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March 13, 2019

Docket: PTO-T-2018-0021

Requirements of U.S. Licensed Attorney for Trademark Applicants and Registrants Not Domiciled in the United States.

Comment On: PTO-T-2018-0021-0001

Opposition on Requirement of U.S. Licensed Attorney for Foreign Trademark Applicants and Registrants.

Document:

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General Comment

America continues to be the shining beacon on the hill - land of opportunity, freedom and infinite possibilities. A land where the kid of immigrants can aspire to and be considered for the highest positions in the land. Where age, race or color, and national origin cannot hold you back. The march to reach equality of opportunity has been long and arduous but, no other country can match this. That is what should make us proud to be Americans every day and moment.

In contrast, the United States Patent & Trademark Office (USPTO) has embarked on misguided methods to bloat its own bureaucracy and further the monopoly of U.S. licensed attorneys at the expense to access to justice and notions of fundamental fairness to inventors and small businesses whose equal protection should be the charter for the USPTO to protect.

For a historical perspective, these protectionist methods which serve no public good have included:

1. **Disallowing non-attorney trademark agents from practicing before the USPTO.** The USPTO has for decades permitted non attorneys who take and pass a patent bar exam and have the requisite technical education (1) prepare U.S. patent applications (2) respond to office action responses in patent matters - many of which require complex legal analysis and (3) prosecute, sign for, and file numerous documents before the USPTO on behalf of applicants.
    a. The USPTO has the power to enable non-trademark attorneys to prepare and file trademark applications just as it could with U.S. Patent Agents under the U.S. Supreme Court case "Sperry v. Florida ex rel. Florida Bar, 373 US 379, 83 S. Ct. 1322, 10 L. Ed. 2d 428 (1963)" See **Exhibit A**.
    b. The USPTO already has regulations in place to permit non-attorney trademark agents to prepare, file and prosecute U.S. trademarks, including 37 CFR § 11.14. See **Exhibit B**.

2. **Discrimination on the basis of race and national origin.** The USPTO has for decades disallowed those who are not citizens from becoming eligible for to prepare and file patent applications before it. Moveover, in its early history, the USPTO discriminated on

the basis of race, national origin, and gender in its hiring practices. Under this backdrop, the present rulemaking expressly discriminating against a protected class of persons, namely foreign applicants for U.S. trademark rights has a discriminatory effect. Moreover, the USPTO's own public comments have made it clear that the USPTO is specifically targeting applicants from certain countries, namely from China. Therefore the USPTO demonstrates a callous disrespect of fundamental principles of equality before the law and chooses to intentionally discriminate against persons and small businesses from China.

3. **Curtailing access to justice for the poor and middle class by limiting innovative legal technology platforms to thrive.** The current regulatory structure — preventing attorneys from participating in online legal marketplaces disproportionately disadvantages low- and moderate-income groups. Simply put, there is little benefit for the USPTO disciplining individual attorneys simply for the act of participating in online legal marketplaces like UpCounsel.

   The USPTO has utilized its Office of Discipline (OED) to harass individual attorneys and legal innovators participating in online marketplaces such as UpCounsel by attempting to enforce fee sharing rules against solo and small firm attorneys. Such rules are outdated and outmoded. Virtually every other industry permits incentives between online marketplaces and service provider to be aligned. Otherwise the world would have no Uber, Lyft, or AirBnB. The world is better when technology is permitted to foster through investment in businesses like UpCounsel. Without fee sharing, no prudent venture capitalist in Silicon Valley or elsewhere is willing to invest. *Why?* The incentives between the service provider and the technology platform are misaligned and quality of service suffers when there is no fee sharing.

4. **Harassing foreign trademark applicants, solo law firms and small practices while hypocritically turning a blind eye to fee sharing between BigLaw and foreign franchise affiliates and fee sharing and non-attorney ownership rules between LegalZoom and LegalZoom UK.** While focusing on solo law firms and small law firms while ignoring BigLaw and LegalZoom. BigLaw routinely shares fees with foreign franchise firms. LegalZoom fee shares with the law firm Dunlap Bennett & Ludwig PLLC (https://www.dbllawyers.com/) for U.S. trademarks (now the largest trademark law firm in the United States as of 2018 because of its fee sharing with

LegalZoom). In addition, LegalZoom has even bought a foreign law firm in the United Kingdom (U.K), and renamed it LegalZoom United Kingdom. LegalZoom uses this foreign law firm, which it 100% owns to hire U.S. lawyers led by "Lead Trademark Attorney" Nicholas Santucci. Yet, the USPTO hypocritically does nothing. It feels like the USPTO is a bully who selectively attacks those who cannot fight back rather than looking for large systematic solutions that will benefit consumers. Instead of modernizing rules for the Internet age, the USPTO harrasses foreign applicants, small businesses, and solo practitioners through illogical rulemaking like this and enforcing old outdated rules of the past.

It is not disputed that there exists a grave problem of troubled trademark filings from countries including China. Notably, it is the commenter here who first provided the USPTO with a detailed report of its widespread effect over one year ago (**Exhibit C**). However, the instant proposed rulemaking is NOT proportional to the needs manifested in the public record.

To combat the problem of poor filings of trademark applications, the USPTO should instead :

1. **Create mandatory free online education a new class of "Trademark Agents"** requiring QUALIFICATION examination ("Trademark Bar Exam"), administered by the USPTO to permit qualified non-attorney applicants, regardless of their national origin to become qualified to practice on behalf of others before the USPTO. Qualification standards should be (1) no previous felony record (2) at least three classes on U.S. law, one of which is on the United States Constitution, a second based on intellectual property law/overview, and a third based on U.S. trademark law. Each class should be offered to the world online and for a fee directly by the USPTO.

2. **Institute mandatory self-reported CLE requirements** every two years to ensure that qualified practitioners are kept abreast of the latest changes in trademark law. Recently, such rules were proposed for patent agents. They should logically be extended to trademark agents.

3. **Eliminate fee sharing rules for online legal marketplaces.** In its place, create a regulatory framework in which USPTO licensed attorneys can lawfully fee share with foreign law firms in the United Kingdom (some of which may not be owned by attorneys). To protect consumers, actively work with the FTC to monitor and regulate these legal marketplaces rather than try to selectively subject individual attorneys to discipline.

4. **Eliminate limits on law firm ownership rules to just lawyers.** These rules do not protect clients. They have only one effect - they hamper legal innovation through a lack of access to capital. As one author recently puts it, innovative companies go IPO and to venture capitalists, while lawyers and law firms "gets to see the loan shark" when they need capital to grow their business (**Exhibit D**).

Please consider this as my public comment and opposition to this proposed rulemaking which I believe is OVERBROAD and BURDENSOME given its objectives can be more simply achieved through mandatory legal education to reinstated TRADEMARK AGENTS as explained here. Moreover, I oppose this regulation because it is discriminatory to the poor and underrepresented, and discriminatory based on national origin in the sense it disproportionately prevents individuals in foreign countries from exercising their Constitutionally protected right of petitioning the U.S. government.

Respectfully submitted,

Raj Abhyanker, Esq.

Enclosures: As stated.

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EXHIBIT A

Sperry v. Fla.

Supreme Court of the United States

March 25, 1963, Argued ; May 27, 1963, Decided

No. 322

Reporter
373 U.S. 379 *; 83 S. Ct. 1322 **; 10 L. Ed. 2d 428 ***; 1963 U.S. LEXIS 2486 ****; 137 U.S.P.Q. (BNA) 578

SPERRY v. FLORIDA EX REL. FLORIDA BAR

Prior History: [**1]** CERTIORARI TO THE SUPREME COURT OF FLORIDA.

Disposition: *140 So. 2d 587*, judgment vacated and cause remanded.

Core Terms

Patent, practitioners, regulations, nonlawyers, Hearings, registered, applications, patent attorney, attorneys, lawyers, preparation, practicing, practice of law, authorize, administrative agency, patent application, proceedings, registration, rights, agencies, unauthorized practice of law, advertising, Inventions, inventors, license, legislative history, member of the bar, bar association, state law, qualifications

Case Summary

Procedural Posture
Certiorari was granted from an order of the Supreme Court of Florida to review whether petitioner, who was registered to practice before the United States Patent Office, but not admitted to practice law before the Florida or any other bar, was able to represent clients before the United States Patent Office. Petitioner appealed the lower court order enjoining him from practicing before the Patent Office.

Overview

The order enjoining petitioner was vacated and remanded because it prohibited him from performing tasks which were incident to the preparation and prosecution of patent applications before the Patent Office. *35 U.S.C.S. § 31*, which permitted nonlawyers to represent applicants before the Patent Office, preempted Florida law, under which the preparation and prosecution of patent applications for others constituted the practice of law. Petitioner maintained an office in Florida, held himself out as a patent attorney, prepared patent applications, represented clients before the Patent Office, and was not a member of the bar of any state. The court held that *35 U.S.C.S. § 31* expressly permitted the Commissioner of Patents to authorize practice before the Patent Office by nonlawyers, and the Commissioner had explicitly granted such authority. Under the *Supremacy Clause*, Florida may not deny petitioner the right to perform the functions within the scope of the federal authority.

Outcome

The order enjoining petitioner was vacated and remanded because it prohibited him from performing tasks which were incident to the preparation and prosecution of patent applications before the United States Patent Office. Under the *Supremacy Clause*, federal law, which permitted nonlawyers to represent applicants before the Patent Office under *35 U.S.C.S. § 31*, preempted Florida law.

LexisNexis® Headnotes

Governments > Legislation > Interpretation

HN1[] **Legislation, Interpretation**

Under Florida law the preparation and prosecution of patent applications for others constitutes the practice of law.

Governments > State & Territorial
Governments > Licenses

Legal Ethics > Practice Qualifications

HN2 **State & Territorial Governments, Licenses**

A state has a substantial interest in regulating the practice of law within the state.

Constitutional Law > Supremacy Clause > General Overview

HN3 **Constitutional Law, Supremacy Clause**

The law of the state, though enacted in the exercise of powers not controverted, must yield when incompatible with federal legislation.

Constitutional Law > Congressional Duties & Powers > Copyright & Patent Clause

HN4 **Congressional Duties & Powers, Copyright & Patent Clause**

Congress has provided that the Commissioner of Patents may prescribe regulations governing the recognition and conduct of agents, attorneys, or other persons representing applicants or other parties before the Patent Office, *35 U.S.C.S. § 31*, and the Commissioner, pursuant to *§ 31*, has provided by regulation that an applicant for patent may be represented by an attorney or agent authorized to practice before the Patent Office in patent cases. *37 C.F.R. § 1.31*.

