

# 91 PATENT AND TRADEMARK PRACTITIONERS

March 12, 2021

Via Email [InformationCollection@uspto.gov](mailto:InformationCollection@uspto.gov)

Kimberly Hardy  
Office of the Chief Administrative Officer  
United States Patent and Trademark Office  
P.O. Box 1450  
Alexandria, VA 22313-1450

Re: Control Number 0651-0035, *Representative and Address Provisions*, 60-day notice, 86 Fed. Reg. 4003 (Jan. 15, 2021)

Dear Ms. Hardy:

We write as 91 patent and trademark practitioners to comment on the PTO's burden estimates for *Representative and Address Provisions*, and to recommend various steps the PTO can take to minimize burden as required by the Paperwork Reduction Act, 44 U.S.C. § 3506(c)(2)(A)(iv); 5 C.F.R. § 1320.5(d). The signatories are members of several email listserv groups, and subscribers to several organizational blogs. The signatories taken together have filed many thousands of patent and trademark applications at the PTO during the past ten years.

The Paperwork Reduction Act requires the PTO to establish "objective" estimates of burden, and to use comment periods like this one to solicit recommendations to "reduce[ ] to the extent practicable and appropriate the burden on persons" who file papers at the agency. 44 U.S.C. § 3506(c)(3)(C).

The time estimates in the notice are entirely implausible, off by a factor of 10 to 30. They are not "objectively supported" as required by law. We offer corrected estimates, and recommendations that could reduce burden by about \$100 to \$150 million per year.

## I. Misstatement of estimated burden for Powers of Attorney

### A. The PTO's estimate

The Request for comment estimates the burden for Powers of Attorney at 3 minutes (0.05 hours) each, 86 Fed. Reg. at 4004-05, Table 1, lines 1-5, and Table 2, lines 1-5):

TABLE 1—TOTAL HOURLY BURDEN FOR PRIVATE SECTOR RESPONDENTS

| Item No. | Item                                                                                                                                                  | Estimated annual respondents | Estimated annual responses (year) | Estimated time for response (hour)(b) | Estimated annual burden (hour/year) | Rate <sup>1</sup> (\$/hour) | Estimated annual burden |
|----------|-------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|-----------------------------------|---------------------------------------|-------------------------------------|-----------------------------|-------------------------|
|          |                                                                                                                                                       |                              | (a)                               | (b)                                   | (a) × (b) = (c)                     | (d)                         | (c) × (d) = (e)         |
| 1 .....  | Power of Attorney to Prosecute Applications Before the USPTO—PTO/AIA/80 PTO/SB/80.                                                                    | 2,425                        | 2,425                             | 0.05 (3 minutes) .....                | 121                                 | \$145                       | \$17,545                |
| 2 .....  | Power of Attorney or Revocation of Power of Attorney with a New Power of Attorney and Change of Correspondence—PTO/AIA/82A; PTO/AIA/82B; PTO/AIA/82C. | 165,870                      | 165,870                           | 0.05 (3 minutes) .....                | 8,294                               | 145                         | 1,202,630               |

OMB's implementing regulations for the Paperwork Reduction Act require an agency to develop "objective estimates" of burden, and require accurate accounting for "burden" defined as follows:

**5 C.F.R. § 1320.3(b)(1).** Burden means the total time, effort, or financial resources expended by persons to generate, maintain, retain, or disclose or provide information to or for a Federal agency, including:

- (i) Reviewing instructions;
- (ii) Developing, acquiring, installing, and utilizing technology and systems for the purpose of collecting, validating, and verifying information;
- (iii) Developing, acquiring, installing, and utilizing technology and systems for the purpose of processing and maintaining information;
- (iv) Developing, acquiring, installing, and utilizing technology and systems for the purpose of disclosing and providing information;
- (v) Adjusting the existing ways to comply with any previously applicable instructions and requirements;
- (vi) Training personnel to be able to respond to a collection of information;
- (vii) Searching data sources;
- (viii) Completing and reviewing the collection of information; and
- (ix) Transmitting, or otherwise disclosing the information.

In actual practice, for the 70-90% of typical cases where everything goes right, "burden" for preparing and filing a power of attorney includes the following (depending on the facts of a specific instance). In essentially every case, the total is far in excess of 3 minutes per Power:

1. Searching data sources to identify "client" and "applicant" correctly, and to identify an appropriate signatory.
2. Searching data sources (typically the Delaware or another state's Secretary of State web site) to ensure that the name is spelled correctly. Is there an idiosyncratic capitalization or spelling? Does the client's name have a comma before the "LLC" or not? This can be more complicated to confirm for foreign entity types, "S.A," "Pty. Ltd.," "GmbH," "GmbH & Co.," etc.
3. Reviewing to make sure that the correct customer number is designated. This can be simple, or it may be time consuming in cases where either the client or the attorney has multiple customer numbers for different purposes.
4. When a practitioner has a signed general power on file that can be filed in future cases, the attorney still has to check to make sure that it is still current—is the signatory still at the company/entity with the same title and authority?
5. Selecting the correct Power of Attorney form based on the application type, filing date and signatory. The PTO provides eight separate forms (PTO/AIA/80, PTO/SB/80,

PTO/AIA/81, PTO/AIA/81A, PTO/AIA/81B, PTO/SB/82, PTO/AIA/82 and PTO/SB/81C).<sup>1</sup>

6. Reviewing instructions, by reading the PTO's regulations, guidance, and instructions for the power of attorney forms. Re-reading is not required often, but it is required from time to time, especially when a Power is bounced. The instructions are quite complex, both in the reading and in the implementation.<sup>2</sup>
7. Preparing the Power of Attorney document. In some cases, the scope of representation and scope of the appointment must be greater or less than ordinary because of client preferences. The PTO's form Powers of Attorney are often not useful, because the scope of power granted in the PTO's forms is limited to only a single, United States application. The attorney and client generally want a single power that will cover all daughter applications, throughout the world, including the power to appoint agents and associate powers of attorney in the U.S. and in other countries. A useful Power of Attorney must often designate an attorney in two different ways: by customer number in the United States, and for other countries, by attorney or firm name.
8. If the Power document is prepared by a paraprofessional/paralegal, attorney review of the Power (and sometimes multiple rounds of correction and training time).
9. Preparing an email to the client explaining what the document is and what action is required, with an explanation of the PTO's complex and unconventional signature rules<sup>3</sup> (see Recommendation 4 at page 21, below).
10. Docketing a reminder that the attorney is expecting a signature from the client, and following-up with the client at a later date as necessary.
11. The client's time to review, sign, and return.
12. Reviewing the document received from the client, checking for compliance with the PTO's signature rules,<sup>3</sup> scanning a paper document into PDF form, saving copies to appropriate files, etc.
13. Filing a Power may require filing other documents before or concurrently with the Power. For example, a Power frequently requires a § 3.73 Statement and an Application Data Sheet (ADS) under § 1.76. Interdependencies between various papers creates additional complexity and burden.
14. Uploading and submitting the Power, including the time to log in to EFS or Patent Center. At many law firms, the uploading is performed by paraprofessionals/paralegal

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<sup>1</sup> <https://www.uspto.gov/patents/apply/forms/forms-patent-applications-filed-or-after-september-16-2012> and <https://www.uspto.gov/patents/apply/forms/forms>

<sup>2</sup> E.g., [https://www.uspto.gov/sites/default/files/forms/guid\\_aia-poa.pdf](https://www.uspto.gov/sites/default/files/forms/guid_aia-poa.pdf) and [https://www.uspto.gov/sites/default/files/forms/Oath\\_Decl\\_Form\\_Instructions\\_AIA80\\_19dec2012.pdf](https://www.uspto.gov/sites/default/files/forms/Oath_Decl_Form_Instructions_AIA80_19dec2012.pdf)

<sup>3</sup> E.g., [https://www.uspto.gov/sites/default/files/documents/sigexamples\\_alt\\_text.pdf](https://www.uspto.gov/sites/default/files/documents/sigexamples_alt_text.pdf) ; 37 C.F.R. § 1.4(d)(2)(i).

staff, and the submission is completed by an attorney. The handoff takes time. The irreducible steps of electronic filing consume the entire 3 minutes' estimate.

