

52 PATENT PRACTITIONERS

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Re: 0651-0035 information request, ICR Ref. 202103-0651-001, *Representative and Address Provisions*, 30-day notice at 86 Fed. Reg. 16703 (Mar. 31, 2021)

Dear Mr. Fraser and Ms. Hardy:

We write as 52 patent practitioners. Of the half-dozen ICRs that the PTO has submitted since December 1, this one is unique. This one has no bootlegs. This one does not involve a rule the PTO attempted to promulgate by guidance with no notice and comment. This one does not involve a coverup attempt by the PTO to seek retroactive approval for a rulemaking process in which the PTO shortcut its legal obligations. This one does not involve the PTO attempting to slip new burden into a triennial ICR renewal.

The only things on the line in this ICR are the PTO's willingness to (a) put up plausible burden estimates, based on objective, reproducible information, and (b) honor its own regulations and information collection clearances as the definition of information to be collected, without making up new rules and new burden at whim of agency personnel.

This ICR fails those two tests. During the 60-day comment period, the PTO proposed 3 minutes of paralegal time per response for most collections of information in this ICR (see Supporting Statement, Table 3, rows 1-5, and Table 4, rows 105, about 176,000 responses annually). A public comment letter with 91 co-signatories¹ noted that 3 minutes is plausible for only a tiny number of all responses. The public laid out a series of tasks involving "generating information," "disclosing or providing information," "searching data sources,"

¹ 91 Patent Practitioners, *Comment letter on 0651-0035, Representative and Address Provisions, 60-day notice*, <https://www.regulations.gov/comment/PTO-P-2021-0018-0002> (Mar. 12, 2021), submitted into this 30-day comment period as a concurrent filing. At page 7, the letter explains:

The PTO's estimate of 3 minutes is plausible in only one scenario: where an application is prosecuted entirely by the client's in-house legal department, and the in-house legal department has a pre-signed General Power of Attorney, so that there is no communication between the client and outside counsel, no communication of paperwork among lawyers or between lawyer and client, little communication between lawyer and paraprofessional—3 minutes covers the time to locate and uploading the Power into the PTO's electronic filing system, and save the filing acknowledgement. That is a tiny number—too small to meaningfully affect the average. We estimate that under 10,000 Powers per year meet the PTO's 3 minute estimate.

“completing and reviewing information,” and “transmitting or otherwise disclosing” information, many of which require an attorney, not a paralegal. The public comment gave low, medium, and high estimates of burden at 30 minutes, 1.2 hours, and 1.7 hours, and the underlying assumptions for each of the three (see pages 7 and 23).

In this ICR’s Supporting Statement, the PTO takes no issue with any component of the low or middle estimates. The PTO questions only the high estimate.

Instead, the PTO maintains its estimate of 3 minutes. The PTO’s only rationale is “The current time estimate for Power of Attorney papers is consistent with what has been previously approved by OMB.” But neither the PTO’s estimate nor rationale meet requirements for “objectivity” or “reproducibility” under the PTO’s *Information Quality Guidelines*. The PTO insists that it should all be attributed to paralegal time, for no stated reason at all—the PTO does not explain how a paper could be submitted with no review by an attorney without violating ethics rules.

The PTO writes “The USPTO will consider further consultation with respondents to verify current burden estimates, among other things.” The law requires agencies to *actually* consult, before making a 30-day submission, 44 U.S.C. § 3506(c)(2)(A); § 3507(h)(1)(A) and (B)—the PTO’s promise to “*consider* consulting” after the fact is an admission that the PTO follows the law only when convenient. Likewise, the law is clear that the 60-day comment period is part of that consultation. The March 60-day letter was joint work product of roughly a dozen active contributors, most of whom provided anecdotes, all of whom gave their approval to the consensus estimates stated at page 7 of the letter.² There were 91 total co-signatories. The March 60-day comment letter offered three sets of estimates, one of which reflects the full range of experience with outlier cases caused by the PTO’s unpredictable, unwritten enforcement standards and cost-shifts onto the public. The PTO expresses some disagreement with the high one of the three estimates, but offers no basis to discount the low and middle estimate. The PTO does not contest that its unwritten enforcement practices result in “outliers” that drive the average to the high estimate. Likewise, the PTO does not identify any law that allows it to rely on some future “consultation” as a basis to displace the estimates it received during the 60-day comment process.

The public comment letter proposed five recommendations for the PTO’s enforcement practices that could reduce burden on the public by \$30 to \$40 million per year, if the PTO simply honored its own written regulations, rather than enforcing unwritten and varying preferences. The Supporting Statement does not acknowledge those recommendations, and no Federal Register notice has surfaced to demonstrate the PTO’s intent to act on them. Until that Federal Register notice appears, we urge that OIRA should adopt the higher estimates.