Constitutional Law > Congressional Duties & Powers > Copyright & Patent Clause

HN5 **Congressional Duties & Powers, Copyright & Patent Clause**

See *35 U.S.C.S. § 31*.

Constitutional Law > Supremacy Clause > General Overview

Governments > State & Territorial Governments > Licenses

Governments > Federal Government > US Congress

HN6 **Constitutional Law, Supremacy Clause**

A state may not enforce licensing requirements which, though valid in the absence of federal regulation, give the state's licensing board a virtual power of review over the federal determination that a person or agency is qualified and entitled to perform certain functions, or which impose upon the performance of activity sanctioned by federal license additional conditions not contemplated by Congress. No state law can hinder or obstruct the free use of a license granted under an act of Congress.

Constitutional Law > Congressional Duties & Powers > Copyright & Patent Clause

HN7 **Congressional Duties & Powers, Copyright & Patent Clause**

Registration in the Patent Office shall only entitle the persons registered to practice before the Patent Office. 37 C.F.R. § 1.341.

Constitutional Law > Congressional Duties & Powers > Copyright & Patent Clause

Legal Ethics > Unauthorized Practice of Law

Patent Law > ... > Defenses > Inequitable Conduct > General Overview

HN8 **Congressional Duties & Powers, Copyright & Patent Clause**

Recognition of any person under this section is not to be construed as sanctioning or authorizing the performance of any acts regarded in the jurisdiction where performed as the unauthorized practice of law. *37 C.F.R. § 2.12(d)*.

Constitutional Law > Congressional Duties & Powers > Copyright & Patent Clause

HN9 **Congressional Duties & Powers, Copyright & Patent Clause**

For gross misconduct, the Commissioner of Patents may refuse to recognize any person as a patent agent,

either generally or in any particular case. *35 U.S.C.S. § 6*.

Constitutional Law > Congressional Duties & Powers > Copyright & Patent Clause

HN10 **Congressional Duties & Powers, Copyright & Patent Clause**

Any person of intelligence and good moral character may appear as the attorney in fact or agent of an applicant upon filing proper power of attorney. Rules and Directions for Proceedings in the Patent Office, § 127 (1869).

Administrative Law > Agency Rulemaking > Informal Rulemaking

HN11 **Agency Rulemaking, Informal Rulemaking**

Section 6(a) of the Administrative Procedure Act provides that every party shall be accorded the right to appear in person or by or with counsel or other duly qualified representative in any agency proceeding. Nothing herein shall be construed either to grant or to deny to any person who is not a lawyer the right to appear for or represent others before any agency or in any agency proceeding. *5 U.S.C.S. § 1005(a)*.

Constitutional Law > Congressional Duties & Powers > Copyright & Patent Clause

HN12 **Congressional Duties & Powers, Copyright & Patent Clause**

Failure to comply with the standards of the Patent Office may result in suspension or disbarment. *35 U.S.C.S. § 32*.

Constitutional Law > Congressional Duties & Powers > Copyright & Patent Clause

Patent Law > Remedies > Equitable Relief > Injunctions

HN13 **Congressional Duties & Powers, Copyright & Patent Clause**

35 U.S.C.S. § 31 contains sufficient standards to guide the Patent Office in its admissions policy to avoid the criticism that Congress has improperly delegated its powers to the administrative agency.

Lawyers' Edition Display

Summary

The Florida Bar instituted proceedings in the Supreme Court of Florida to enjoin one having an office in Florida, and registered to practice before the United States Patent Office, but not admitted to practice before the Florida or any other bar, from representing Florida clients before the Patent Office. Holding that the practitioner's conduct constituted the unauthorized practice of law within the state, the court enjoined him from preparing and prosecuting patent applications and rendering legal opinions as to patentability or infringement on patent rights. (*140 So 2d 587*.)

On certiorari, the Supreme Court of the United States vacated the decree. In an opinion by Warren, Ch. J., expressing the unanimous views of the Court, it was held that (1) by *35 USC 31* the Commissioner of Patents is permitted to authorize nonlawyers to practice before the Patent Office; (2) by appropriate regulations, the Commissioner has authorized such practice by nonlawyers; and (3) a state may not impose additional restrictions on the right to practice before the Patent Office.

Headnotes

ERROR §1662 > mootness -- voluntary discontinuance of practice. -- > Headnote:
LEdHN[1] [1]

On certiorari to review a state decree enjoining a lay practitioner before the Patent Office from engaging in acts alleged to constitute the unauthorized practice of law, the lay practitioner's right to refer to himself as a "patent attorney" is mooted by his voluntary discontinuance of the use of the term "attorney."

ATTORNEYS §1 > preparing patent applications -- practice

of law. -- > Headnote:
LEdHN[2][] [2]

Under Florida law the preparation and prosecution of patent applications for others constitutes the practice of law.

STATES §36 > practice of law -- patent applications -- state regulation. -- > Headnote:
LEdHN[3][] [3]

A state has a substantial interest in regulating the practice of law within its borders; in the absence of federal legislation, a state can validly prohibit nonlawyers from preparing and prosecuting patent applications for others.

STATES §18 > federal legislation -- supremacy. -- > Headnote:
LEdHN[4][] [4]

The law of a state, although enacted in the exercise of powers not controverted, must yield when incompatible with federal legislation.

PATENTS §3 > nonlawyers -- admission to practice before Patent Office. -- > Headnote:
LEdHN[5][] [5]

By *35 USC 31*, authorizing the Commissioner of Patents to "prescribe regulations governing the recognition and conduct of agents, attorneys, or other persons representing applicants or other parties before the Patent Office," the Commissioner is expressly permitted to authorize practice before the Patent Office by nonlawyers; by prescribing regulations providing that patent applicants may be represented either by an attorney or by an agent authorized to practice before the Patent Office in patent cases (*37 CFR 1.31*) and providing for the admission to practice of nonlawyer agents (37 CFR 1.341), the Commission explicitly exercises such authority.

LICENSE §8 > STATES §25 > federal licenses -- state regulation -- additional requirements. -- > Headnote:
LEdHN[6][] [6]

A state may not enforce licensing requirements which, although valid in the absence of federal regulation, give the state's licensing board a virtual power of review over the federal determination that a person or agency is qualified and entitled to perform certain functions, or which impose upon the performance of activity sanctioned by federal license additional conditions not contemplated by Congress.

LICENSE §8 > federal license -- obstruction by state. -- > Headnote:
LEdHN[7][] [7]

No state law can hinder or obstruct the free use of a license granted under an act of Congress.

PATENTS §3 > registration in Patent Office -- effect. -- > Headnote:
LEdHN[8][] [8]

Registration in the Patent Office confers a right to practice before the Office without regard to whether the state within which the practice is conducted would otherwise prohibit such conduct.

LAW §41 > nonlawyers -- practice before agency. -- > Headnote:
LEdHN[9][] [9]

The power of administrative agencies to admit nonlawyers to practice before them, without state approval, is recognized by 6(a) of the Administrative Procedure Act (*5 USC 1005(a)*), which provides that nothing therein shall be construed either to grant or to deny to any nonlawyer the right to appear for or represent others before any agency or in any agency proceedings.

PATENT §5 > patents as federal rights. -- > Headnote:
LEdHN[10] [10]

The rights conferred by the issuance of letters patent are federal rights.

PATENT §3 > Patent Office and bar -- constitutional authority. -- > Headnote:
LEdHN[11] [11]

The Patent Office and its specialized bar have been established pursuant to Federal Constitution Article 1, 8, clauses 8 and 18, giving Congress the power to promote the progress of science and the useful arts by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries, and to take all steps necessary and proper to accomplish that end.

ATTORNEYS §8 > Patent Office -- suspension or disbarment. -- > Headnote:
LEdHN[12] [12]

Failure to comply with the Patent Office's standards of integrity may result in suspension or disbarment of one allowed to practice before the Patent Office.

PATENTS §3 > lay patent practitioners -- authority. -- > Headnote:
LEdHN[13] [13]

A lay practitioner authorized by the Patent Office to prepare patent applications may render opinions as to the patentability of the inventions brought to him, and may also hold himself out as qualified to perform his specialized work, so long as he does not misrepresent the scope of his license.

STATES §16 > Tenth Amendment -- federal action. -- > Headnote:
LEdHN[14] [14]

In acting within the scope of the powers delegated to the United States by the Federal Constitution, Congress does not exceed the limits of the Tenth Amendment despite the concurrent effects of its legislation upon a matter otherwise within the control of a state.

STATES §16 > powers of state judiciary -- displacement. -- > Headnote:
LEdHN[15] [15]

Congress' authority to act within the scope of its powers so as to displace state power is no less when the state power which it displaces would otherwise have been exercised by the state judiciary rather than by the state legislature.

LAW §47 > PATENTS §3 > sufficiency of standards -- practice by nonlawyers. -- > Headnote:
LEdHN[16] [16]

In *35 USC 31*, authorizing the Commissioner of Patents to prescribe regulations governing the recognition and conduct of persons representing parties before the Patent Office, and to require them to show that they are of good moral character and possessed of the necessary qualifications to render "valuable service, advice, and assistance," Congress provides sufficient standards to guide the Patent Office in its admissions policy, and does not improperly delegate its powers to the Commissioner of Patents.

STATES §36 > nonlawyer patent practitioners -- injunction against practice. -- > Headnote:
LEdHN[17] [17]

A state has no power to enjoin a layman having an office in the state and registered to practice before the United States Patent Office from rendering opinions as to patentability or infringement on patents, or preparing or prosecuting applications for letters patent, where the

Commissioner of Patents has explicitly exercised his authority under *35 USC 31* to permit practice before the Patent Office by nonlawyers.

Syllabus

Petitioner is not a lawyer and has never been admitted to the Bar of any State; but, under regulations issued by the Commissioner of Patents with the approval of the Secretary of Commerce pursuant to *35 U. S. C. § 31*, he has been authorized to practice before the United States Patent Office. As part of that practice, he has for many years represented patent applicants, prepared and prosecuted their applications, and advised them in connection with their applications in the State of Florida. The Florida Bar sued in the Supreme Court of Florida to enjoin the performance of these and other specified acts within the State, contending that they constituted unauthorized practice of law. *Held*:

1. Florida may not prohibit petitioner from performing within the State tasks which are incident to the preparation and prosecution of patent applications before the Patent Office. Pp. 381-402.

