

Peter K. Trzyna, Esq.

Peter K. Trzyna Law Office P.C.
195 North Harbor Dr. # 5403
Chicago, Illinois 60601

Post Office Box 7131
Chicago, Illinois 60680-7131

Telephone: (312) 240-0824
Facsimile: (312) 240-0825
E-mail: pkt-law@sbcglobal.net

March 25, 2014

Mail Stop Comments – Patents
Commissioner for Patents
PO Box 1450
Alexandria, VA 22313-1450

Attention James Engel
Senior Legal Advisor,
Office of Patent Legal Administration,
Office of the Deputy Commissioner For Patent Examination Policy

**Re: Comment on Proposed Rules, Federal Register Vol. 79, No. 16, January 24, 2014,
“Changes to Require Identification of Attributable Owner” 37 CFR Part 1 [Docket No.:
PTO-P-2013-0040]**

Dear Sir:

1. The Proposed Regulation Exceeds Statutory Authority

The proposed requirement (“Sec. 1.273”) to abandon patents and patent applications by regulation exceeds the authority of the Office. 35 U.S.C. Sec. 2(b)(2) authorizes the Patent Office to establish regulations, not inconsistent with law, which “govern the conduct of proceedings in the Office.” Establishing by regulation a new requirement for patentability, or maintaining a patent, is beyond governing the “conduct of proceedings in the Office” and is inconsistent with the provision in 35 U.S.C. Sec. 102 that “a person shall be entitled to a patent unless....” Further, an abandonment determined in court, for failure to properly identify an attributable owner, is not a proceeding in the Office.

2. The Office’s Claimed Benefits Do Not Justify Abandonment of Patents and Applications by Regulation

The Sec. 1.273 requirement is not necessary for proper performance of the functions of the Office, which has functioned without trouble absent such a requirement for decades.

More importantly, the Office’s claimed benefits for the requirement are unrelated to, and certainly do not justify the harsh penalty of, abandonment of patents and applications by regulation. The Office claims that the requirement is necessary to ensure a proper power of attorney, but a power of attorney is issued by the owner, not the attributable owner. The Office claims that the requirement is necessary to avoid conflicts of interest, but it is the attorney or other party that is ethically responsible for avoiding conflicts, not the Office. There is no ethical provision of law that

empowers the Office to abandon property (patents) to avoid the possibility of a conflict of interest. The Office claims that the requirement is necessary to determine prior art and double patenting. However, the Sec. 102(b)(2)(C) exception is whether the subject matter “is owned by the same person or subject to an obligation of assignment to the same person” which is not the same as an “attributable owner.” As to double patenting, with competent examination by the Office, a second patent would be rejected as obvious over the first regardless of “attributable owner.” Further, the proposed regulation is superfluous in view of an applicant’s duty to disclose known material information to the Office, leading to patent invalidity for failure of the Applicant to disclose double-patenting information, under *McKesson*. The Office also claims that the requirement is necessary for making a request in a post-issuance proceeding. However, one making the request can do so to the inventor or assignee in the records of the Office, regardless of an “attributable owner.” The Office claims that the requirement is necessary to ensure accuracy of information provided by the Office, but by the proposed regulation, the Office is requiring new information to ensure that the newly required information is accurate. The presently required information has not been shown to be inaccurate or misleading, e.g., an assignment to an owner not meeting the regulation’s definition of an “attributable owner” is a true statement, and nothing in the present information is inaccurate or misleading regarding the assignee of record at the Office. In any case, the Office’s proposed benefits for the Sec. 1.273 requirement do not justify abandoning patents and patent applications.

As to the other purported benefits, “providing innovators with increased information” has no application to unpublished patent applications. Further, the Office has not explained how providing such information will enhance competition or increase incentives, and the contention appears to be mere hype. Compare this with the proposed rule 1.271(c) requirement to disclose a “power of attorney” which would include a medical power of attorney – the Office has not explained how the required information would enhance competition or increase incentives. The Office is not statutorily empowered to abandon patents so that innovators can know about a medical power of attorney. The proposed regulation has nothing to do with enhancing technology transfer and only increases the costs of transactions for patent rights over the present costs, under penalty of an abandoned patents. The proposed regulation also increases greatly the cost of abusive litigation by allowing a defendant in a patent infringement case to focus discovery on every conceivable attributable owner for each day of the patent and much of the patent application. Thus, it levels the field for innovators only if one assumes that the innovators are not the patentees or patent owners.

