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To: AB63 Comments
Subject: Comments re Power of Attorney Practice Proposed Rulemaking

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MESSAGE:

Attention Ms. Karin Ferriter

Dear Ms. Ferriter:

Please consider the following comments concerning the June 20, 2003 Notice of Proposed Rulemaking entitled "Clarification of Power of Attorney Practice, and Revisions to Assignment Rules."

I am deeply concerned about the burdens and complexities imposed by two aspects of the proposed rule change, especially the first one discussed below.

A. First, I do not believe that, at least for a long (several year) transitional period, powers of attorney should be rejected if they include more than 10 attorneys rather than a customer number.

1) As a practical matter, many foreign applicants correspond with their U.S. attorneys directly, through their assignees, and through foreign patent agents and attorneys. These applicants, assignees and foreign agents and attorneys direct the filing of somewhere near one-half of all U.S. patent applications. Most of the larger filers work through more than one U.S. law firm and more than one foreign law firm. For efficiency, these applicants, assignees and foreign agents and attorneys maintain files of powers of attorney (generally combined with patent application declarations) for use with their U.S. attorneys.

As one of over 20 law firms that file well over one thousand patent applications per year, and like dozens of other law firms that file at least several patent applications per day (see Intellectual Property Today, "Top Patent Firms," March 2003), our declaration and power of attorney forms are maintained by hundreds of foreign applicants, assignees and foreign agents and attorneys in dozens of countries. These entities work with various U.S. law firms (and update their forms files) at varying intervals. It would be extremely

burdensome to ensure that all of them change out all of their declaration and power of attorney forms when the new rules go into effect.

2) In addition, many U.S. and foreign applicants prepare patent applications for U.S. filing, have the inventors execute the declaration and power of attorney, and forward the executed application to U.S. counsel for review and filing near a convention priority or PCT deadline. Many such applicants will not be perfect in changing out all declaration and power of attorney forms in advance. Time will not permit U.S. counsel to have new declarations and powers of attorney executed in the time remaining before the deadline, resulting in non-complying declarations and powers of attorney being filed. As a result, the proposed new rules will result in non-entry of powers of attorney in many thousands of cases, resulting in a need for re-execution of thousands of documents, and generation by the PTO of thousands of notices to file new declarations and powers of attorney. This will impose a huge and unnecessary burden on the PTO and on applicants and their attorneys, and further delay patent examination and increase processing costs to the PTO and applicants.

3) Application of such practice to continuation and divisional applications will also impose even more huge burdens on the PTO and on applicants and their attorneys. The use of copies of prior declarations and powers of attorney in continuation and divisional applications presently simplifies and expedites prosecution and examination for the PTO and for applicants and their attorneys. This simplification would be lost by imposition of the proposed rules for such applications.

4) In addition, continuation and divisional applications are often filed long after execution of the original declaration and power of attorney. Particularly given the mobility of the modern workforce in the U.S. and abroad, not to mention the recent trend of corporate downsizings, many inventors are no longer employed by the interested assignees at the time continuation and divisional applications are filed. Tracking them down will be expensive and difficult, and lead to many more petitions to accept applications with non-signing inventors, burdening both the applicants and the PTO. Requiring corporate officers to sign powers of attorney in such circumstances will impose a significant burden on corporate assignees. Once a power has been signed on behalf of a corporate entity (by the inventors or a corporate officer), busy corporate officers do not need to be harried by repeated requirements to investigate the chain of title and sign powers of attorney to pursue patents on inventions for which such powers have already been granted. (In this context, it is noted that over 170 companies file more than 100 patent applications per year, over 65 of them filing an average of one or more application per business day (see Intellectual Property Today, "The Corporate Patent Scorecard," July 2003). Many of these applications result in divisional and continuing applications. The unnecessary burden on the officers of these companies by the proposed rule change is thus readily apparent.)