(a) The determination of the Supreme Court **[****2]** of Florida that the preparation and prosecution of patent applications for others constitutes the practice of law, within the meaning of the law of that State, is not questioned. P. 383.

(b) Florida has a substantial interest in regulating the practice of law within the State, and, in the absence of federal legislation on the subject, it could validly prohibit nonlawyers from engaging in this circumscribed form of patent practice. P. 383.

(c) A federal statute, *35 U. S. C. § 31*, expressly permits the Commissioner of Patents to authorize practice before the Patent Office by nonlawyers; the Commissioner has explicitly granted such authority; and Florida may not deny to those failing to meet its own qualifications the right to perform acts within the scope of the federal authority. Pp. 384-385.

(d) There cannot be read into the federal statute and regulations a condition that such practice must not be inconsistent with state law, thus leaving registered patent practitioners with the unqualified right to practice only in the physical presence of the Patent Office and in the District of Columbia, where that Office is now located. Pp. 385-387.

(e) The legislative **[****3]** history of the statute and its predecessor provisions shows that Congress recognized that registration in the Patent Office confers a right to practice before that Office, without regard to whether the State within which the practice is conducted would otherwise prohibit such conduct. Pp. 387-402.

(f) Since patent practitioners are authorized to practice only before the Patent Office, the State maintains control over the practice of law within its borders except to the limited extent necessary for the accomplishment of the federal objectives. P. 402.

2. As so construed, *35 U. S. C. § 31* is constitutional. Pp. 403-404.

(a) By establishing the Patent Office and authorizing competent persons to assist in the preparation of patent applications, Congress has not exceeded the bounds of what is "necessary and proper" to the operation of the patent system established under *Art. I, § 8, Cl. 8, of the Constitution*. P. 403.

(b) Having acted within the scope of the powers "delegated to the United States by the Constitution," Congress has not exceeded the limits of the *Tenth Amendment*, despite the concurrent effects of its legislation upon a matter otherwise within **[****4]** the control of the State. P. 403.

(c) In view of the standards prescribed in *35 U. S. C. § 31* to guide the Patent Office in its admissions policy, it cannot be said that Congress has improperly delegated its powers to the administrative agency. Pp. 403-404.

Counsel: Carlisle M. Moore argued the cause for petitioner. With him on the briefs were Oscar A. Mellin, LeRoy Hanscom and Jack E. Hursh.

F. Trowbridge vom Baur argued the cause for respondent. With him on the brief were Sherwood Spencer, J. Lewis Hall, Donald J. Bradshaw and John Houston Gunn.

Briefs of amici curiae, urging reversal, were filed by Solicitor General Cox, Acting Assistant Attorney General Guilfoyle, Louis F. Claiborne and Morton Hollander for the United States; by John R. Turney, D. W. Markham and Nuel D. Belnap for the Association of Interstate Commerce Commission Practitioners; by Roger Robb for the American Association of Registered Patent Attorneys and Agents; and by Arthur B. Hanson and Emmett E. Tucker, Jr. for the American Chemical Society.

Briefs of amici curiae, urging affirmance, were filed by F. Trowbridge vom Baur, H. H. Perry, Jr., Wayland B. Cedarquist, Raymond Reisler **[****5]** and Warren H. Resh for the American Bar Association; by Lyman Brownfield and Phillip K. Folk for numerous State Bar Associations; and by William H. Webb for the American Patent Law Association.

Judges: Warren, Black, Douglas, Clark, Harlan, Brennan, Stewart, White, Goldberg

Opinion by: WARREN

Opinion

[*381] [*430] [**1324]** MR. CHIEF JUSTICE **WARREN** delivered the opinion of the Court.

[579] Petitioner is a practitioner registered to practice before the United States Patent Office. He has not been admitted to practice law before the Florida or any other bar. Alleging, among other things, that petitioner "is engaged in the unauthorized practice of law, in that although he is not a member of The Florida Bar, he nevertheless maintains an office . . . in Tampa, Florida, . . . holds himself out to the public as a Patent Attorney . . . represents Florida clients before the United States Patent Office, . . . has rendered opinions as to patentability, and . . . has prepared various legal instruments, including . . . applications and amendments to applications for letters patent, and filed same in the United States Patent Office in Washington, D. C.," the Florida Bar instituted these proceedings **[****6]** in the Supreme Court of Florida to enjoin the performance of these and other specified acts within the State. Petitioner filed an answer in which he admitted the above allegations but pleaded as a defense "that the work performed by him for Florida citizens is solely that work which is presented to the United States Patent Office and that he charges fees solely for his work **[*382]** of preparing and prosecuting patent applications and patent assignments and determinations incident to preparing and prosecuting patent applications **[***431]** and assignments." Thereupon, the court granted the Bar's motion for a summary decree and permanently enjoined the petitioner from pursuing the following activities in Florida until and unless he became a member of the State Bar:

"1. using the term 'patent attorney' or holding himself out to be an attorney at law in this state in any field or phase of the law (we recognize that the respondent according to the record before us has already voluntarily ceased the use of the word 'attorney');

"2. rendering legal opinions, including opinions as to patentability or infringement on patent rights;

"3. preparing, drafting and construing legal documents;

[**7]** "4. holding himself out, in this state, as qualified to prepare and prosecute applications for letters patent, and amendments thereto;

"5. preparation and prosecution of applications for letters patent, and amendments thereto, in this state; and

"6. otherwise engaging in the practice of law."

The Supreme Court of Florida concluded that petitioner's conduct constituted the unauthorized practice of law which the State, acting under its police power, could properly prohibit, and that neither federal statute nor the Constitution of the United States empowered any federal body to authorize such conduct in Florida. *140 So. 2d 587*.

In his petition for certiorari, petitioner attacked the injunction "only insofar as it prohibits him from engaging in the specific activities . . . [referred to above], covered by his federal license to practice before the Patent Office. He does not claim that he has any right otherwise to **[*383]** engage in activities that would be regarded as the practice of law." [1] We granted certiorari, *371 U.S. 875*, to consider the significant, but narrow, questions thus presented.

[**8]** *LEdHN[2]*[] [2]*LEdHN[3]*[] [3]We **[**1325]** do not question the determination that *HN1*[] under Florida law the preparation and prosecution of patent applications for others constitutes the practice of law. *Greenough v. Tax Assessors, 331 U.S. 486*;*Murdock v. Memphis, 20 Wall. 590*. Such conduct inevitably requires the practitioner to consider and advise his clients as to the patentability of their inventions under

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[1] *LEdHN[1]*[] [1]

Petitioner's right to refer to himself as a "Patent Attorney" has been mooted by his voluntary discontinuance of the use of the term "attorney."

the statutory criteria, *35 U. S. C. §§ 101-103*, 161, 171, as well as to consider the advisability of relying upon alternative forms of protection which may be available under state law. **[580]** It also involves his participation in the drafting of the specification and claims of the patent application, *35 U. S. C. § 112*, which this Court long ago noted "constitute[s] one of the most difficult legal instruments to draw with accuracy," *Topliff v. Topliff, 145 U.S. 156, 171*. **[****9]** And upon rejection of the application, the practitioner may also assist in the preparation of amendments, *37 CFR §§ 1.117-1.126*, which frequently requires written argument to establish the patentability of the claimed invention under the applicable rules of law and in light of the prior art. 37 CFR § 1.119. Nor do we doubt that ***HN2***[] Florida has a substantial interest **[***432]** in regulating the practice of law within the State and that, in the absence of federal legislation, it could validly prohibit nonlawyers from engaging in this circumscribed form of patent practice. [2]

[*384] ***LEdHN[4]***[] [4] **[****10]** But ***HN3***[] "the law of the State, though enacted in the exercise of powers not contraverted, must yield" when incompatible with federal legislation. *Gibbons v. Ogden, 9 Wheat. 1, 211*.***HN4***[] Congress has provided that the Commissioner of Patents "may prescribe regulations governing the *recognition* and conduct *of agents*, attorneys, *or other persons* representing applicants or other parties before the Patent Office," *35 U. S. C. § 31*, [3] and the Commissioner, pursuant to *§ 31*, has provided by regulation that "an applicant for patent . . . *may be represented by an* attorney or *agent* authorized to practice before the Patent Office in patent cases." *37 CFR § 1.31*. (Emphasis added.) The current regulations establish two separate registers "on which are entered the names of all persons recognized as *entitled to represent applicants* before the Patent Office in the preparation and prosecution of applications for patent." 37 CFR § 1.341 **[****11]** . (Emphasis added.) One register is for attorneys at law, 37 CFR § 1.341 (a), and the other is for nonlawyer "agents." 37 CFR § 1.341 (b). A person may be admitted under either category only by establishing "that he is of good moral character and of good repute and possessed of the legal and scientific and technical qualifications necessary to enable him to render applicants for patents valuable service, and is otherwise competent to advise and assist them **[*385]** in the presentation and prosecution of their applications before the Patent Office." 37 CFR § 1.341 (c).

[**12]** ***LEdHN[5]***[] [5]***LEdHN[6]***[] [6]***LEdHN[7]***[] [7]The **[**1326]** statute thus expressly permits the Commissioner to authorize practice before the Patent Office by nonlawyers, and the Commissioner has explicitly granted such authority. If the authorization is unqualified, then, by virtue of the *Supremacy Clause*, Florida may not deny to those failing to meet its own qualifications the right to perform the functions within the scope of the federal authority. ***HN6***[] A State may not enforce licensing requirements which, though valid in the absence of federal regulation, give "the State's licensing board a virtual power of review over the federal determination" that a person or agency is qualified and entitled to perform certain functions, [4] or which impose upon the performance of activity sanctioned **[***433]** by federal license additional conditions not contemplated by Congress. [5] "No State

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[2] See *Konigsberg v. State Bar of California, 366 U.S. 36, 40-41*; *Schware v. Board of Bar Examiners of New Mexico, 353 U.S. 232, 239*; *West Virginia State Bar v. Earley, 144 W. Va. 504, 109 S. E. 2d 420*; *Gardner v. Conway, 234 Minn. 468, 48 N. W. 2d 788*.