15. When an Acceptance of Power of Attorney is received, reviewing and filing it.
16. When a Power of Attorney is bounced, taking the necessary corrective steps. See item 20 below.

In about 10-30% of cases, complications arise that drive burden to several-fold of the "typical" case. Factors in atypical cases include:

17. Item 1, identifying "client" and "applicant" correctly, and identifying an appropriate signatory, can involve searching data sources to ensure that the designation of "client" and of "applicant" are correct. Identifying an appropriate signatory can take time. These inquiries typically involve the practitioner finding the right person at the client company who can answer the relevant questions. This can become very complex in a number of situations: (a) if there is joint ownership; (b) if the client is a company that is solely or partly owned by the inventor and he/she does not want to assign; (c) if the application is subject to a license that provides the licensee with some power to control prosecution; (d) if an inventor was under an obligation to assign, but is either now difficult to find or hostile; (e) in any situation requiring documentation to establish basis for a § 3.73 statement; (f) where the client has a complex internal structure with multiple subsidiaries and holding companies; or (g) for unpublished applications or provisional applications that were previously filed *pro se* or by another attorney, when the client lacks a complete record, ascertaining whether the application was filed with the entity or inventor listed as applicant.
18. Item 11, the client's time to review, sign, and return, can be time-consuming for the client. For example, at universities, the technology transfer staff who routinely deal with patent matters usually do not have signatory authority for the university. The Power document has to be routed up through the client's channels to the proper signatory, and back down, before it gets back to the attorney. Similarly, at large companies, staff managing patents may not have signature authority for the company and the document may need to be routed to a company official having the appropriate authority to sign it.
19. Item 13, concurrent documents, can drive a large increase in burden, when clerks bounce Powers of Attorney that are entirely correct because of real or perceived defects in an accompanying ADS, or when the Power is submitted with no ADS because none is required but the clerk believes one is.
20. Item 16, bounces, are *always immensely* time consuming. When a Power of Attorney gets bounced, the attorney must first review the applicable regulations, then evaluate the PTO communication to evaluate whether it is accurate. Because it is not uncommon for Powers to be bounced (perhaps 10%?) for no reason at all, and the "problem" can be corrected by simply refiling with no change at all, attorneys know that PTO communications cannot be trusted at face value. The unreliability of PTO communications easily triples the time required to deal with bounces. Does the PTO notice accurately identify a problem? Does it accurately state that the Power has a problem, but give a misleading diagnosis of what that problem is? Is the Power perfectly

good, but the intake clerk has a personal preference not reflected in any regulation? Each of these create large time burdens. Sometimes it becomes necessary to phone the PTO to figure out what may be needed (which often involves a half hour or more stuck on hold or otherwise waiting to be transferred to proper PTO personnel), or otherwise diagnosing the problem. Then either the Power has to be refiled, or the attorney must attempt to deal with misunderstandings of law by the PTO's intake clerks. Because notices bouncing Powers rarely identify the name of the person making the determination, it is far more difficult to ascertain and resolve issues than necessary. Nonetheless, sometimes it's very hard to get a client's signature, and an attorney may be very reluctant to try again. The attorney may perceive that educating the PTO to honor its own regulations, so that a perfectly-valid Power of Attorney can be accepted, is the shortest path. But that takes time.

21. Dealing with erroneous revocations of power, which most often arise because of misfiling by PTO personnel.

**B. The PTO's underlying assumptions are flawed**

**1. The PTO falsely assumes that burden is entirely paraprofessional/ paralegal time, with no attorney or client time**

The January 2021 Notice asks for comment on "the validity of the methodology and assumptions used" in developing estimates.

The PTO assumes two billing rates in its estimates, one representing paralegal time and the other representing attorney time. In the tables of estimates, the PTO represents that 100% of the burden for Powers of Attorney (Table 1, lines 1-5, and Table 2, lines 1-5) is valued at \$145/hour, the rate for paraprofessionals/paralegals. The PTO allocates no time for attorney participation.

Powers of attorney require significant attorney time and involvement. Of the items in the above bullet list, only a few can be performed by a paraprofessional/paralegal. No Power of Attorney can be filed without at least some attorney or agent time. Most require personal attention of an attorney or agent, as the attorney or agent is ultimately responsible for the submission.

The PTO's representation that Powers of Attorney are handled entirely by paraprofessionals/paralegals is startling. The Office of Enrollment and Discipline recently disciplined an attorney who submitted papers (including Powers of Attorney) signed by the attorney but prepared by non-attorney assistants without substantial attorney review. *In the Matter of Heather A. Sapp*, proceeding No. D2019-31, [https://foiadocuments.uspto.gov/oed/1001\\_dis\\_2019-05-15.pdf](https://foiadocuments.uspto.gov/oed/1001_dis_2019-05-15.pdf) (OED May 15, 2019).

## **2. The estimates in the January 2021 notice are inconsistent with the PTO's past estimates**

The PTO/AIA/81 and 81B forms (Table 1, lines 3 and 4) indicate that that it will take practitioners 15 minutes to complete, including gathering, preparing and submitting the form to the USPTO.

This collection of information is required by 37 CFR 1.31, 1.32 and 1.33. The information is required to obtain or retain a benefit by the public which is to file (and by the USPTO to process) an application. Confidentiality is governed by 35 U.S.C. 122 and 37 CFR 1.11 and 1.14. This collection is estimated to take 15 minutes to complete, including gathering, preparing, and submitting the completed application form to the USPTO. Time will vary depending upon the individual case. Any comments on the amount of time you require to complete this form and/or suggestions for reducing this burden, should be sent to the Chief Information Officer, U.S. Patent and Trademark Office, U.S. Department of Commerce, P.O. Box 1450, Alexandria, VA 22313-1450. DO NOT SEND FEES OR COMPLETED FORMS TO THIS ADDRESS. **SEND TO: Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450.**

The PTO estimated form PTO/AIA/80 and 81A forms (Table 1, lines 1 and 3) at 18 minutes:

This collection of information is required by 37 CFR 1.31, 1.32, and 1.33. The information is required to obtain or retain a benefit by the public, which is to update (and by the USPTO to process) the file of a patent or reexamination proceeding. Confidentiality is governed by 35 U.S.C. 122 and 37 CFR 1.11 and 1.14. This collection is estimated to take 18 minutes to complete, including gathering, preparing, and submitting the completed application form to the USPTO. Time will vary depending upon the individual case. Any comments on the amount of time you require to complete this form and/or suggestions for reducing this burden, should be sent to the Chief Information Officer, U.S. Patent and Trademark Office, U.S. Department of Commerce, P.O. Box 1450, Alexandria, VA 22313-1450. DO NOT SEND FEES OR COMPLETED FORMS TO THIS ADDRESS. **SEND TO: Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450.**  
*If you need assistance in completing the form, call 1-800-PTO-9199 and select option 2.*

Yet for the same papers, the January 2021 Notice proposes to estimate these same papers at 3 minutes each to OMB. The reason that the PTO proposes to say one thing to OMB and to say something different elsewhere, by factors of five and six, is not explained.

### **C. The number of responses estimate is suspect**

The January 2021 Notice estimates 176,000 total Power of Attorney responses (total of Table 1, lines 1-5, and Table 2, lines 1-5). What is the basis for this number? Is it credible?

The PTO's 2018 clearance (ICR reference 201801-0651-002) estimates 502,000 responses per year. Why has the number of responses fallen by 2/3? We know of no rule change or other factor would account for this reduction.

The PTO's Supporting Statement for 0651-0032, *Patent Applications* (ICR Reference No: 202011-0651-006), filed only three months ago, estimates "original new utility applications" and "original new design applications" at 320,000 per year, plus another 270,000 provisional and continuation applications. 176,000 could be a correct estimate if Powers of Attorney were filed in only half of "original new" applications, and none in any provisional or continuation, and none due to changes of attorney or ownership. But none of the suppositions necessary to get to 176,000 seem credible.

In absence of some change, we would expect that the number of Powers should grow at the same 2-5% per year rate as other filings. We would not be surprised to see an estimate near 550,000 per year. Of course, the PTO has access to reliable past data, and should be able to extrapolate into a three-year future. But any number less than 450,000 seems suspect. If that's where the data lead, we request an explanation.