5) The PTO itself has identified a far simpler practice that would accommodate its needs and provide a reasonable transition. This is for the PTO to enter the power of attorney for a subset of the listed attorneys (e.g., five or ten) where more than ten

attorneys are listed on a power of attorney. This could most efficiently be coupled with a provision for the named and entered attorneys to establish that the power applies to all attorneys associated with a given Customer Number. This would permit attorneys faced with an executed "old style" power of attorney to complete the filing requirements and avoid the need for the PTO to issue a notice of defective power of attorney (and the associated cost, burden and delay to the PTO, applicants and their attorneys), and also give the appointed attorneys the option to have the applicant-intended more than 10 attorneys entered as having a power of attorney via the Customer Number approach. The fact that the applicant executed a power of attorney naming more than 10 attorneys (usually on a form listing numerous attorneys) would indicate that the applicant intended the power to apply to all relevant members of the firm. In any case, the disciplinary rules could be amended to include a requirement that any such extension of the power of attorney be communicated to the client, so that the client could object if desired.

6) Thus the public would be severely burdened by the proposed rule change, while the PTO could achieve its purpose with a far less burdensome system.

B. The other area with which I am concerned is the elimination of the "associate power of attorney" practice.

In my experience, this practice is currently used (1) to permit local DC area attorneys to take action in a case for a non-local firm, thus saving the client time and travel expenses for personal interviews, file inspections, and other activities that require attendance at the PTO; (2) to permit the client's in-house attorneys to take action in a case being handled by an outside law firm, and (3) to permit attorneys within a firm, but not on the power of attorney (e.g., non-partners who are not given the power to take action in all cases of the firm), to take action requiring a power of attorney (e.g., obtaining information from the Examiner in the course of a personal interview). This practice allows clients to be represented more efficiently and at reduced cost and burden. It would not be possible by reliance solely on customer number practice.

1) As noted in the proposed rulemaking, "once power of attorney is given to the patent practitioners associated with a Customer Number, each attorney associated with the Customer Number has an equal right to change the list of patent practitioners associated with that Customer Number." As a result, it is very important that no attorney be associated with a Customer Number unnecessarily even within a firm, much less between firms and between firms and their clients.

2) Additionally, to the extent that the correspondence address is tied to a Customer Number, elimination of associate power of attorney practice will also make it more difficult for clients to have attorneys at more than one firm, or at both the client and a firm, participate in the most efficient prosecution of a single patent application. Only attorneys at the firm to which correspondence is mailed could take action in a case, since attorneys at an associated firm or at the client will not be associated with the Customer Number.

3) Elimination of the associate power of attorney will thus make it far more difficult for out-of-DC area attorneys (at firms or in-house at the assignees) to make effective use of local attorneys to the benefit of their clients, imposing additional costs and burdens on the clients. It will also make it more difficult for clients to take action in their own cases.

4) In addition, attorneys, especially new attorneys, regularly come and go from firms; while they may be granted an associate power in connection with a given case in which they are being supervised, they are not and should not be included in a Customer Number for all cases of a firm. Instead, the list of attorneys associated with a Customer Number is usually carefully limited, e.g., to partners in a law firm. Elimination of associate power of attorney practice thus limits the usefulness, and the cost and efficiency benefits of, non-partner level attorneys. The result of the proposed rule change thus will restrict their development as patent attorneys and will eliminate the clients' cost and efficiency benefits of using them.

5) The PTO indicated that it is difficult for it to enforce the termination of the authority of an associate attorney when the principal power of attorney is terminated. It seems that a simple computer code could tie the associate power to the principal power, so that termination of the principal power would automatically terminate the associate power in the PTO database. Thus the burden on the PTO of not making the rule change would appear to be far less than the burden on the public of making the rule change as detailed above.

For all of the above reasons, I do not believe that the rules should be changed to completely prohibit entry of a power of attorney naming more than 10 attorneys, or to eliminate associate power of attorney practice.

Respectfully submitted,

William P. Berridge
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