[3] Act of July 19, 1952, c. 950, § 1, 66 Stat. 795, ***35 U. S. C. § 31***:

HN5[] "The Commissioner, subject to the approval of the Secretary of Commerce, may prescribe regulations governing the recognition and conduct of agents, attorneys, or other persons representing applicants or other parties before the Patent Office, and may require them, before being recognized as representatives of applicants or other persons, to show that they are of good moral character and reputation and are possessed of the necessary qualifications to render to applicants or other persons valuable service, advice, and assistance in the presentation or prosecution of their applications or other business before the Office."

[4] *Miller, Inc., v. Arkansas, 352 U.S. 187, 190*; *First Iowa Hydro-Electric Coop*. v. *Federal Power Comm'n, 328 U.S. 152*; cf. *Castle v. Hayes Freight Lines, Inc., 348 U.S. 61*; *Cloverleaf Butter Co*. v. *Patterson, 315 U.S. 148*.

[5] *Rice v. Santa Fe Elevator Corp., 331 U.S. 218, 235-236*; *Moran v. New Orleans, 112 U.S. 69*; *Sinnot v. Davenport, 22 How. 227*; *Gibbons v. Ogden, 9 Wheat. 1*; *Huron Portland Cement Co*. v. *Detroit, 362 U.S. 440, 449* (dissenting opinion); cf. *Hill v. Florida, 325 U.S. 538*.

law can hinder or obstruct **[****13]** the free use of a license granted under an act of Congress." *Pennsylvania v. Wheeling & B. Bridge Co., 13 How. 518, 566*.

Respondent argues, however, that we must read into the authorization conferred by the federal statute and regulations the condition that such practice not be **[****14]** inconsistent with state law, thus leaving registered practitioners with the unqualified right to practice only in the physical presence of the Patent Office and in the District of Columbia, where the Office is now located.

[*386] The only language in either the statute or regulations which affords any plausible support for this view is the **[581]** provision in the regulations that ***HN7***[⬆] "registration in the Patent Office . . . shall only entitle the persons registered to practice before the Patent Office." 37 CFR § 1.341. Respondent suggests that the meaning of this limitation is clarified by reference to the predecessor provision, which provided that registration "shall not be construed as authorizing persons not members of the bar to practice law." *3 Fed. Reg. 2429*. Yet the progression to the more circumscribed language without more tends to indicate that the provision was intended only to emphasize that registration in the Patent Office does not authorize the general practice of patent law, but sanctions only the performance of those services which are reasonably **[****15]** necessary and incident to the preparation and prosecution of patent applications. That no more was intended is further shown by the contrast with the regulations governing practice before the Patent Office in trademark cases, also issued by the Commissioner of Patents. These regulations now provide that ***HN8***[⬆] "recognition of any person under this section is not to be construed as sanctioning or authorizing the performance of any acts regarded in the jurisdiction where performed as the unauthorized practice of law." *37 CFR § 2.12 (d)*. The comparison is perhaps sufficiently telling. But any possible uncertainty as to the intended meaning of the Commissioner must be dispelled by the fact that when the present regulations were amended in 1948, [6] it was first proposed to add a provision similar to that appearing in the trademark regulations. [7] After **[**1327]** objection had been leveled **[*387]** against the revision on the ground that it "indicated that the office thinks that the states have the power to circumscribe and limit the rights of patent attorneys who **[***434]** **[****16]** are not lawyers," [8] the more sweeping language was deleted and the wording modified to its present form.

[**17]** Bereft of support in the regulations, respondent directs us to the legislative history of the statute to confirm its understanding that *§ 31* and its predecessor provisions were not designed to authorize practice not condoned by the State. Insofar as this history provides any insight **[*388]** into the intent of Congress, however, we are convinced that the interpretation which respondent asks us to give the statute is inconsistent with the assumptions upon which Congress has acted for over a century.

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[6] *13 Fed. Reg. 9596*.

[7] Proposed Revision of Patent Rules § 5.1, 611 O. G. Pat. Off., June 29, 1948, Supp. 8:

"*Registration of attorneys and agents*. . . . Registration in the Patent Office under the provisions of these rules shall not be construed as authorizing persons not members of the bar to practice law or to perform any acts regarded as practicing law in the jurisdiction where performed."

[8] "I think I know what you mean to say, but you have not said what you mean to say. If you stopped at the end of the first clause there and said that it does not authorize the persons not members of the bar to practice law, you might be closer to being right; but, as you have written it here, you have said that patent attorneys may not do in the states things which it may be necessary for them to do in order to prosecute their claims before the Patent Office.

"In other words, you are giving it to the states to say what a patent attorney may do rather than leaving it up to the Congress and to the laws of the United States.

"I may suggest that what patent attorneys do before the Patent Office might be construed as practicing law, were it not for the fact that their particular conduct is permitted by the acts of Congress and under the rules of the Patent Office.

"The states cannot pass laws derogating from the rights of the patent attorneys as created by Congress and existing under the rules of the Patent Office. I think that the rule, as proposed, makes it possible for the states, or indicated that the Office thinks that the states have the power to circumscribe and limit the rights of patent attorneys who are not lawyers, which rights are created under the laws of Congress, and subject to the rules of the Patent Office rather than to regulation by the individual states.

"I think you would have no power to pass this particular part of your proposed rule."

Remarks of A. P. Kane, Attorney, Hearing on Proposed Revision of Rules of Practice in Patent Cases, 281-282 (Sept. 30, 1948). See also *id., at pp. 319-330*.

LEdHN[8][8]Examination of the development of practice before the Patent Office and its governmental regulation reveals that: (1) nonlawyers have practiced before the Office from its inception, with the express approval of the Patent Office and to the knowledge of Congress; (2) during prolonged congressional study of unethical practices before the Patent Office, the right of nonlawyer agents to practice before the Office went unquestioned, and there was no suggestion that abuses might be curbed by state regulation; (3) despite protests of the bar, Congress in enacting the Administrative Procedure Act refused to **[****18]** limit the right to practice before the administrative agencies to lawyers; and (4) the Patent Office has defended the value of nonlawyer practitioners while taking steps to protect the interests which a State has in prohibiting unauthorized **[582]** practice of law. We find implicit in this history congressional (and administrative) recognition that registration in the Patent Office confers a right to practice before the Office without regard to whether the State within which the practice is conducted would otherwise prohibit such conduct.

The power of the Commissioner of Patents to regulate practice before the Patent Office dates back to 1861, when Congress first provided that HN9[] "for gross misconduct he may refuse to recognize any person as **[***435]** a patent agent, either generally or in any particular case . . . ." [9] **[****20]** The "Rules and Directions" **[**1328]** issued by the Commissioner in 1869 provided that HN10[] "any person of intelligence and good moral character may appear as the attorney in fact or agent of **[****19]** **[*389]** an applicant upon filing proper power of attorney." [10] From the outset, a substantial number of those appearing in this capacity were engineers or chemists familiar with the technical subjects to which the patent application related. "Many of them were not members of the bar. It probably never occurred to anybody that they should be." [11] Moreover, although a concentration of patent practitioners developed in Washington, D. C., the regulations have provided since the reorganization of the Patent Office in 1836 that personal attendance in Washington is unnecessary and that business with the Office should be transacted in writing. [12] The bulk of practitioners are now scattered throughout the country, and have been so distributed for many years. [13] **[****21]** As a practical matter, if **[*390]** practitioners were not so located, and thus could not easily consult with the inventors with whom they deal, their effectiveness would often be considerably impaired. [14] Respondent's suggestion that practice by nonlawyers was intended to be confined to the District of Columbia thus assumes either congressional ignorance or disregard of long-established practice.

Despite the early recognition of nonlawyers by the Patent Office, these agents, not subject to the professional restraints of their lawyer brethren, were particularly responsible for the deceptive advertising and victimization of inventors which long plagued the Patent Office. [15] **[****22]** To remedy these abuses, the Commissioner of Patents in 1899 first required **[***436]** registration of persons practicing before the Patent Office [16] and, in 1918, required practitioners to obtain his prior approval of all advertising material **[**1329]**

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[9] Act of March 2, 1861, c. 88, § 8, 12 Stat. 247; see also Act of July 8, 1870, c. 230, § 19, 16 Stat. 200, as amended, 66 Stat. 793, 35 U. S. C. § 6.

[10] Rules and Directions for Proceedings in the Patent Office, § 127 (Aug. 1, 1869).

[11] Letter from Edward S. Rogers, Hearings before House Committee on Patents on H. R. 5527, 70th Cong., 1st Sess. 84 (1928); cf. *Hoosier Drill Co*. v. *Ingels*, 15 O. G. Pat. Off. 1013; 2 Robinson, Patents, § 431.

[12] "Personal attendance of the applicant at the Patent Office, to obtain a patent, is unnecessary. The business can be done by correspondence, (free of postage) or by power of attorney." Information to Persons Having Business to Transact at the Patent Office, 8 (July 1836). In 1854, it was first provided that "all business with the office should be transacted in writing. . . ." Rules and Directions for Proceedings in the Patent Office, § 122 (Feb. 20, 1854). Compare 37 CFR § 1.2.

[13] Roster of Attorneys and Agents Registered to Practice Before the U.S. Patent Office (1958); Names and Addresses of Attorneys Practicing Before the U.S. Patent Office (1883); Testimony of T. E. Robertson, Commissioner of Patents, Hearings before House Committee on Patents on H. R. 699, 71st Cong., 2d Sess. 12. Commencing in 1848, the Commissioner for many years informed inventors that "if the services of Patent Agents are desired, able and competent persons engaged in that business can be found at their offices *in this city, and in other cities*." Information to Persons Having Business to Transact at the Patent Office, Patent Agents or Attorneys (1848). (Emphasis deleted and added.)