### **D. Our estimate for hourly burden**

For more realistic and common scenarios, a number of attorneys conferred by email, and reached a consensus estimate, which is now affirmed by the 91 practitioners signing this letter. We estimate that ordinary-course Powers of Attorney, when everything goes smoothly, average

about 30 minutes. Of that time, about half is attorney time, and half is paraprofessional/paralegal.

However, things do not always go smoothly. When all atypical cases are included, we estimate average “time per response” for all “Power of Attorney” line items (Table 1, lines 1-5, and Table 2, lines 1-5) as follows:

- 0.4 hours (24 minutes) of paraprofessional/paralegal time
- 1 hour of attorney time
- 0.3 hour (18 minutes) of client time, at a rate appropriate for professionals.

This estimate of 1.7 hours is the estimate that is “objectively supported” obtained after “consultation with members of the public” 44 U.S.C. § 3506(c)(1)(A)(iv); § 3506(c)(2)(A); 5 C.F.R. § 1320.8(a)(4); § 1320.8(d)(1), that should be used for statutory purposes.

We estimate that well over half that full hour of incremental time for atypical situations that do not go smoothly is due to PTO error, as explained in section I.A, line item 20, and in section II of this letter. We estimate the cost of PTO error at between \$100 to \$150 million per year. That error, in turn, is partially due to errors in the PTO’s rulemaking and notice procedures, and partially due to clerical error.

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.

The factor-of-30 underestimate of burden in the Notice should be corrected as explained in this section I.D.

As will be discussed below, a large fraction of that incremental burden (that is, the increment between typical cases and atypical cases) is due to PTO error—clerical error, flawed rulemaking by the PTO, flawed application of law, or even making up rules that do not exist at all.

## **II. Recommendations to minimize burden**

The Request for Comment asks for comments on how the PTO can “Minimize the burden of the collection of information on those who are to respond.” This is a statutory requirement. 44 U.S.C. § 3506(c)(2)(A)(iv). Power of Attorney implementation should reflect a balancing of three factors: (a) efficiency for the Office, (b) sufficient review of Powers of Attorney to protect against fraud, and (c) minimization of burden for the public. We believe that (c) has been given too little weight, and we offer several recommendations to bring the overall picture back into that three-sided balance.

**Recommendation 1. Instructions to intake clerks.** Intake clerks should be provided with better guidance that aligns with statute and regulation, and that reflects the three-sided balance.

**Recommendation 1(a): the role of guidance and enforceable rules.** “Reviewing instructions” is one component of burden that is to be minimized. 5 C.F.R. § 1320.3(b)(1)(i). Rules governing the public’s submission of paperwork to an agency are to be “written using plain, coherent, and unambiguous terminology,” § 3506(c)(3)(D), which at a minimum, requires that they be internally-consistent and consolidated in a single place. The law provides that applicants should be able to consult the Code of Federal Regulations as the one definitive statement of obligations, 5 U.S.C. § 553; 35 U.S.C. § 2(b)(2)(B), and the only further place the public has to look for any interpretation of ambiguity to which the agency intends binding weight is the Federal Register. 5 U.S.C. § 552(a)(1)(B) and (C). An agency should not be like the cacophony of a sports bar with 20 televisions tuned to 16 different games all saying something different. The Code of Federal Regulations, with interpretation in the Federal Register, is, by law, the agency’s one definitive voice.

Intake clerks regularly enforce rules for various matters of form that do not exist in regulation. The intake clerks should be instructed that the MPEP and other guidance documents are only non-binding recommendations. They lack force of law to be binding against applicants.

For example, the Power of Attorney regulation permits signature by applicant *as defined by § 1.42*. 37 C.F.R. § 1.32(b)(4). The regulation does *not* require that the Power be signed by the *applicant as currently of record in the PTO’s databases*. On the contrary, the regulation assures that “applicant” is the “applicant” by operation of 37 C.F.R. § 1.42, not by operation of the PTO’s database. The regulation is framed around facts known to the applicant and assignee; the PTO’s view and databases are irrelevant:

**§ 1.42 Applicant for patent.**

(a) The word “applicant” when used in this title refers to the inventor or all of the joint inventors, or to the person applying for a patent as provided in §§ 1.43, 1.45, or 1.46.

(b) If a person is applying for a patent as provided in § 1.46, ***the word “applicant” refers to the assignee***, the person to whom the inventor is under an obligation to assign the invention, or the person who otherwise shows sufficient proprietary interest in the matter, who is applying for a patent under § 1.46 and not the inventor.

The form paragraphs should be updated, and the intake clerks should be instructed, that they are not to enforce regulations beyond the text of the regulations. It is frustrating and needlessly time-consuming to identify an unwritten reason that a Power of Attorney was bounced, and then refile, after PTO intake clerks bounce a Power on grounds that do not exist in regulation—when the PTO acts for reasons other than a written regulation, ascertaining the personal preference of the clerk that bounced the Power of Attorney and trying to figure out how to meet that personal preference is immensely burdensome.

Likewise, personal impression should not be a basis for bouncing a Power of Attorney. Personal judgement in individual cases where the clerk suspects the possibility of fraud is warranted, of course, but not personal preference as a rule of first resort.

An example of this very phenomenon was discussed on one of the patent attorney email lists on February 22, 2021:

Hi Everyone,

We received a Notice to File Missing Parts to pay the surcharge for a late submission of inventor's oath or declaration. A properly signed Declaration was submitted upon filing, as well as an Application Data Sheet. The inventor is Chinese and, as such, the Declaration was prepared to list the family name first followed by the given name, so the inventor was presented with his name as he would typically sign. The Application Data Sheet properly indicated Given Name and Surname in their respective fields.

I ... responded to the Notice to File Missing Parts with an explanation of the same, but our response was not accepted and we received a Notice of Incomplete Reply. We followed up with a call to the Application Assistance Unit, and were told that the only way to correct the problem would be to prepare a new Declaration and change order of the inventor's name.

Can anyone offer advice as to how your firm handles such names? Many thanks in advance.

There's no such rule, and it shouldn't be enforced as if it were.

The principle that only validly-promulgated regulation is enforceable against the public, not guidance, has been the law for decades:

- The Administrative Procedure Act, enacted in the 1940s, sets procedures an agency must follow in order to promulgate any rule the agency intends to enforce against the public. 5 U.S.C. §§ 552(a)(1), 553.
- The Patent Act requires the PTO to act by “regulation,” not guidance. 35 U.S.C. § 2(b)(2)(A).
- The Paperwork Reduction Act specifically bars agencies from enforcing rules or practices that were not promulgated with procedures required by the Act. 44 U.S.C. § 3507(a)(1) (“An agency shall not conduct or sponsor the collection of information unless in advance of the adoption or revision of the collection of information ... the agency has...”); § 3512(a) (“Notwithstanding any other provision of law, no person shall be subject to any penalty for failing to comply with [an agency request for information]” if the agency has not completed certain procedures).
- The Administrative Conference of the United States issued recommendations in August 2019, 84 Fed. Reg. 38927 (Aug. 8, 2019):
  1. An agency should not use an interpretive rule to create a standard independent of the statute or legislative rule it interprets. That is, noncompliance with an interpretive rule should not form an independent basis for action in matters that determine the rights and obligations of any member of the public.
  2. An agency should afford members of the public a fair opportunity to argue for modification, rescission, or waiver of an interpretive rule. ...
  4. An agency should prominently state, in the text of an interpretive rule or elsewhere, that the rule expresses the agency's current interpretation of the law but that a member of the public will, upon proper request, be accorded a fair opportunity to seek modification, rescission, or waiver of the rule.

An ACUS recommendation is somewhat analogous to an ALI-ABA restatement—it doesn’t carry force of law on its own, but it’s generally written to track existing case law, and is extremely influential with courts (Justice Scalia served a term as chairman). A year after its issue, no evidence of internalization of these ACUS recommendations is visible in the PTO’s web site or behavior.

- For about thirteen years, the Office of Management and Budget in the Executive Office of the President had a memo that instructed all agencies on the basics of the law governing subregulatory guidance documents, the *Bulletin on Agency Good Guidance Practices*.<sup>4</sup> Though now rescinded, the *Bulletin* is a useful collection and restatement of statutory law relating to subregulatory guidance. The *Bulletin* reminds agencies of the statutory principle: agencies are not to attach binding weight to guidance documents.
- Regulations of the Department of Commerce instruct component agencies that they must “indicate prominently that each guidance document does not bind the public, except as authorized by law...” 15 C.F.R. § 29.2. The PTO has not done so.