The PTO’s estimates do not account for collateral burden: because the PTO’s unwritten and unpredictable enforcement have become so onerous (“the bane of my existence” in emails from co-signatories of this letter), many attorneys just skip them, even though that raises costs elsewhere during the life of the patent application. The consequences are discussed in Exhibit 3 to this letter.

² Many anecdotes to support the estimates were provided in our 60-day letter. Attached to this letter are anecdotes to show that an estimate of 3 minutes of paralegal time is entirely implausible. Exhibits 3 and 4 point out that in 10-20% of all responses, one specific aspect of the PTO’s unpredictability adds 1 to 2.7 hours of attorney time.

In a 60-day notice on a different control number, 0651-0027, the PTO largely agrees with our estimates. In that 60-day notice, the PTO estimates that “Recording assignments” take 30 minutes each, half attorney, half paralegal. 86 Fed. Reg. 20121. Assignments are very similar in burden to Powers of Attorney in this 0651-0035. The PTO’s estimate for “ordinary course” assignments is **exactly** in line with our estimate for Powers of Attorney when “everything goes right” (at page 2). As we discussed in our 60-day letter of March 12, 2021 (pages 6-7), and Exhibit 3, outliers arising because of client complications add another 18 minutes, and outliers caused by the PTO’s unpredictable enforcement add another ½ to full hour on average. If a half hour is within the range of plausible estimates for Assignments (and we think it is), the PTO’s estimate of 3 minutes for this ICR is not remotely plausible. Because the PTO’s workflow path for Assignments is almost entirely automated, burdensome outliers are rare with Assignments, but common (10-20%, see Exhibits 3 and 4) for Powers of Attorney. Our March 60-day letter fully explained how errors in the PTO’s workflow path for Powers of Attorney lead to 1.7 hours as a sound reflection of actual experience of respondents that actually prepare the information.

Conclusion

The PTO’s implacable commitment to implausible estimates, in a no-stakes ICR such as this one, invites OIRA to draw inferences as to the seriousness with which the PTO takes public comments (both in NPRM comment periods and ICR comment periods), the PTO’s ability or willingness to objectively inform OIRA of burden, and the PTO’s respect for rule of law. If that’s the PTO’s approach to this no-stakes ICR, those inferences should inform OIRA’s willingness to rely on the PTO’s representations in 0651-0009, 0651-0012, 0651-0031, 0651-0032, 0651-0056, and 0651-0059, which have several **hundred million** dollars of new uncleared burden, plus \$3-4 billion of bootlegs in -0031 and -0032.

There are two lawful dispositions for Table 3, rows 1-5, and Table 4, rows 1-5:

- The PTO should run a notice in the Federal Register explaining that (a) enforcement of all requirements above the literal text of the applicable regulations will end forthwith, (b) all recommendations we offered in our 60-day letter of March 12 are adopted, and (c) explaining concrete steps the PTO will take to ensure implementation. In that case, the ICR should be cleared at our “medium” estimate (see page 23): 0.25 hours of paraprofessional/paralegal, 0.5 hours of attorney time, 0.3 hours of client time.
- The PTO can maintain the *status quo* of unpredictable enforcement. In that case, the higher estimates (page 23) apply. However, the PTO’s certifications of “necessary for the proper performance of agency function,” “reduces burden on small entities,” and “uses plain, coherent, and unambiguous language that is understandable to respondents,” the PTO’s demonstration of “shall not do so by means of shifting disproportionate costs or burdens onto the public” (5 C.F.R. § 1320.5(d)(1)(iii)), and claims of information quality are all false, and the ICR should be returned without approval.

Respectfully submitted,

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Appendix:

Exhibits 1, 2, 3, and 4: estimates for typical patterns for Powers of Attorney

Appendix

Exhibits 1, 2, 3, and 4

Exhibits 1, 2, and 3 were provided by one of the signatories to this letter, a person who had not contributed to the March 60-day letter, and one who commented that the PTO's unpredictable handling of Powers of Attorney is "the bane of [his] existence." This person's estimates are entirely independent of the March 60-day estimates, and yet remarkably consistent with those earlier estimates.

Exhibit 1: Ordinary course procedure for filing a new nonprovisional application (this is a "best routine case"—it covers less than 10% of cases, but not vanishingly small):

As a registered patent attorney, when I am filing a new patent application, I'm not able to include a power of attorney in the filing; but I want to.