[14] See Berle, Inventions and Their Management, 189-190; Hoar, Patent Tactics and Law (3d ed.), 256-257; Woodling, Inventions and Their Protection (2d ed.), 289-290, 333; Rivise, Preparation and Prosecution of Patent Applications, § 42.

which they distributed. [17] It was to reach these same evils that *§ 31* was given much its present form when, in 1922, the statute was amended to expressly authorize the Commissioner to prescribe regulations for the recognition of agents and attorneys. [18]

[*391] This modification of the statute, first **[583]** proposed in 1912, was designed to provide for the "creation of a patent bar" and "to require a higher standard of qualifications for registry." [19] Although it was brought to the attention of the House Committee on Patents that practitioners included lawyers and nonlawyers alike, [20] **[****25]** it was never suggested that agents would be subject to exclusion. In fact, although the Commissioner of Patents had at one time expressed the view that Patent Office abuses could be eliminated only by restricting practice to lawyers, [21] **[*392]** his successor concluded that such a limitation **[****23]** would be unwise and during the pendency of this legislation recommended to Congress against such a limitation:

"It has been suggested many times that the privilege of practising before the Office should be granted only after examination similar to examinations held for admission to the bar. It is believed that this requirement would be too severe, as many persons not specially trained in the law and without any particular educational advantages may by careful study of the practice and of the useful arts learn adequately to prosecute applications. Fundamentally knowledge of the invention is more important than knowledge of the rules and is often possessed by men of a type of mind which does **[***437]** not acquire legal knowledge readily." [22]

Moreover, during the consideration in 1916 of another bill enacted to curb abusive advertising by patent practitioners, by prohibiting persons practicing before **[**1330]** government agencies from using the names of government officials in their advertising literature, [23] the same point was made on the floor of the House:

"Mr. OGLESBY. I will say to the gentleman that a good many men appear before the Patent Office who are not admitted **[****24]** attorneys. The commissioner stated at the hearing that he had considered the question as to whether or not anyone except a regularly admitted attorney at law should be excluded from practicing before the Patent Office, but for certain reasons thought, perhaps, he ought not to establish such a rule." [24]

[*393] Disclosure that persons were falsely holding

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[15] See Hearings before House Committee on Patents on H. R. 5527, 70th Cong., 1st Sess. 16-18; 69 Cong. Rec. 6580; Spencer, The United States Patent Law System, 94-96. Berle, 184-186. Compare H. R. Rep. No. 1622, 68th Cong., 2d Sess. 2-3; H. R. Rep. No. 364, 64th Cong., 1st Sess. 2; Information to Persons Having Business to Transact at the Patent Office, Patent Agents or Attorneys (1848).

[16] Rules of Practice in the United States Patent Office, § 17 (July 18, 1899). Compare § 17 in the edition of June 18, 1897.

[17] 252 O. G. Pat. Off. 967. Compare 37 CFR § 1.345.

[18] Act of February 18, 1922, c. 58, § 3, 42 Stat. 390. Compare Act of July 8, 1870, c. 230, § 19, 16 Stat. 200, as amended, *35 U. S. C. § 6*, and Act of July 4, 1884, c. 181, § 5, 23 Stat. 101, *5 U. S. C. § 493*.

[19] Letter from E. B. Moore, Commissioner of Patents, Hearings before House Committee on Patents on H. R. 23417, No. 1, 62d Cong., 2d Sess. 6-7. See also Hearings before House Committee on Patents on H. R. 210, 67th Cong., 1st Sess. 16; Commissioner of Patents, Annual Report, xii (1908).

[20] The following colloquy regarding an identical bill introduced the session before passage occurred between Congressman Himes and the Commissioner of Patents:

"Mr. HIMES. It seems to me that we should know just who the man practicing before the Patent Office happens to be. Must he be a member of the bar or are the requirements the same for the patent attorney who simply goes and gets a patent for his clients as the man that goes and practices before the Patent Office, before the Commissioner of Patents?

"Mr. ROBERTSON. The Patent Office can register anyone who shows a degree of proficiency necessary to write specifications, whether or not he is a member of the bar.

"Mr. HIMES. He must not be a member of the bar?

"Mr. ROBERTSON. He need not be a member of the bar. That is not as bad as it sounds. Some of our best practitioners are not members of the bar. They are the older line of attorneys. There are some very fine ones who have been practicing before the Patent Office 30 or 40 years who are not members of the bar, but they are honest men, and there are some of the practitioners who are members of the bar who are not honest men. So it is a very difficult thing to reach." Hearings before House Committee on Patents on H. R. 210, 67th Cong., 1st Sess. 15-16.

See also Hearings before House Committee on Patents on H. R. 5011, 5012, 7010, 66th Cong., 1st Sess. 281.

[21] Commissioner of Patents, Annual Report, vi (1893).

[22] Commissioner of Patents, Annual Report, xiv (1915).

[23] Act of April 27, 1916, c. 89, 39 Stat. 54.

[24] 53 Cong. Rec. 6313.

themselves out to be registered patent practitioners led in 1938 to the enactment of legislation making such misrepresentation a criminal offense. [25] This corrective legislation was under consideration for over a decade and originally contained several other provisions, including one which would have prohibited any person "duly registered to practice in the Patent Office . . . [from holding] himself out as a patent attorney, patent lawyer, patent solicitor, or patent counselor unless he is legally admitted to practice law in the State . . . or in the District of Columbia." [26] During the extended consideration given the matter in both Houses of Congress, **[584]** the distinction between patent lawyers, who had been admitted to the bar, and nonlawyer agents, was repeatedly brought out; [27] **[****28]** time and again it was made clear that the above provision was **[****26]** not intended to restrict practice by agents, but was designed only to prevent them from labeling themselves "patent attorneys," [28] as the Patent Office had theretofore permitted. [29] **[****29]** **[*394]** The proposed bills would not have affected **[***438]** "any engineers or draftsmen from doing those things which they have always been doing before the Patent Office"; [30] the bills sought "to bring about no change in the status of the **[**1331]** many men now registered and *entitled to practice before the Patent Office*, regardless of whether they are members of the bar or not . . . ." [31] (Emphasis added.) "There are quite a number of solicitors of patents who are highly qualified and who are not members of the bar, who never graduated at law and were never admitted to the bar. But this bill doesn't disqualify those men. *They can continue to qualify as patent agents*." [32] (Emphasis added.) When asked "what is going to be the difference in the legal prerogatives of the agents and the others that come in," the Commissioner of Patents responded that "*their rights in the Patent Office will be exactly the same*. Their rights in the courts will be different." [33] **[*395]** (Emphasis **[****27]** added.) The House debates on the bill before Congress in 1930 reveal the same understanding:

"Mr. STAFFORD. . . . I was under the impression that hereafter a person in order to practice before the Patent Office must be admitted to practice before some bar of a State.

"Mr. LaGUARDIA. That is my understanding.

"Mr. PERKINS. I will correct myself. He may be admitted to act as a patent agent, but after the passage of this act no one who is not admitted to the bar generally can hold himself out to be a patent attorney, patent lawyer, patent solicitor, or patent counselor.

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[25] Act of May 9, 1938, 52 Stat. 342; now 66 Stat. 796, ***35 U. S. C. § 33***.

[26] This was the so-called "Cramton bill," H. R. 699, 71st Cong., 2d Sess.; H. R. 5527, 70th Cong., 1st Sess.; H. R. 5811, 69th Cong., 1st Sess.; H. R. 10735, 69th Cong., 1st Sess.; H. R. 5790, 68th Cong., 1st Sess.

[27] *E. g.*, 69 Cong. Rec. 6580; Hearings before Senate Committee on Patents on H. R. 5527, 70th Cong., 1st Sess. 4-7, 51; Hearings before House Committee on Patents on H. R. 699, 71st Cong., 2d Sess. 34, 49.

[28] *E. g.*, 69 Cong. Rec. 6580; S. Rep. No. 628, 71st Cong., 1st Sess. 4; Hearings before Senate Committee on Patents on H. R. 5527, 70th Cong., 1st Sess. 7, 59; Hearings before House Committee on Patents on H. R. 5527, 70th Cong., 1st Sess. 14-25, 28-33, 56-76, 85-100; Hearings before Senate Committee on Patents on H. R. 699, 71st Cong., 2d Sess. 3, 5, 10; Hearings before House Committee on Patents on H. R. 699, 71st Cong., 2d Sess. 2-5, 41.

[29] Prior to 1938, the Patent Office listed both lawyers and nonlawyers on a single register and referred to both as Patent Attorneys. The legislation which was proposed would not have prohibited nonlawyers previously registered from continuing to use this appellation. *E. g.*, H. R. Rep. No. 947, 70th Cong., 1st Sess. 4. Although the several bills containing this provision failed to gain approval (though passing the House repeatedly), in 1938, the Commissioner, following suggestions made to him during the course of the Committee hearings, Hearings before House Committee on Patents on H. R. 5811, 69th Cong., 1st Sess. 46; Hearings before House Committee on Patents on H. R. 5527, 70th Cong., 1st Sess. 20, 26-27, established separate registers for lawyers and for nonlawyer agents, 495 O. G. Pat. Off. 715, and has since prohibited agents so registered from representing themselves to be attorneys, solicitors or lawyers. See 37 CFR §§ 1.341, 1.345. The registration of those agents previously enrolled on the single register, of whom petitioner is one, was not changed.

[30] S. Rep. No. 1209, 70th Cong., 1st Sess. 1.

[31] H. R. Rep. No. 947, 70th Cong., 1st Sess. 4; S. Rep. No. 626, 71st Cong., 2d Sess. 4; H. R. Rep. No. 728, 71st Cong., 2d Sess. 3.

[32] Statement of E. W. Bradford, Chairman of the Committee on Ethics of the American Patent Law Association, Hearings before House Committee on Patents on H. R. 699, 71st Cong., 2d Sess. 61.

[33] Hearings before House Committee on Patents on H. R. 5527, 70th Cong., 1st Sess. 15.

"Mr. STAFFORD. A person without being a member of the bar may be registered as a patent agent to practice before the Commissioner of Patents?

"Mr. PERKINS. He may." [34]

Hence, during the period the 1922 statute was being considered, and prior to its readoption in 1952, [35] we find strong and unchallenged implications that registered agents have a right to practice before the Patent Office. The repeated efforts to assure Congress that no attempt was being made to limit this right are not without significance. Nor is it insignificant that we find no suggestion that the abuses being perpetrated by patent agents could or should be corrected by the States. To the contrary, reform was effected by the Patent Office, which now requires all practitioners to pass a rigorous **[****30]** examination, **[*396]** 37 CFR § 1.341 (c), strictly regulates their advertising, 37 CFR § 1.345, and demands that "attorneys and agents appearing **[585]** before the Patent Office . . . conform to the standards of ethical and professional conduct generally applicable to attorneys before the courts of the United States." 37 CFR § 1.344.