In contrast, the PTO issues rules that it applies in a binding fashion through a host of different channels of subregulatory guidance, and in unwritten rules. The agency may issue subregulatory guidance outside the Federal Register, but that guidance is not to be enforced against the public.

An example specific to this ICR of the PTO’s unlawful misuse of guidance, and absence of competence among its legal function, and how that misuse and lack of competence create immense burden, is the following, a guidance document from November 2013

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<sup>4</sup> *Final Bulletin for Agency Good Guidance Practices*, OMB Bulletin 07-02 (Jan. 18, 2007), reprinted at 72 Fed. Reg. 3432 (Jan. 25, 2007)

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re: Control Number 0651-0035, Representative and Address Provisions, 60-day notice, 86 Fed.

Reg. 4003 (Jan. 15, 2021)

March 12, 2021

| Acceptable Apparent Authority                                                                                                                                                 | Not Acceptable Apparent Authority                                                                                                                                                                                           |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Authorized and a title following it (Officer, Official, Representative, Signatory, Signer, etc.)                                                                              | Administrator                                                                                                                                                                                                               |
| Chairman, abbreviations and variations of this title (Examples: Chrmn., Company Chairman, Executive Chairman, Chariman of the Board, Vice-Chairman of the Board of Directors) | Attorney (Examples: Attorney in Fact, Principle Attorney, Senior Attorney, Corporate Attorney)                                                                                                                              |
| Chief Executive Officer or CEO                                                                                                                                                | Counsel and all variations of Counsel, unless combined with an Officer title (Examples: Chief Patent Counsel, IP Counsel, Patent Counsel, Patent Procurement Counsel, Senior Corporate Counsel, Supervisory Patent Counsel) |
| Chief Financial Officer or CFO                                                                                                                                                | Delegation on behalf                                                                                                                                                                                                        |
| Chief Operating Officer or COO                                                                                                                                                | Engineering leader                                                                                                                                                                                                          |
| Chief Scientific Officer or CSO                                                                                                                                               | Founder                                                                                                                                                                                                                     |
| Chief Technical Officer or CTO                                                                                                                                                | Intellectual Property Manager, IP Manager                                                                                                                                                                                   |
| Dean of University                                                                                                                                                            | IP Attorney (Other Examples: IP Fellow, IP Patent Manager, IP Professional)                                                                                                                                                 |
| Director, variations and abbreviations of Director (Dir., Assistant Director, Associate Director, Executive Director, Managing Director)                                      | Legal Representative (Note: Legal rep CAN be acceptable where the legal rep is an applicant, but not when used by a non-applicant)                                                                                          |
| Executive Vice President and Patent Counsel                                                                                                                                   | Managing Member                                                                                                                                                                                                             |
| General Counsel and Corp secretary                                                                                                                                            | Owner                                                                                                                                                                                                                       |
| General Manager or GM                                                                                                                                                         | Partner                                                                                                                                                                                                                     |
| Geschäftsführer (non-English title) (This means CEO or Managing Director)                                                                                                     | Patent Agent, Patent Attorney, Patent Executive, Patent Professional, Patent Team Leader                                                                                                                                    |
| Manager                                                                                                                                                                       | Principal Engineer                                                                                                                                                                                                          |
| Officer                                                                                                                                                                       | Principle, Principle Attorney, Principle Professional                                                                                                                                                                       |
| President, variations and abbreviations of President (e.g., Pres., Assistant President, President of Operations)                                                              | Proxy                                                                                                                                                                                                                       |
| Secretary, variations and abbreviations of Secretary (examples: Assistant Secretary, Asst. Sec., Corporate Secretary)                                                         | Representative                                                                                                                                                                                                              |
| Treasurer, abbreviations and variations of Treasurer (examples: Treas., Assistant Treasurer, Treasurer of Sales)                                                              | Researcher                                                                                                                                                                                                                  |
| Vice President, abbreviations and variations of Vice President (examples: VP, Vice President for Sales, Executive Vice President, EVP)                                        | Senior IPR specialist                                                                                                                                                                                                       |
| Revised November 2013 (Internal Use ONLY)                                                                                                                                     | Technical Developer                                                                                                                                                                                                         |

**Notes:**

1. This is NOT an exhaustive list. It is just a list of examples. If there is no statement of authorization and you are unsure if a title carries apparent authority, please double check before rejecting the signature.
2. If the document contains a statement such as "The undersigned is authorized to act on behalf of the applicant" then the signer's title does NOT matter. NOTE: Both AIA/80 and AIA/82 (Revised 07-13) contain authorization to act language.
3. Attorney titles (examples: General counsel, IP counsel, Patent Attorney, Chief Counsel) are not officer titles but can be accepted if included with an officer title (example: General Counsel and Assistant Vice President)
4. If the document neither contains an authorization to act statement nor does the signer have a title that carries apparent authority, the signature can be acceptable if it is accompanied by another document that authorizes the person to sign on behalf of the applicant (example: corporate resolution signed by an officer of the company), then the signature can be accepted.

Revised November 2013 (Internal Use ONLY)

There are many problems with this guidance memorandum, both on its content and in its procedure. For example:

- There is no meaningful correlation between the titles in the left column vs. the right column and typical delegations of corporate authority. The two columns reflect an absence of input of competent lawyers in drafting this memo.
- "Managing member," when it is used as a title on a signature, *is always* adequate authority. Most states' LLC laws define the title "member" as having signature authority of the LLC. *E.g.*, Delaware Code, Title 6, § 18-402 ("the management of a limited liability company shall be vested in its members..."). By statute, "Member" in most cases, has signatory authority. "Managing member" is *always* an adequate title.
- On the other hand, many of the titles in the left column, for example "Chief Scientific Officer" or "Chief Technical Officer" or "Vice President" have no correlation whatsoever to authority to appoint attorneys.

The bigger problems are procedural, violations of the law that governs agency promulgation and use of subregulatory guidance.

- The designation "Internal Use ONLY" is extremely problematic. From where does the PTO think it derives authority for secret rules hidden from the public? And then to enforce them? Had this memo been published, the public could have commented, and sought correction of the legal naïveté in the two columns. Instead, for years, the public

has been confronted with rejections of Powers of Attorney on grounds that are simply gibberish, and a guessing game to find an alternative title that might be in the left column of this secret memo. Why has this memorandum never been published?

- The sentence “If the document contains a statement such as ‘The undersigned is authorized to act on behalf of the applicant,’ then the signer’s title does NOT matter.” That is an important statement, and could ease many patent applications—but for a decade, the public has had no meaningful notice of the Office’s policy.
- Sometimes a Power states that the signatory is an authorized representative. In other cases, the signatory wrote in a title such as “Chief Executive Officer of [name of entity].” Nonetheless, the Power gets bounced because the intake clerk believes it is unclear that the signatory has authority. When the Power itself states that the person signing is an authorized representative of Applicant/Entity, or gives a title with obvious signature authority, the clerks must not further inquire into title of the signatory. The memorandum so states—the intake clerks should be reminded that the memo has no binding effect *adverse to the applicant*, but it binds *when it operates in favor of the applicant*.
- Similarly, there seems to be an unwritten rule at the PTO that a Power of Attorney can only be valid from the applicant. But the relevant regulation provides that a Power can be signed by *either* the applicant or by a patent owner with § 3.71 chain of authority. The conflict between the regulation and the PTO’s unpredictable practice creates immense burden.

The PTO’s fragmented and inconsistent communications to the public are unlawful and create immense burden. The PTO’s guidance practices are incompatible with both the Administrative Procedure Act and the Paperwork Reduction Act, and should be reformed systemically.

The public has raised guidance-related issues in a number of comment letters over the years. Perhaps in 2006, nonobservance of law could be excused as benign neglect. After OMB issued the *Good Guidance Bulletin* in 2007, it became harder to find a good faith explanation for the PTO’s nonobservance of law. As the PTO continues to create *billion-dollar* rules outside the bounds of the APA and PRA, and without the notices required by the ACUS recommendation and Commerce regulation,<sup>5</sup> and issues (or proposes) *major* burden through guidance,<sup>6</sup> it becomes more and more difficult to avoid an inference that the PTO’s violation of the law that governs subregulatory guidance is an intentional choice.