3. The Purported Costs are Gross Underestimates by Ignoring Costs

The Office estimates that the filing will cost burden of \$389, or one unit, which ignores the cost to obtain the information required for the filings. Each item defining an “attributable owner” would need to be investigated and monitored for change. The cost may involve litigation, for example, where the “attributable entity owner” is unknown or in dispute.

As to disputed ownership, consider for example, U.S. Patent No. 5,136,502 was filed by two inventors, and under the proposed rules, were the only ones with authority to file in the PTO an identification of as an attributable owner under the proposed rules. However, inventorship and thus ownership were changed by court order (see the Certificate of Correction in 5,136,502) in a constructive trust suit over disputed inventorship and thus ownership. Under the proposed rules, the patent would be deemed abandoned, and the new attributable owner will now be required to pay a PTO fee and a petition for a good faith effort, and make out the petition with evidence, to revive the patent. Because the regulation’s standard is not good faith, but a good faith effort, in any litigation seeking to enforce a patent acquired via a dispute over ownership, there will be discovery into whether the effort was a good faith effort.

As to uncertain ownership, consider for example, U.S. Patent Application No. 10/013827, Pub No. 20020128925, which was made subject to foreclosure under a UCC lien. However, an action for quiet title suit was necessary to establish there was no superior lien. Service in the suit took more than the allotted time under the proposed rules, and there is a 28 day period for one served to respond to the service, a time period which extends well beyond the proposed time to file an identification of the attributable owner, a time period which would not be extendable. Under the proposed rules, the patent application would be deemed abandoned, and the new attributable owner will now be required to pay a PTO fee and a petition for a good faith effort, and make out the petition with evidence, to revive the patent. Because the regulation's standard is not good faith, but a good faith effort, in any litigation seeking to enforce a patent acquired via a dispute over ownership, there will be discovery into whether the effort was a good faith effort. The Office is not qualified to assess what constitutes a good faith effort at clarifying ownership. Worse yet, the proposed rules would essentially negate the viability of patents as collateral because proceedings on liens on patents and the use of proceedings to obtain clean title after enforcing a lien will result in abandonment, or at least unavoidable dispute in any litigation seeking to enforce a patent acquired via a lien, mortgage, or the like.

The Office's cost also ignores the cost for abusive litigation, i.e. defendants adding the above-mentioned discovery into ownership for essentially every day of a patent and much of the patent application, for any patent being litigated. The proposed regulation imposes another huge burden on inventors, companies pursuing innovative technology that requires protection from knockoffs, and investors in the companies and inventing.

Further, the Office's cost ignores the cost for patents and applications abandoned where a good faith effort cannot always be shown, e.g., a mortgagor, a bona fide purchaser for value without notice, etc.

The Office deeming patent applications and patents abandoned by regulation. If such a harsh penalty is attempted, there should be a minimally burdensome remedial procedure, such as that for late payment of a large entity fee where an applicant has unintentionally been paying as a small entity.

In sum, the proposed requirement in Sec. 1.273 to abandon patents and patent applications by regulation exceeds the authority of the Office to govern proceedings in the Office and is inconsistent with the provision in 35 U.S.C. Sec. 102 that "a person shall be entitled to a patent unless...." The claimed benefits are trivial or insufficient to justify abandoning patents and patent applications, and the cost projection by the Office is grossly inadequate because it fails to consider the cost for obtaining the information to file or circumstances where the information is unknown or in dispute. The remedial procedure is highly burdensome and disputable in court, and if there were to be such regulation, the burden should be minimal, e.g., akin to paying a corrected entity fee. Abandonment is an extreme penalty for the purported benefits of the proposed regulation.

Respectfully Submitted,



Peter K. Trzyna
195 North Harbor Drive #5403
Chicago, IL 60601