LEdHN[9] [9]Moreover, the extent to which **[***439]** specialized lay practitioners should be allowed to practice before some 40-odd federal administrative agencies, including the Patent Office, received continuing attention both in and out of Congress during the period prior to 1952. [36] The Attorney General's Committee on Administrative Procedure which, in 1941, studied **[**1332]** the need **[****31]** for procedural reform in the administrative agencies, reported that "especially among lawyers' organizations there has been manifest a sentiment in recent years that only members of the bar should be admitted to practice before administrative agencies. The Committee doubts that a sweeping interdiction of nonlawyer practitioners would be wise . . . ." [37] **[****35]** Ultimately it was provided in § 6 (a) HN11 of the Administrative Procedure Act that "every party shall be accorded the right to appear in person or by or with counsel or other duly qualified representative in any agency proceeding. . . . Nothing herein shall be construed either to grant or to deny to any person who is not a lawyer the **[*397]** right to appear for or represent others before any agency or in any agency proceeding." 60 Stat. 240, 5 U. S. C. § 1005 (a). Although the act thus disavows any intention to change the existing practice before any of the agencies, so that the right of nonlawyers to practice before each agency must be determined by reference to the statute and regulations applicable to the particular **[****32]** agency, the history of § 6 (a) contains further recognition of the power of agencies to admit nonlawyers, and again we see no suggestion that this power is in any way conditioned on the approval of the State. The Chairman of the American Bar Association's committee on administrative law testified before the House Judiciary Committee:

"A great deal of complaint has been received from two sources. Number one is the lay practitioners before the various agencies, chiefly the Interstate Commerce Commission, who are afraid something might be said that would oust them from practice. On the other hand, there is a great deal of protest from the committees on unauthorized practice of the law in various State, local, and municipal bar associations who are just as vehement in saying that these measures fail to recognize that legal procedure must be confined to lawyers. But these bills do not eliminate the lay practitioner, if the administrative agency feels they have a function to perform and desires to admit him to practice." [38]

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[34] 72 Cong. Rec. 5467.

[35] No changes of substance were intended by the 1952 revision. S. Rep. No. 1979, 82d Cong., 2d Sess. 4; H. R. Rep. No. 1923, 82d Cong., 2d Sess. 6.

[36] See Committee on Administrative Practice of the Bar Association of the District of Columbia, Report on Admission to and Control Over Practice Before Federal Administrative Agencies (1938); Survey of the Legal Profession, Standards of Admission for Practice Before Federal Administrative Agencies (1953); House Committee on Government Operations, Survey and Study of Administrative Organization, Procedure, and Practice in the Federal Agencies, 85th Cong., 1st Sess. (Comm. Print); Note, Proposed Restriction of Lay Practice Before Federal Administrative Agencies, 48 Col. L. Rev. 120.

[37] Attorney General's Committee on Administrative Procedure, Final Report, 124 (1941). Compare Commission on Organization of the Executive Branch of the Government, Report to the Congress on Legal Services and Procedure, 32-35, 40-44 (1955).

[38] Hearings before House Committee on the Judiciary on Federal Administrative Procedure, 79th Cong., 1st Sess. (Serial No. 19) 33-34, Legislative History of the Administrative Procedure Act, S. Doc. No. 248, 79th Cong., 2d Sess. 79-80 (hereinafter referred to as "Legislative History").

Despite the concern of the bar associations, the Senate Judiciary Committee reported that "nonlawyers, if permitted by the agency to **[***440]** practice **[****33]** before it, are not excluded from representing interested parties in administrative **[*398]** matters." [39] And in the House debates on this provision we find the following instructive passage:

"Mr. AUSTIN. Mr. President, before the Senator leaves that thought, I wish to ask a question. I notice . . . in the section to which the Senator is referring, this language:

"'Nothing herein shall be construed either to grant or to deny to any person who is not a lawyer the right to appear for or represent others before any agency or in any agency proceeding.'

" **[**1333]** Is it not a fact that somewhere in the bill the distinguished Senator has reserved the right to a non-professional -- that is, a man who is not a lawyer -- to appear, if the agency having jurisdiction permits it? That is, there is a discretion permitted, is there not? For example, take a case where a scientific expert would better represent before the Commission the interests involved than would a lawyer. The right to obtain that privilege is granted in the bill somewhere, is it not?

[586] "Mr. McCARRAN. The Senator is correct; and in connection with that I wish to read from the Attorney General's comment, as follows:

[**34]** "'This subsection does not deal with, or in any way qualify, the present power of an agency to regulate practice at its bar. It expressly provides, moreover, that nothing in the act shall be construed either to grant or to deny the right of nonlawyers to appear before agencies in a representative capacity. *Control over this matter remains in the respective agencies.*'

"That is the Attorney General's observation." [40] (Emphasis added.)

[*399] It is also instructive to note that shortly after the adoption of the Administrative Procedure Act, the American Bar Association proposed the adoption of an "Administrative Practitioners Act." [41] **[****36]** Though limiting the powers of nonattorneys in respects not here relevant, the bill did provide that "authorized participation in agency proceedings" was permissible, without regard to whether the conduct constituted the practice of law in the State where performed. [42]

[**37]** Indicative **[***441]** of this same general understanding, we note that every state court considering the problem prior to 1952 agreed that the authority to participate in administrative proceedings conferred by the Patent Office and by **[*400]** other federal agencies was either consistent with or preemptive of state law. [43]

[587] **[****38]** *LEdHN[10]*[⬆] [10] *LEdHN[11]*[⬆] [11] *LEdHN[12]*[⬆] [12]Finally, **[**1334]** regard to the underlying considerations renders it difficult to conclude that Congress would have permitted **[*401]** a State to prohibit patent agents from operating within its

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[39] S. Comm. Print on S. 7, 79th Cong., 1st Sess. 10 (June 1945), Legislative History 26.

[40] 92 Cong. Rec. 2156, Legislative History 316-317.

[41] H. R. 2657, 80th Cong., 1st Sess. See Curry, Bills in Congress Sponsored by American Bar Association Seek to Prevent Nonlawyers From Practicing Before the Interstate Commerce Commission, 14 I. C. C. Pract. J. 491.

[42] "Credentials for Agents

"*SEC. 6*. If any agency shall find it necessary in the public interest and in the interest of parties to agency proceedings before it to authorize practice by individuals not subject to section 5 and provides by generally applicable rule therefor in any case in which the governing statute does not provide only for appearances in person or by attorney or counsel, any such individual may be admitted hereunder to practice as an agent before such agency except in proceedings pursuant to section 7 or 8 of the Administrative Procedure Act or in connection with any form of compulsory process. . . . On application, individuals subject to this section who have been individually authorized to practice before any agency, have maintained such standing, are actively engaged in practice so permitted, and are so certified by the agency with a specification of the extent to which they have been so qualified to practice and have practiced shall be given credentials enabling them to continue such practice. No agency, and nothing in this Act, shall be deemed to permit any person to practice law in any place or render service save the authorized participation in agency proceedings by holders of credentials; and no person shall hold himself out, impliedly or expressly, as otherwise authorized hereunder."

[43] *Chicago Bar Assn*. v. *Kellogg, 338 Ill. App. 618, 88 N. E. 2d 519 (1949)* (Patent Office); *Sharp v. Mida's Research Bureau, 45 N. Y. S. 2d 690 (1943)*, aff'd, ***48 N. Y. S. 2d 799 (1944)*** (Patent Office); *Schroeder v. Wheeler, 126 Cal. App. 367, 14 P. 2d 903 (1932)* (Patent Office); *People ex rel. Colorado Bar Assn*. v. *Erbaugh, 42 Colo. 480, 94 P. 349 (1908)* (Patent Office) (by implication); *In re New York County Lawyers Assn*. (*In re Bercu), 273 App. Div. 524, 534-535, 78 N. Y. S. 2d 209, 218 (1948)*, aff'd, ***299 N. Y. 728, 87 N. E. 2d 451 (1949)***

boundaries had it expressly directed its attention to the problem. The rights conferred by the issuance of letters patent are federal rights. It is upon Congress that the Constitution has bestowed the power "To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries," Art. I, § 8, cl. 8, and to take all steps necessary and proper to accomplish that end, Art. I, § 8, cl. 18, pursuant to which the Patent Office and its specialized bar have been established. The Government, appearing as *amicus curiae*, informs the Court that of the 7,544 persons registered to practice before the Patent Office in November 1962, 1,801 were not lawyers **[****39]** and 1,687 others were not lawyers admitted **[***442]** to the bar of the State in which they were practicing. [44] Hence, under the respondent's view, one-quarter of the present practitioners would be subject to disqualification or to relocation in the District of Columbia and another one-fourth, unless reciprocity provisions for admission to the bar of the State in which they are practicing are available to them, might be forced to relocate, apply for admission to the State's bar, or discontinue practice. The disruptive effect which **[*402]** this could have upon Patent Office proceedings cannot be ignored. On the other hand, the State is primarily concerned with protecting its citizens from unskilled and unethical practitioners, [45] interests which, as we **[**1335]** have seen, the Patent Office now safeguards by testing applicants for registration, and by insisting on the maintenance of high standards of integrity. ***HN12***[↑] Failure to comply with these standards may result in suspension or disbarment. *35 U. S. C. § 32*; 37 CFR § 1.348. So **[****40]** successful have the efforts of the Patent Office been that the Office was able to inform the Hoover Commission that "there is no significant difference between lawyers and nonlawyers either with respect to their ability to handle the work or with respect to their ethical conduct." [46]

Moreover, since patent practitioners are authorized **[****41]** to practice only before the Patent Office, the State maintains control over the practice of law within its borders except to the limited extent necessary for the accomplishment of the federal objectives. [47]

(Treasury and Tax Court) (by implication); *Auerbacher v. Wood, 139 N. J. Eq. 599, 604, 53 A. 2d 800, 803 (1947)*, aff'd, *142 N. J. Eq. 484, 59 A. 2d 863 (1948)* (N. L. R. B.); *De Pass v. B. Harris Wool Co., 346 Mo. 1038, 144 S. W. 2d 146 (1940)* (I. C. C.); *Blair v. Motor Carriers Service Bureau, Inc., 40 Pa. D. & C. 413, 426 (1939)* (I. C. C.); *Bennett v. Goldsmith, 280 N. Y. 529, 19 N. E. 2d 927 (1939)* (Immigration Department); *Public Service Traffic Bureau, Inc., v. Haworth Marble Co., 40 Ohio App. 255, 178 N. E. 703 (1931)* (I. C. C.) (dictum); *In re Gibbs, 35 Ariz. 346, 355, 278 P. 371, 374 (1929)* (Land Office) (dictum); *Mulligan v. Smith, 32 Colo. 404, 76 P. 1063 (1904)* (Land Office); see also *In re Lyon, 301 Mass. 30, 16 N. E. 2d 74 (1938)* (bankruptcy); *Brooks v. Mandel-Witte Co., 54 F.2d 992* (C. A. 2d Cir.), cert. denied, ***286 U.S. 559 (1932)*** (Customs Court). Compare *Lowell Bar Assn*. v. *Loeb, 315 Mass. 176, 184-185, 52 N. E. 2d 27, 33-34 (1943)* (Treasury and Tax Court).