#### **Recommendation 1(b). Instructions to intake clerks regarding title of signatory.**

The intake clerks for Powers of Attorney should be instructed that they are not to bounce Powers of Attorney based on the clerk’s evaluation of the title of the signatory. This easily adds an hour

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<sup>5</sup> For example, *Treatment of Statements of the Applicant in the Challenged Patent in Inter Partes Reviews under § 311*, (Aug. 18, 2020) [https://www.uspto.gov/sites/default/files/documents/signed\\_aapa\\_guidance\\_memo.pdf](https://www.uspto.gov/sites/default/files/documents/signed_aapa_guidance_memo.pdf); *Approach to Indefiniteness under 35 U.S.C. § 112 in AIA Post-Grant Proceedings*, (Jan. 6, 2021) <https://www.uspto.gov/sites/default/files/documents/IndefinitenessMemo.pdf>

<sup>6</sup> E.g., *Proposed Continuing Legal Education Guidelines*, 85 Fed. Reg. 64128 (Oct. 9, 2020).

or two to burden for individual Powers, contributing to the large incremental burden we point out.

For example, signatories of this letter have had Powers bounced when the typed name is hyphenated and the signature is not, or vice-versa. For an inventor's name, this kind of accuracy is warranted, but is it really worth everyone's time to create time burden with this kind of hyper-pedantic enforcement of signature on a Power of Attorney?

It is the attorney's and signatory's job to ensure that they have appropriate signature authority. The attorney or agent puts his/her registration and state license on the line when he/she submits a Power of Attorney. If a Power is submitted by a registered attorney/agent who is associated with the application's existing customer number, or associated with a recent recordation of an assignment, the intake clerks should not inquire further into the title of the signatory. A Power of Attorney that reflects a possibly-fraudulent attempt to seize wrongful control of an application deserves closer scrutiny, but that closer scrutiny should be reserved for cases where some probable cause exists to suspect fraud.

**Recommendation 1(c). ADSs should be optional post-filing, not mandatory; ADS rules should only be enforced to the extent they were promulgated with the procedural formalities required by the Paperwork Reduction Act.** When ADSs were introduced in the early 2000s, they were a useful innovation for gathering information from day one initial filing papers. Consolidating information in one place, rather than forcing intake clerks to gather information from a host of places scattered throughout the application papers, was a fundamental improvement.

Unfortunately, over time, the *enforcement* of ADSs has become *extremely* burdensome. Today, the smallest deviation from the personal preference of a clerk, even though the ADS and Power of Attorney are squarely within the text of the relevant regulation, results in the paper getting bounced. Especially where an application is assigned from one entity to another, or when a co-applicant is added, the PTO's enforcement practice of requiring multiple papers to be filed together, and bouncing all of them if any one departs from an intake clerk's personal opinion or preference, makes the entire process extraordinarily burdensome.

Some of this is the clerks' fault, some is the boss's. In a number of unofficial forums, for example, webinars with titles like *Understanding the ADS. Little Things Make a Big Difference*, the PTO explains its standards for ADS submissions—and states a number of “rules” for ADSs that have no basis in any regulation. The Office of Patent Application Processing disseminates “rules” that have no basis, made with no observance of the rights of the public to fair notice, 5 U.S.C. § 552(a), and no observance of statutory rulemaking process. Enforcement of such rules is both excessively burdensome and unlawful. 5 U.S.C. § 552(a)(1) last paragraph; § 553; 44 U.S.C. § 3507.

The Paperwork Reduction Act requires an agency to “minimize the burden ... including through the use of *appropriate* automated [or] technological collection techniques...” 44 U.S.C. § 3506(c)(3)(J); § 3506(h)(3); 5 C.F.R. § 1320.8(d)(1)(iv). The PTO may only reduce its own costs by specifying form for information where the PTO does not “shift[ ] disproportionate costs or burdens onto the public.” 5 C.F.R. § 1320.5(d)(1)(iii). An innovation like the ADS may not be enforced in a way that *increases* burden on applicants. The PTO's hyper-pedantic

enforcement of ADS requirements (including “requirements” that do not exist in regulation) has multiplied costs immensely, a major part of the \$100 to \$150 million per year of excess, avoidable burden that we identify.

For many decades, the PTO relied on letter-form papers to change correspondence address and the like. ADSs are not “necessary.” Further, as they are enforced today, ADSs “shift disproportionate costs” for Powers of Attorney. We recommend that the PTO accept instructions to change applicant, power of attorney, correspondence address, and the like, via the letter-form papers that were used before 2012. ADSs make great sense as a way to gather information from a day one filing. However, as implemented for post-filing changes, they have become unduly burdensome.

On this specific issue, ADSs should be optional, rather than required as the only permissible form to submit this kind of change information. Systemically, the problem is the regularity with which the PTO changes its rules without observing the procedural formalities of the Paperwork Reduction Act, leaves its written regulations behind, and renders its regulations misleading. The Act is designed to diagnose rule changes before they become expensive.

**Recommendation 1(d). Clerks should be encouraged to exercise judgment when a paper is unambiguous.** The Supreme Court instructs “It is always within the discretion of ... an administrative agency to relax or modify its procedural rules adopted for the orderly transaction of business before it when in a given case the ends of justice require it.” *American Farm Lines v. Black Ball Freight Service*, 397 U.S. 532, 539 (1970). The clerks should be instructed that the job is to help applicants get to the goal (while exercising caution when a Power may be fraudulent), not to hyper-enforce regulations to their maximum extent. If clerks’ compensation structure incentivizes bouncing (for example, by measuring total number of documents handled, by the least-time disposition, regardless of whether they’re accepted or bounced), then the compensation system should be adjusted so that clerks have incentives to help resolve problems instead of create them.

Hyper-pedantic over-enforcement can create immense burden and can endanger applicants’ rights. One signatory of this letter was once authorized to take over representation of a PCT application that had already entered the US national stage. Unfortunately, on national stage entry, the original attorney had mistyped the applicant’s name on the ADS and, although that misspelt name was in discord with the applicant’s name as cited on the original attorney’s Power of Attorney and in discord with the WIPO data officially associated with the international application and although no change in title or applicant had been asserted, the PTO had improperly entered the misspelt applicant name into the USPTO database. As a result, a non-existent entity had become the applicant of record.

In a common sense scenario, such a minor typo would not be a problem. The true applicant was well documented and the new representative possessed a valid Power of Attorney. In this case, however, the application became caught in an inescapable Catch-22 with various PTO clerks not only bouncing the valid new Power of Attorney by virtue of its lack of signature from the non-existent applicant of record, but also insisting that correction of the typo would require a chain of title from the non-existent applicant of record back to the true applicant. In the meantime, while the new representative was locked out of representation due to the PTO’s

mishandling of the situation, the original attorney had changed employment and was no longer in a position to represent the application. As a result, the application was dangerously adrift.

Eventually, after several weeks of back and forth, the new representative reached a lawyer in the PCT department who understood the problem and was willing to rectify it. The applicant of record was reset to match the WIPO data, the valid Power of Attorney was accepted and the application quickly proceeded to grant. Yet not without a “disproportionate shift of cost,” namely the enormous burden created by this hyper-pedantic enforcement of signature rules, *after the PTO had contributed to the error* by not catching the mismatch with the international application in the ADS. Most signatories of this letter have similar anecdotes—correcting of trivial errors, or assigning an application from one owner to another, are only accomplished at great cost.

**Recommendation 2. Bounce notices** should be clearer and more informative than they are today.

**Recommendation 2(a). Accurate diagnosis of issues.** The form letters sent by the intake clerks often state false grounds for bouncing Powers. See several examples in Exhibit 1 to this letter. We surmise that either the list of checkboxes is insufficient to cover all cases so the clerks just check the closest available box, or else that the clerks are not instructed in the importance of accuracy. It is extremely difficult to make progress when the PTO bounces a Power and states a false diagnosis. The form letter should have a blank for a written explanation, not just the checkboxes, and the clerks should be instructed on the importance of accuracy. The point is to get to an acceptable Power, not to enforce rules of form to their maximum extent.

