on to those very same inventors and entities who are least well positioned to pay higher fees. Any imposition of additional practitioner burdens should be accompanied by a regulatory compliance cost analysis as *required* under the Administrative Procedure Act and related statutes.

In addition, AIPLA is concerned that the proposal for mandatory registration and voluntary CLE certification may be especially burdensome to solo practitioners, practitioners from small firms, and corporate practitioners who may opt not to self-certify due to potential financial burdens for CLE. Lack of recognition for those practitioners may impact them disproportionately, as lack of self-certification may be viewed by the public as indicating lower ability relative to those who self-certify.

AIPLA appreciates the opportunity to provide feedback to the Office on the Request. AIPLA looks forward to further dialogue with the Office with regard to the issues raised above.

Sincerely,



Joseph R. Re
President

American Intellectual Property Law Association

the legal, scientific, and technical qualifications necessary for him or her to render applicants valuable service; and (iii) Is competent to advise and assist patent applicants in the presentation and prosecution of their applications before the Office.”