Normally, the state courts have deemed the authority granted by the federal agency to be closely circumscribed. *E. g., Chicago Bar Assn*. v. *Kellogg, supra; In re Lyon, supra; Public Service Traffic Bureau, Inc., v. Haworth Marble Co., supra.*

In recent years divergence in opinion has developed. Compare *Battelle Memorial Inst*. v. *Green*, 133 U. S. P. Q. 49 (Ohio Ct. App. 1962) (Patent Office), and *Noble v. Hunt, 95 Ga. App. 804, 99 S. E. 2d 345 (1957)* (Treasury and Tax Court), with *Agran v. Shapiro, 127 Cal. App. 2d Supp. 807, 273 P. 2d 619* (App. Dept. Super. Ct., 1954) (Treasury);

Wisconsin v. Keller, 16 Wis. 2d 377, 114 N. W. 2d 796, now pending on certiorari as No. 429, 1962 Term (I. C. C.); *Petition of Kearney, 63 So. 2d 630 (Fla. 1953)* (Treasury and Tax Court); cf. *Marshall v. New Inventor's Club, Inc., 69 O. L. Abs. 578, 117 N. E. 2d 737 (C. P. 1953)* (Patent Office).

State courts have frequently held practice before state administrative agencies by nonlawyers to constitute the unauthorized practice of law. *E. g., People ex rel. Chicago Bar Assn*. v. *Goodman, 366 Ill. 346, 8 N. E. 2d 941, 111 A. L. R. 1*, cert. denied, ***302 U.S. 728***; *Clark v. Austin, 340 Mo. 467, 101 S. W. 2d 977*. But compare *State ex rel. Reynolds v. Dinger, 14 Wis. 2d 193, 109 N. W. 2d 685*; *Realty Appraisals Co*. v. *Astor-Broadway Holding Corp., 5 App. Div. 2d 36, 169 N. Y. S. 2d 121*.

[44] Of the 73 patent practitioners in Florida, 62 are not members of the Florida Bar.

[45] *Hexter Title & Abstract Co*. v. *Grievance Committee, 142 Tex. 506, 509, 179 S. W. 2d 946, 948*; *Lowell Bar Assn*. v. *Loeb, 315 Mass. 176, 180, 52 N. E. 2d 27, 31*. Commission on Organization of the Executive Branch of the Government, Report of the Task Force on Legal Services and Procedure, Part VI, Appendices and Charts, 169 (1955).

[46] *Id., 158*. The Patent Office noted the qualification that nonlawyers are able to advertise. Compare Hearings before House Committee on Patents on H. R. 5527, 70th Cong., 1st Sess. 16-19, 71-72, 89, 90.

[47] ***LEdHN[13]***[↑] [13]

Because of the breadth of the injunction issued in this case,

[*403] LEdHN[14][↑] [14]LEdHN[15][↑] [15] **[****42]** LEdHN[16][↑] [16]We have not overlooked respondent's constitutional arguments, but find them singularly without merit. We have already noted the source of Congress' power to grant patent rights. It has never been doubted that the establishment of the Patent Office to process patent applications is appropriate and plainly adapted to the end of securing to inventors the exclusive right to their discoveries, nor can it plausibly be suggested that by taking steps to authorize competent persons to assist in the preparation of patent applications Congress has exceeded the bounds of what is necessary and proper to the accomplishment of this same end. Cf. *Goldsmith v. United States Board of Tax Appeals, 270 U.S. 117*;*United States v. Duell, 172 U.S. 576*.Congress having acted within the scope of **[***443]** the powers "delegated to the United States by the Constitution," it has not exceeded the limits of the *Tenth Amendment* despite the concurrent effects of its legislation upon a matter otherwise within the control of **[****43]** the State. "Interference with the power of the States was no constitutional criterion of the power of Congress. If the power was not given, Congress could not exercise it; if given, they might exercise it, although it **[588]** should interfere with the laws, or even the Constitution of the States." II Annals of Congress 1897 (remarks of Madison). The *Tenth Amendment* "states but a truism that all is retained which has not been surrendered." *United States v. Darby, 312 U.S. 100, 124*; *Case v. Bowles, 327 U.S. 92, 102*. Compare *Miller, Inc., v. Arkansas, 352 U.S. 187*. The authority of Congress is no less when the state power which it displaces would otherwise have been exercised by the state judiciary rather than by the state legislature. Cf. *Pennsylvania R. Co*. v. *Public Service Comm'n, 250 U.S. 566*. Finally, *§ 31* HN13[↑] contains sufficient standards to guide the Patent Office in its admissions policy to avoid the criticism that Congress has improperly delegated its powers to the administrative **[*404]** agency. **[****44]** *Fahey v. Mallonee, 332 U.S. 245*; *Currin v. Wallace, 306 U.S. 1, 16-18*.

[1336]** LEdHN[17][↑] [17]It follows that the order enjoining petitioner must be vacated since it prohibits him from performing tasks which are incident to the preparation and prosecution of patent applications before the Patent Office. The judgment below is vacated and the case is remanded for further proceedings not inconsistent with this opinion.

It is so ordered.

we are not called upon to determine what functions are reasonably within the scope of the practice authorized by the Patent Office. The Commissioner has issued no regulations touching upon this point. We note, however, that a practitioner authorized to prepare patent applications must of course render opinions as to the patentability of the inventions brought to him, and that it is entirely reasonable for a practitioner to hold himself out as qualified to perform his specialized work, so long as he does not misrepresent the scope of his license.

References

Annotation References:

1. What amounts to practice of law. 111 ALR 19, 125 ALR 1173, 151 ALR 781.

2. Construction and application of Administrative Procedure Act. 94 L ed 631, 95 L ed 473, 97 L ed 884.

End of Document

EXHIBIT B

37 CFR § 11.14 - Individuals who may practice before the Office in trademark and other non-patent matters.

§ 11.14 Individuals who may practice before the Officein trademark and other non-patent matters.

(a) ***Attorneys.*** Any individual who is an attorney as defined in § 11.1may represent others before the Office in trademark and other non-patent matters. An attorney is not required to apply for registration or recognition to practice before the Office in trademark and other non-patent matters. Registration as a patent practitioner does not itself entitle an individual to practice before the Office in trademark matters.

(b) ***Non-lawyers.*** Individuals who are not attorneys are not recognized to practice before the Office in trademark and other non-patent matters, except that individuals not attorneys who were recognized to practice before the Office in trademark matters under this chapter prior to January 1, 1957, will be recognized as agents to continue practice before the Office in trademark matters. Except as provided in the preceding sentence, registration as a patent agent does not itself entitle an individual to practice before the Office in trademark matters.

(c) ***Foreigners.*** Any foreign attorney or agent not a resident of the United States who shall file a written application for reciprocal recognition under paragraph (f) of this section and prove to the satisfaction of the OED Director that he or she is registered or in good standing before the patent or trademark office of the country in which he or she resides and practices and is possessed of good moral character and reputation, may be recognized for the limited purpose of representing parties located in such country before the Office in the presentation and prosecution of trademark matters, provided: the patent or trademark office of such country allows substantially reciprocal privileges to those permitted to practice in trademark matters before theOffice. Recognition under this paragraph shall continue only during the period that the conditions specified in this paragraph obtain.

(d) Recognition of any individual under this section shall not be construed as sanctioning or authorizing the performance of any act regarded in the jurisdiction where performed as the unauthorized practice of law.

(e) No individual other than those specified in paragraphs (a), (b), and (c) of this section will be permitted to practice before the Office in trademark matters on behalf of a client. Any individual may appear in a trademark or other non-patent matter in his or her own behalf. Any individual may appear in a trademark matter for:

(1) A firm of which he or she is a member,

(2) A partnership of which he or she is a partner, or

(3) A corporation or association of which he or she is an officer and which he or she is authorized to represent, if such firm, partnership, corporation, or association is a party to a trademark proceeding pending before the Office.

(f) ***Application for reciprocal recognition.*** An individual seeking reciprocal recognition under paragraph (c) of this section, in addition to providing evidence satisfying the provisions of paragraph (c) of this section, shall apply in writing to the OED Director for reciprocal recognition, and shall pay the application fee required by § 1.21(a)(1)(i)of this subchapter.

[73 FR 47688, Aug. 14, 2008]

EXHIBIT C

LegalForce®
RAPC Worldwide

Monday January 29, 2018

Via Overnight Mail

Ms. Mary Boney Denison, Esq.
Commissioner for Trademarks
United States Patent and Trademark Office (USPTO)
600 Dulany Street—Madison Building West, Room 10/A69
Eighth Floor, 8C43-B
Alexandria, Virginia 22314

cc:

Mr. William Covey, Esq.
Director, Office of Enrollment and Discipline
United States Patent and Trademark Office
600 Dulany Street—Madison Building West
Eighth Floor, 8C43-B
Alexandria, Virginia 22314

The American Bar Association
Chicago Headquarters
321 North Clark Street
Chicago, IL 60654
312-988-5000

Re: Grievance & Exhibits for UPL Violations of trademark prosecution by foreign nationals not licensed to practice before the USPTO - 25% of the Top 100 filers of U.S. Trademarks in 2017 the United States are unlicensed practitioners from China.

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Dear USPTO and the American Bar Association:

This grievance is being submitted to provide additional facts and research with respect to the growing trend in 2017 of rampant unauthorized practice of law by Chinese law firms, Chinese trademark agencies, and Chinese individuals ("Unlicensed Chinese Practitioners") with respect to U.S. trademark matters before the United States Patent & Trademark Office.

To assist the USPTO and the American Bar Association, we have conducted our own research to help identify the "real parties" of interest behind each of the following Chinese trademark agencies described herein.