**Recommendation 2(b). Bounce notices should identify a specific person with a specific phone number.** Any bounce notice should identify a specific person by name and direct phone number. This will reduce burden in three respects: (a) a person that signs work takes more care for accuracy. (b) An attorney will have a specific person to call to resolve confusing bounces, without the long hold time. (c) Intake clerks that do not like taking phone calls will have the option of providing clearer explanations.

**Recommendation 3. For Powers of Attorney in applications that were filed (on day one) with no ADS, the PTO should enforce the validly-promulgated regulations, and only those regulations.** When an application is filed on day one with no ADS, and a Power is filed later, the PTO enforces preferences that *don't exist* in validly-promulgated regulation, to create immense burden. As initially promulgated and interpreted in 2012, the PTO's regulations and practices made sense. Over the years, the Office of Patent Application Processing has imposed layer after layer of requirements that don't exist in written regulation. Because OPAP's preferences change, attorneys are surprised with new requirements. OPAP's inconsistency over time and OPAP's inconsistency with written regulation create immense burden.

The regulations as promulgated in 2012, *Changes To Implement the Inventor's Oath or Declaration Provisions of the Leahy-Smith America Invents Act*, 77 Fed. Reg. 48775 (Aug. 14, 2012) are unamended in relevant part. Application Data Sheets can be in a straightforward form in which information is simply stated, or in a more complex error-prone form in which the

applicant has to know precisely what information the PTO already has—even if the PTO mis-entered the data, or a new attorney is taking over representation and doesn’t have the file—and presents the old information in strikethrough, and the new information in underline. Importantly, the regulations allow that a first Power of Attorney and ADS filed after initial day one filing may be filed either way. The strikethrough-and-underline requirement for a “correct or update” ADS and Power of Attorney under § 1.46(c) doesn’t come into being until *after* a first “applicant” has been affirmatively designated under § 1.46(b) (emphasis added), not after the passive act of *not* filing an ADS:

**§ 1.46 Application for patent by an assignee**

(b) If an application under 35 U.S.C. § 111 is made by a person other than the inventor under paragraph (a) of this section, the application must contain an application data sheet under § 1.76 specifying in the applicant information section (§ 1.76(b)(7)) the assignee, person to whom the inventor is under an obligation to assign the invention, or person who otherwise shows sufficient proprietary interest in the matter.

(c) Any request to correct or update the name of the applicant *after an applicant has been specified under paragraph (b)* of this section must include an application data sheet under § 1.76 specifying the correct or updated name of the applicant in the applicant information section (§ 1.76(b)(7)). Any request to change the applicant *after an original applicant has been specified under paragraph (b)* of this section must include an application data sheet under § 1.76 specifying the applicant in the applicant information section (§ 1.76(b)(7)) and comply with §§ 3.71 and 3.73 of this title. ...

The ADS regulation, 37 C.F.R. § 1.76(c) says the same thing: the elaborate strikethrough-and-underline form for a “correct or update” ADS only comes into play *after* a first affirmative act, a “previously submitted application data sheet, inventor’s oath or declaration:”

**§ 1.76 Application data sheet.**

(c) *Correcting and updating an application data sheet.* (1) Information *in a previously submitted application data sheet, inventor’s oath or declaration* under § 1.63, § 1.64 or § 1.67, or otherwise of record, may be corrected or updated until payment of the issue fee by a new application data sheet providing corrected or updated information, except that inventorship changes must comply with the requirements of § 1.48, foreign priority and domestic benefit information changes must comply with §§ 1.55 and 1.78, and correspondence address changes are governed by § 1.33(a).

The final rule Federal Register notice confirms that the “correct or update” rules only take place *after* an initial designation has been accepted (77 Fed. Reg. 48785 col. 3):

Section 1.46(c) provides that any request to correct or update the name of the applicant *after an applicant has been specified under § 1.46(b)* must include an application data sheet under § 1.76 specifying the correct or updated name of the applicant in the applicant information section (§ 1.76(b)(7)). ... Section 1.46(c) also provides that any request to change the applicant after an original applicant has been specified under § 1.46(b) must include an application data sheet under § 1.76 specifying the applicant in the applicant information section (§ 1.76(b)(7)) and must comply with §§ 3.71 and 3.73.

77 Fed. Reg. 48807, col. 3 clarifies that the rules for a strikethrough-and-underline “change” ADS only apply where there is an earlier-filed ADS:

*Response to Comment 52:* Where information *in an application data sheet* is changed with submission of a later-submitted application data sheet, only the appropriate data for each section heading to be changed need be filled in identifying the change in information with appropriate markings. Some information, such as benefit or priority claims, can be extensive in nature and would be burdensome for the Office to identify the specific change without a mark-up. Furthermore, some benefit claims contain a chain of applications and the entire chain needs to be provided to ensure that the information is accurate.

and at 77 Fed. Reg. 48786 col. 2:

Section 1.48(a) provides that any request to correct or change the inventorship *once the inventorship has been established under § 1.41* must include: (1) An application data sheet in accordance with § 1.76 that identifies each inventor by his or her legal name; and (2) the processing fee set forth in § 1.17(i).

A few silences are also telling—for example, at 77 Fed. Reg. 48787, col. 3, if there is no inventor data in an initial filing submission, an applicant must provide a “signed ADS,” but the Federal Register does not use wording to indicate that the later-filed ADS is a “change” or “update”:

If an application under § 1.53(b) that does not contain the inventor’s oath or declaration also does not contain the applicable filing fees, or the surcharge required by § 1.16(f), or a signed application data sheet providing the information required by § 1.53(f)(3)(i), the Office will issue a Notice to File Missing Parts giving the applicant a time period (usually two months) within which to file the missing filing fees, the surcharge required by § 1.16(f), or signed application data sheet providing the information required by § 1.53(f)(3)(i) (or the inventor’s oath or declaration) to avoid abandonment. In either situation, the inventor’s oath or declaration will not be required within the period for reply to the Notice to File Missing Parts if the applicant provides a signed application data sheet providing the information required by § 1.53(f)(3)(i) within the period for reply to the Notice to File Missing Parts.

At another point, the Federal Register notes that the rules for “corrected or updated” ADS only apply after the information has been accepted from some previous paper, 77 Fed. Reg. at 48792, col. 2:

Section 1.76(c)(1) provides that information in a *previously submitted* application data sheet, the inventor’s oath or declaration under § 1.63, § 1.64, or § 1.67, *or otherwise of record*, may be *corrected or updated* until payment of the issue fee by a new application data sheet providing corrected or updated information, except that inventorship changes must comply with the requirements of § 1.48, foreign priority and domestic benefit information changes must comply with §§ 1.55 and 1.78, and correspondence address changes must comply with § 1.33(a).

The Federal Register makes abundantly clear that a refused ADS “will not be effective” to set bibliographic data, and thus the provisions requiring a “change or update” ADS don’t become effective (77 Fed. Reg. 48792, col. 3):

Thus, an unsigned application data sheet will not be effective to provide the name of the inventor for any invention claimed in the application (§ 1.41(b)), to make a claim to priority of a foreign application (§§ 1.55(a)(1)(i), (c) and (d)(1)(ii)), or make a claim to the benefit of a prior filed domestic application (§§ 1.78(a)(2)(iii) and (a)(5)(iii)).

To sum it all up, in *every* statement in the text of regulation, or in the definitive interpretation (the one in the Federal Register), a Power of Attorney only requires a strikethrough-and-underline ADS only *after* a first ADS. If the first ADS is filed after initial filing, it's the applicant's option to file it either as a first ADS, or as a strikethrough-and-underline supplemental ADS.

The problem began in 2014, when the Office of Patent Application Processing decided to change the rules unilaterally. OPAP began to require that a first Power of Attorney, if filed after day one, must be accompanied by a strikethrough-and-underline ADS. *No regulation so requires*. This "rule" came into being solely as a matter of enforcement practice by OPAP, as a "secret rule" of agency preference, published nowhere. The "rule" was later incorporated into MPEP § 608.05(a)(II). The 2013 version of § 608.05(a)(II) closely tracked the text in the Federal Register:

... Application data sheets may be subsequently supplied prior to payment of the issue fee to either correct or update information in a previously submitted application data sheet, or in an oath or declaration under 37 CFR 1.63 or 1.67. See 37 CFR 1.76(c)(1). ... If no ADS was originally filed, but applicant wants to submit an ADS to correct, modify, or augment the original application data, the ADS must identify the information that is being changed (added, deleted, or modified) in the application.