0.1 hrs

The reason is that I would need to have a signed [Assignment] from the inventors, and I need to have a signed [Power of Attorney] from the client/applicant/owner.

It takes 6 minutes to check to see if we have these signed documents in the file; but the documents are never available at time of filing, for reasons listed below.

0.5-1.0 hrs, [0.2 to 0.4 attributable to Power of Attorney]

The reason is that until the claims get finalized, the inventors should not sign the inventorship declarations. So once the claims are finalized, and the [Declaration] signed, the application CAN be filed.

It takes 30-60 minutes to prepare [an Assignment], an inventorship declaration [Declaration], and a [power of Attorney] for a specific invention, and send them for signature (they get sent as a group). These documents are never returned the same day, so the application must get filed without the signed documents.

0.7 hrs [0.2 attributable to Power of Attorney]

Once the signed documents are received, then we can file the utility application. But, to submit the [Power of Attorney] for that application, we need to record the [Assignment] (0.5 hrs), and fill out a 3.73c ownership statement form (0.2 hrs).

Estimate from one attorney: 0.5 hours of attorney time for an ordinary course Power of Attorney

Exhibit 2: Application filed without Power of Attorney, Power filed later in response to a Notice of Missing Parts (this is probably the most common scenario):

#2 Notice of Missing Parts

Receive and respond to NMP 1.0 hrs

Prepare and file signature forms 1.2 -1.7 hrs

Assuming we file the utility application without the [Power of Attorney], which is standard practice because the client wants an early filing date and we do not want to be the patent attorney that filed two days later waiting for signatures, only to discover that somebody else filed while you waited (this actually happened to an attorney for Vertex/Schering-Plough).

Now, what's weird is that the USPTO doesn't recognize me as the attorney of record, even though I wrote the application, I filed the utility application, I filed out the ADS, I provided the inventor names, I made the claim to priority, I paid the fees using my fee account, the application is listed in private pair under my PTO customer number, and in the client's eyes I "am" their patent attorney. The PTO accepts all of this as "gospel"; but the PTO won't list me as an attorney until I submit a separate [Power of Attorney]? hmmm...

By the way, the basic test under the Attorney Ethics rules 1.5, 1.6, 1.16, and 1.18 is that, simplified and paraphrased, if the client believes you are their attorney, then you ARE their attorney. But as a practical matter, as attorneys, we really just do not work for people who are NOT our clients; if we are doing the work, the applicant is our client, and we are their attorney.

There is also a corollary rule in patent law, that (simplified and paraphrased) when a patent attorney submits something to the USPTO under his or her signature, then the USPTO must accept it as a verified statement. Ask OED; they will confirm.

#2 total: minimum 2.2 - 2.7 hrs (132 - 162 minutes) [about 0.5-1.0 attributable to Power of Attorney, as an "ordinary course" estimate, disregarding the outliers]

Exhibit 3: PTO won't accept Power of Attorney:

It seems to happen about every 1 in 7 or 8 applications that the USPTO just won't accept the signed [Power of Attorney].

We receive the rejection notice from the PTO, often there is nothing incorrect, so we just re-submit the request to acknowledge the [Power of Attorney]. grrrr

Sometimes we try multiple times, and, although we possess a signed POA in our hands, we just give up on the PTO formalities people and never submit the POA. In these situations, we end up submitting the Issue Fee ptol-85b "by hand" by uploading the pdf manually, rather than using the electronic issue fee processing (because we are not permitted to submit the ptol-85b electronically unless the POA was processed). Thus, a PTO POA error can haunt an application all the way thru until allowance.

#3 total: minimum 2.2 - 2.7 hrs (132 - 162 minutes) [these are some of the outliers we discuss—this 2.2 to 2.7 hours, times 12-15%, is additive to Exhibits 1 and 2]

Exhibit 4 was emailed by another patent agent, one who was a co-signatory but not a co-contributor to our March 60-day letter. Again, the estimate is consistent with the views expressed in the March 60-day letter.

Exhibit 4: PTO won't accept Power of Attorney:

I have filed 14 cases for a corporate client since 2018. They signed a PTO/AIA/82B once which I have submitted in each case with a new PTO/AIA/82A as per MPEP 402.02(a)(III). Although the identical form was submitted in each case, it was 'not accepted' with no specific reason given in at least five of these 14 cases. In response to each of the rejections, I resubmitted the identical form as filed with the application. When submitted a second time, the form has been accepted – with no changes, arguments, or explanations. This process involves at least two extra docketing tasks (to resubmit the POA and to verify notice of its acceptance) and about an hour of additional time for each occurrence.