The October 2015 edition of the MPEP entirely changes the rules:

Any ADS filed after the filing date of the application is considered a corrected (or updated) ADS even if an ADS was not previously submitted. Such a corrected ADS must identify the information that is being changed with underlining for insertions and strike-through or brackets for text removed, except that identification of information being changed is not required for an ADS included with an initial submission under 35 U.S.C. 371. In general, the identification of the information being changed should be made relative to the most recent filing receipt [not, as in the *regulation*, relative to the most-recent declaration or ADS].

The important facts are the PTO's *omissions*:

1. The Administrative Procedure Act, 5 U.S.C. § 552(a)(1) requires that any agency staff manual must be published in the Federal Register. If it isn't so published, "A person may not *in any manner* be required to resort to, or be adversely affected by, a matter required to be published in the Federal Register and not so published." The PTO has *never* published an adequate Federal Register notice of MPEP publication that meets all requirement of statute, and no notice whatsoever had ever been published, until the first inadequate notice was published in January 2018. Yet the PTO insists on enforcing the provisions of MPEP § 601.05(a) as if they were law.
2. The Patent Act (35 U.S.C. § 2(b)(2)(A)) and the Administrative Procedure Act (35 U.S.C. § 553) have long been clear that an agency cannot bind the public except by issuing *regulations*. The 2015 amendment to MPEP § 601.05(a) create a host of new obligations by non-regulatory *guidance*.

3. A Notice of Proposed Rulemaking or Request for Comment is required when:
  - (a) the rule does not meet any of the exemptions set forth in § 553(b)(3)(A) or (B) (“interpretative rules, general statements of policy, or rules of agency organization, procedure, or practice”); or
  - (b) the rule arises under a grant of statutory rule making authority that has a separate requirement for notice and comment, for example 35 U.S.C. § 2(b)(2);<sup>7</sup> or
  - (c) the rule adds any burden cognizable under the Paperwork Reduction Act, or modifies any “collection of information” *whether or not* the “collection of information” is embodied in a regulation.<sup>8</sup>

The PTO did not do so.

4. The PTO must publish the text of its proposed rule and burden estimates, and receive comments from the public and from OMB, on four specific questions specified by statute, for 60 days.<sup>9</sup> The PTO did not do so.
5. On or before the date of publication of a final rule, the PTO must submit the rule to OMB for a round of review under the Paperwork Reduction Act, with a 30-day public comment period.<sup>10</sup> The PTO did not do so.
6. As of 2015, if a rule was promulgated through publication in guidance, such as the MPEP, then the PTO must follow the procedures set forth in the *Final Bulletin for Agency Good Guidance Practices*.<sup>11</sup> Because the MPEP is an “economically significant” guidance document, any amendment thereto was, at the time, required to follow the higher level procedures in the *Good Guidance Bulletin*, including notice and comment, a “robust response to comments document,” and inclusion on the PTO’s web page listing significant guidance documents. The PTO did not do so.

There are other legal requirements that arise under the Paperwork Reduction Act and other laws. This is an abbreviated list simply to show the pattern of omission.

The public was given no notices of the 2015 Amendments to MPEP § 601.05(a) in any statutorily-required venue. The public had no notice that the PTO was reneging on the deal that had been negotiated fair and square in 2012 (§§ 1.46 and 1.76), and no advance notice that the

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<sup>7</sup> *Tafas v. Dudas*, 541 F.Supp.2d 805, 812, 86 USPQ2d 1623, 1628 (E.D. Va. 2008) (“the structure of [35 U.S.C. § 2(b)(2)] makes it clear that the USPTO must engage in notice and comment rule making when promulgating rules it is otherwise empowered to make—namely, procedural rules”), *district court decision reinstated sub nom. Tafas v. Kappos*, 586 F.3d 1369, 1371, 92 USPQ2d 1693, 1694 (Fed. Cir. 2009).

<sup>8</sup> 5 C.F.R. § 1320.11 covers rules in notices of proposed rulemaking, § 1320.12 covers final rules, and § 1320.10 covers collections of information other than those in proposed or final rules.

<sup>9</sup> 44 U.S.C. § 3506(c), 5 U.S.C. § 553(c) (“agency shall give interested persons an opportunity to participate in the rule making”); Executive Order 12866.

<sup>10</sup> 5 C.F.R. § 1320.11(h).

<sup>11</sup> *Good Guidance*, see footnote 4.

PTO had decided to cut its own costs by unilaterally changing the rules. For several years, the email discussion lists among patent attorneys were filled with questions about anomalous bouncing of Power of Attorney by the PTO.

We estimate that this unlawful change of rule created between \$40 million and \$100 million in burden to the public. The cost arises out of two separate factors: first, requiring the more-burdensome strikethrough-and-underline form in cases where the straightforward form had been acceptable, and second, changing the rules without notice. Both could have been prevented had the PTO simply followed the law: consult with the public, develop objectively-supported estimates, publish the rule and the estimates for public comment, and treat the comments fairly and meaningfully. Because the PTO followed none of the required procedures, the burden is much larger than necessary.

The PTO's follow-up submission to OMB should clarify that it seeks clearance *only* for the burden imposed by regulation, and expressly does *not* seek clearance for the excess burden of the 2015 amendment to MPEP § 601.05 (or any subsequent amendment). The MPEP should recede to its 2013 version, the version that tracked the Federal Register. The PTO of course is permitted to promulgate anything it likes as regulation, but must do so with the full procedural formalities required by statute.

**Recommendation 4. Conform PTO electronic signature practice to standard electronic signature practice.** 44 U.S.C. § 3506(c)(3)(E) requires agencies to “implement [their information collection practices] in ways consistent and compatible, *to the maximum extent practicable*, with the existing reporting and recordkeeping practices of those who are to respond.”

To our knowledge, the PTO is the only authority that refuses the s-signature form used everywhere else, “/s/ signatory name.” In contrast, the PTO insists on a “between two slashes” signature form.<sup>12</sup> The PTO is out of step with the entire rest of the world. This unique idiosyncrasy imposes significant costs—the attorney must explain the special-case rule to clients, and then when an inventor or client applies the same “/s/ name” signature that he/she uses for all other purposes, the document has to go back for re-signature in conformance with the PTO's idiosyncratic rule.<sup>13</sup>

37 C.F.R. § 1.4(d)(2)(i) should be amended to permit either today's “between two slashes” form or the more-common “/s/ name” form. Either should be acceptable.

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<sup>12</sup> See footnote 3.

<sup>13</sup> Exhibit A shows the irony of § 1.4(2)(iii)(B). Exhibit A shows three signatures of PTO personnel. The signatures are not specific enough so that the identity of the signer can be readily recognized: a search of the PTO's employee locator for variations of the name “ggasgedom” gives no hits. Moreover, the three PTO signatures of Exhibit A do not include a signer's name printed or typed immediately below or adjacent to the S-signature.

**Recommendation 5. Written and unwritten rules that were promulgated without the procedures required by the Paperwork Reduction Act should be rescinded.** The PTO's burden estimates suffer from three recurring problems, each of which is demonstrated in the January 2021 Notice:

- (a) They are not “objectively supported” and arrived at after “consultation with members of the public” as required by law. 44 U.S.C. § 3506(c)(1)(A)(iv); § 3506(c)(2)(A); 5 C.F.R. § 1320.8(a)(4); § 1320.8(d)(1).
- (b) The PTO's estimates consistently overlook *client* time, and reflect only the attorney time stated in the AIPLA Economic Survey, or, as in the January 2021 notice, only paraprofessional/paralegal time.
- (c) The PTO's observance of various requirements of law arising under the Paperwork Reduction Act is spotty at best. The Act and its implementing regulations require a series of consultations with the public, notices in the Federal Register, filings with OMB, comment periods, meaningful response to comment, and the like, none of which the PTO observed with regard to the various guidance documents governing Powers of Attorney that we explain in this letter.<sup>14</sup> The excess burden of recommendation 3, resulting from a new rule promulgated by guidance without statutorily-required notice (let alone notice and comment), is an example of burden that was entirely avoidable had the PTO followed the law.

Those three omissions lead many of the PTO's burdens to be too high, and burden estimates to be too low—sometimes (as in this ICR) by more than an order of magnitude.

In its guidance relating to ADSs and Powers of Attorney since 2012, the PTO neglected multiple requirements of law. All guidance issued subsequent to, or that adds additional burden above, the text of any regulation, or that goes beyond interpretation of ambiguity stated in the two relevant Federal Register notices,<sup>15</sup> was promulgated without the full procedure required by law. For example, the amendments to the MPEP discussed above in Recommendation 3 should be rescinded, and Power/ADS practice should revert to the practice as published in the Federal Register in 2012. They should be rescinded, with retroactive effect.

The procedures that govern rulemaking *matter*. Going forward, the PTO should use the Paperwork Reduction Act to advance its mission, rather than treating it as a nuisance to be circumvented. In the private sector, all parties and attorneys understand the basics of successful contractual relationships: when a party seeks an amendment to a contract, the party explains the problem to the other party, consults with the other party to identify a mutually-acceptable solution, and negotiates in good faith. Once the contract exists in writing, neither party unilaterally imposes new conditions on the other or relaxes its own obligations to create costs for the other. The provisions of the Paperwork Reduction Act essentially mirror those cooperative

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<sup>14</sup> A primer on the PTO's obligations for promulgating rules and guidance is in a 2011 comment letter, <https://www.uspto.gov/sites/default/files/documents/boundy23may2011.pdf>, starting at page 6.

<sup>15</sup> *Changes to Implement the Patent Law Treaty*; Final Rule, 78 Fed. Reg. 62367 (Oct. 21, 2013) and *Changes to Implement the Inventor's Oath or Declaration Provisions of the Leahy-Smith America Invents Act*, 77 Fed. Reg. 48775 (Aug. 14, 2012))

contractual relationships. When the PTO neglects the requirements of the Act, it breaches both law and common courtesy.

### **III. Conclusion**

The estimates for time, number of responses, and hourly rates should be updated to accurately reflect the full burden, as described in this letter. Specifically, the average for a Power of Attorney (Table 1, lines 1-5, and Table 2, lines 1-5) should be 0.4 hours (24 minutes) of paraprofessional/paralegal time, 1 hour (60 minutes) of attorney or agent time, and 18 minutes of client time. *If* the PTO implements all recommendations, we estimate that burden would be 0.25 hours (15 minutes) of paraprofessional/paralegal time, 0.5 hours (30 minutes) of attorney or agent time, and 18 minutes of client time. The number of responses should be corrected after careful review of the PTO's records.

In its 30-day submission to OMB, the PTO should clarify that it seeks clearance only for collections of information pursuant to validly-promulgated regulations, and disclaims clearance for invalidly-promulgated guidance. To meet its statutory obligation to minimize burden associated with preparing and filing Powers of Attorney, the PTO should adopt the recommendations we set forth above, including rescission of invalidly-promulgated guidance.

Respectfully submitted,

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## 91 PATENT AND TRADEMARK PRACTITIONERS

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Reg. 4003 (Jan. 15, 2021)

March 12, 2021

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Reg. 4003 (Jan. 15, 2021)

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Attachments:

Exhibit A: examples of uninformative or misinformative bounce notices

# Exhibit A

## NOTICE REGARDING POWER OF ATTORNEY

This is in response to the power of attorney filed 03/31/2020. The power of attorney in this application is not accepted for the reason(s) listed below:

The power of attorney filed 03/31/2020 has not been accepted because the power of attorney must be signed by the applicant for patent. See 37 CFR 1.32(b)(4).

•The person or entity attempting the change to power of attorney is not the applicant of record in the application. Any request to change the applicant once the applicant has been specified must include (1) an application data sheet (ADS) specifying the new applicant in the Applicant Information section, and (2) a statement under 37 CFR 3.73(c) (USPTO Form PTO/AIA/96 or an equivalent) to show chain of title to the new applicant. The ADS must contain markings to show the information that is being changed, with underlining for insertions and strike-through or brackets for text removed. See 37 CFR 1.76(c)(2).

Because the request to change or update the applicant cannot be accepted, the power of attorney is not properly signed by the applicant and cannot be accepted. The change to applicant must be acceptable before the new applicant can appoint power of attorney.

/ggasgedom/

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Office of Data Management, Application Assistance Unit (571) 272-4000, or (571) 272-4200, or 1-888-786-0101

## RESPONSE TO REQUEST FOR CORRECTED FILING RECEIPT

### *Power of Attorney, Claims, Fees, System Limitations, and Miscellaneous*

In response to your request for a corrected Filing Receipt, the Office is unable to comply with your request because:

- The ADS submitted on 03/31/2020 was not properly marked up to show the desired changes. For information being changed relative to the information already of record, additions must be shown with underlining, and deletions must be shown with strike-through or brackets. See 37 CFR 1.76(c)(2)

In order to make changes to the information of record, an ADS must be properly signed and properly marked up relative to the current information of record.

**Proper signature:** The ADS must be signed with a handwritten signature or proper S-signature by:

- A patent practitioner, with the practitioner's registration number accompanying the signature (e.g., immediately below or adjacent to the signature), or
- The applicant, if the applicant is an individual other than the inventor(s) and no power of attorney has been appointed, or
- All of the inventors, if no other applicant has been established and no power of attorney has been appointed.

A proper S-signature consists of only letters and/or Arabic numerals, with appropriate spaces and commas, periods, apostrophes, or hyphens for punctuation contained between a first single forward slash mark before, and a second single forward slash mark after, the S-signature.

**Proper markings:** The ADS must identify the changes being made with underlining for insertions and strike-through or brackets for text removed. No other markings or indications are acceptable. Where an ADS providing corrected or updated information does not contain all of the sections of the ADS, the entire section in which changes are being made must be included in the ADS. Information of record can generally be found on the latest filing receipt.

Questions about the contents of this notice and the requirements it sets forth should be directed to the Office of Data Management, Application Assistance Unit, at (571) 272-4000 or (571) 272-4200 or 1-888-786-0101.

/ggasgedom/

**NOTICE REGARDING POWER OF ATTORNEY**

This is in response to the power of attorney filed 06/03/2020. The power of attorney in this application is not accepted for the reason(s) listed below:

The power of attorney filed 06/03/2020 has not been accepted because the power of attorney must be signed by the applicant for patent. See 37 CFR 1.32(b)(4).

•The request to change the applicant is not accepted because the ADS submitted on 06/03/2020 was not properly marked up to show the desired changes. For information being changed relative to the information already of record, the ADS must contain markings to show that the information is being changed with underlining for insertions and strike-through or brackets for text removed. See 37 CFR 1.76(c)(2). Information of record can generally be found on the latest filing receipt.

Because the request to change or update the applicant cannot be accepted, the power of attorney is not properly signed by the applicant and cannot be accepted. The change to applicant must be acceptable before the new applicant can appoint power of attorney.

In order to make changes to the information of record, an ADS must be properly signed and properly marked up relative to the current information of record.

**Proper signature:** The ADS must be signed with a handwritten signature or proper S-signature by:

- A patent practitioner, with the practitioner's registration number accompanying the signature (e.g., immediately below or adjacent to the signature), or
- The applicant, if the applicant is an individual other than the inventor(s) and no power of attorney has been appointed, or
- All of the inventors, if no other applicant has been established and no power of attorney has been appointed.

A proper S-signature consists of only letters and/or Arabic numerals, with appropriate spaces and commas, periods, apostrophes, or hyphens for punctuation contained between a first single forward slash mark before, and a second single forward slash mark after, the S-signature.

**Proper markings:** The ADS must identify the changes being made with underlining for insertions and strike-through or brackets for text removed. No other markings or indications are acceptable. Where an ADS

providing corrected or updated information does not contain all of the sections of the ADS, the entire section in which changes are being made must be included in the ADS. Information of record can generally be found on the latest filing receipt.

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Office of Data Management, Application Assistance Unit (571) 272-4000, or (571) 272-4200, or 1-888-786-0101