NATURE OF GRIEVANCE

This Grievance is brought to expose the willful, reckless and systematic acts of false and deceptive advertising and unfair competition by a Chinese trademark law firms practicing law illegally in the United States.

The Grievant (the U.S. law firm of LegalForce RAPC Worldwide P.C.) examined the Top 100 trademark filers in the United States before the United States Patent & Trademark Office in the year 2017 and ranked them (see: **Exhibit**

O). The Grievant identified a large percentage of different entities in the Top 100 ranking that are practicing law without being U.S. licensed attorneys from China, some of which using "mail drop" virtual office addresses in the United States with no local presence beyond that. This constitutes approximately 25% of the top 100 U.S. trademark filers, directly competing with licensed U.S. practitioners, that are not lawfully permitted to engage in the practice of law.

The Grievant conducted extensive research, and below summarizes our findings for each of the 25 individuals practicing law without a license from China. Upon reason and belief, each of the non-practitioners below practice U.S. trademark law covertly by selecting U.S. trademark classifications for U.S. trademark applications, writing descriptions of goods and services in English, modifying standard class selections, conducting pre-filing trademark searches, responding to U.S. trademark office actions, and waiving privacy privileges for their largely Mandarin and/or Cantonese speaking clients residing in China who, upon reason and belief, have limited English verbal and written skills given that English is not a widely spoken language in China as it is not the first language of that nation.

HARM TO PUBLIC INTEREST

Through its acts of preparing and filing trademarks, Unlicensed Chinese Practitioners harm the "public interest" in that public consumers become susceptible to the risk of bad legal advice dispensed by unlicensed, un-trained, and uninformed non-lawyers.

The rules for protecting trademarks in China are very different than in the United States. There is no common law first use in commerce system in China. For this reason, the public interest is harmed because the Unlicensed Chinese Practitioners may adopt strategies for filing trademarks in the United States for marks that have no bonafide intent to use in commerce within the United States, and with fraudulent specimens of use. The World Trademark Review pointed out a number of these false specimens of use in its article in **Exhibit V**.

Since nobody affiliated with Unlicensed Chinese Practitioners are licensed attorneys in the United States, then they are necessarily a non-lawyers that operate beyond the reach of protections built into the legal profession. Because regulatory protections are built into the U.S. legal profession, but no regulatory protections are in place for Chinese online legal services practicing U.S. trademark law by

non-licensed practitioners, American consumers are worse off getting bad U.S. legal advice from LegalHoop.com Entities than from Plaintiffs.

The Plaintiffs are bound to the rules governing the legal profession and USPTO, and those rules are designed to protect consumers.

By renouncing or not being subject to the attorney-client relationship and purporting to provide legal information rather than legal advice, Unlicensed Chinese Practitioners hope to achieve two business advantages at the expense of consumers: (1) sidestepping professional responsibilities governing the legal profession and (2) avoiding liability.

The Plaintiffs' emphasize that Unlicensed Chinese Practitioners avoid the responsibilities of law practice by characterizing its services as "self-help" for pro se litigants and maintaining that the website cannot substitute for an attorney, without regard to any understandable assumptions otherwise. Unlicensed Chinese Practitioners' employees are trained to disseminate U.S. legal "advice." Despite this, if taken at face value, Unlicensed Chinese Practitioners disclaimer and privacy policy allow them to operate free from the confines of U.S. ethical rules enforceable upon attorneys.

Plaintiffs further argue that by falling outside the existing regulatory space

for legal services—where regulations are designed by and applied to licensed lawyers— Unlicensed Chinese Practitioners deny consumers redress that they would otherwise have for faulty legal advice.

For example, communications with the Unlicensed Chinese Practitioners' website are not protected by U.S. attorney-client privilege or work product doctrine. Unlicensed Chinese Practitioners have no duty of confidentiality, which would otherwise prevent an attorney from revealing information relating to the representation to any Court within the United States. Under the existing regulatory structure, Unlicensed Chinese Practitioners also operate beyond the reach of comparable disciplinary authorities for charging an unreasonable fee or obtaining consent for representing clients with conflicts of interest.

Upon reason and belief, deceptive advertising is another particularly relevant problem for many customers using Unlicensed Chinese Practitioners. Grievants argue that if Unlicensed Chinese Practitioners were U.S. law firms, their practices would be disciplined by potential violations for communicating false or misleading information about their services.

Moreover, Unlicensed Chinese Practitioners limit their own liability for problems arising from its services in ways impermissible for practicing lawyers.

By operating outside the professional rules and from China, Unlicensed Chinese Practitioners bypass the duties of competence and diligence required of all lawyers practicing U.S. law—duties which, if violated, could give teeth to malpractice actions.

Without a U.S. licensed lawyer to fall back on, customers relying on Unlicensed Chinese Practitioners may sometimes fail to comply with jurisdiction-specific requirements, resulting in an increase of reliance on lawyers conducting post-mortem fixes to remedy problems.

REGULATORY SUMMARY

Since early 2017, the United States Patent & Trademark Office USPTO has been inundated with unlicensed individuals and businesses from China representing clients before the United States Patent & Trademark Office (USPTO) in patent and trademark matters. The trend has continued to accelerate through 2017 to a point where 25% of the top 100% trademark filing individuals in the United States in 2017 are unlicensed trademark practitioners from China, upon reason and belief. (**Exhibit O**). The Trademark Public Advisory Committee has also expressed interest in understanding the issues facing the USPTO from

unauthorized trademark filers. *See* OED, Statement to TPAC Regarding UPL. : https://www.uspto.gov/sites/default/files/about/advisory/tpac/unauthorized_practice_of-Law_before_the_uspto.pdf

Under U.S. federal regulations, the only individuals who may represent an applicant or registrant in trademark matters before the USPTO, other than certain previously recognized trademark agents, are (1) attorneys who are licensed to practice in the United States or (2) Canadian agents or attorneys who are authorized by the USPTO to represent applicants located in Canada. *See* 37 C.F.R. §§ 2.17 and 11.1.

Otherwise, foreign attorneys and non-attorneys are not recognized to practice before the USPTO in trademark matters and therefore may not perform before the United States. Upon reason and belief, this is because of the reciprocal nature of the Canadian trademark office with USPTO with respect trademark attorneys able to practice before their offices. The State Intellectual Property Office of China (SIPO) has no similar reciprocal relationship with U.S. licensed trademark attorneys. Specifically, rule 37 C.F.R. § 11.14 states:

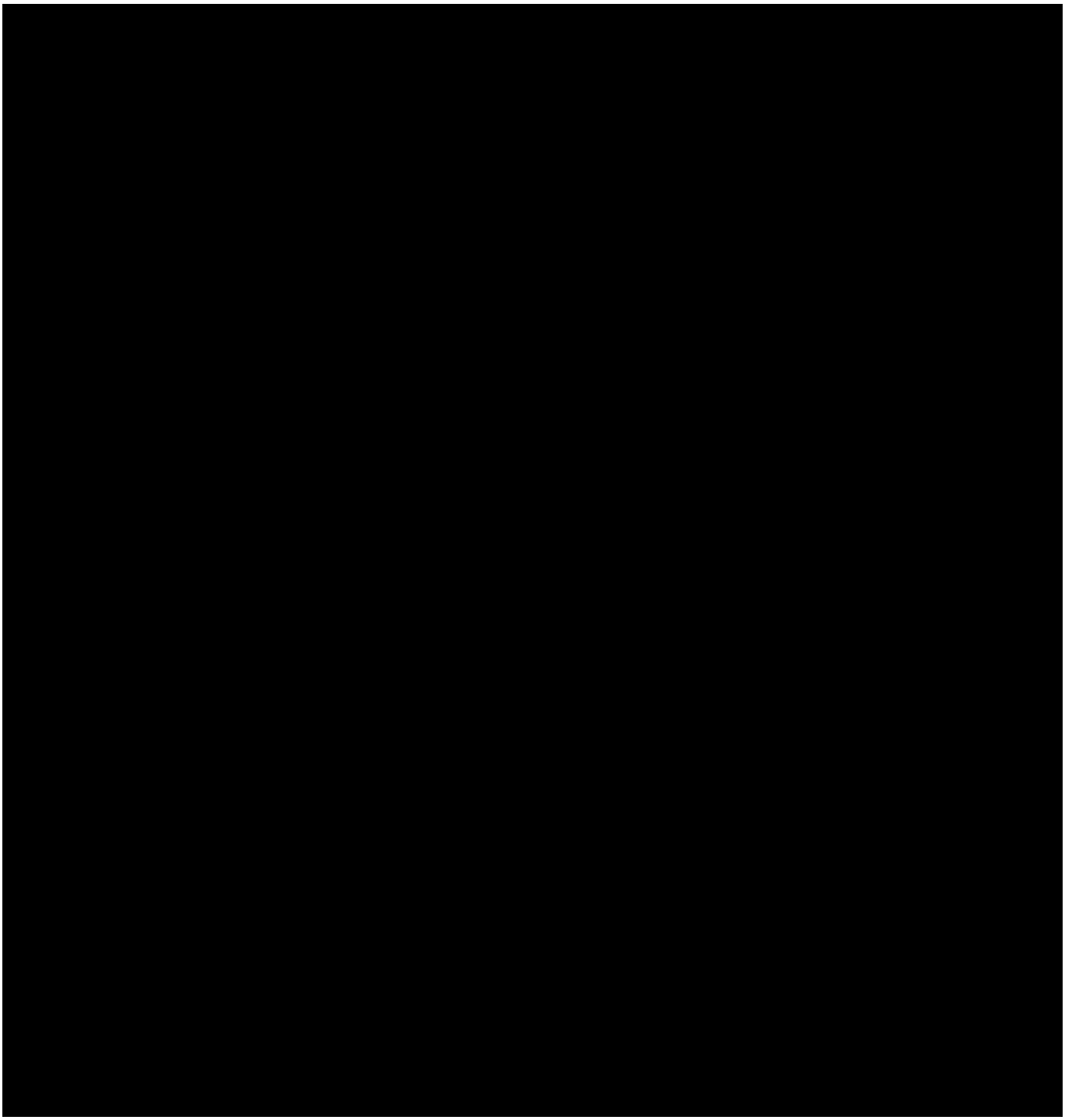
> (c) Any foreign attorney or agent not a resident of the United States who shall file a written application for reciprocal recognition under paragraph (f) of this section and prove to the satisfaction of the OED Director that he or she is registered or in good standing before the patent or trademark office of the

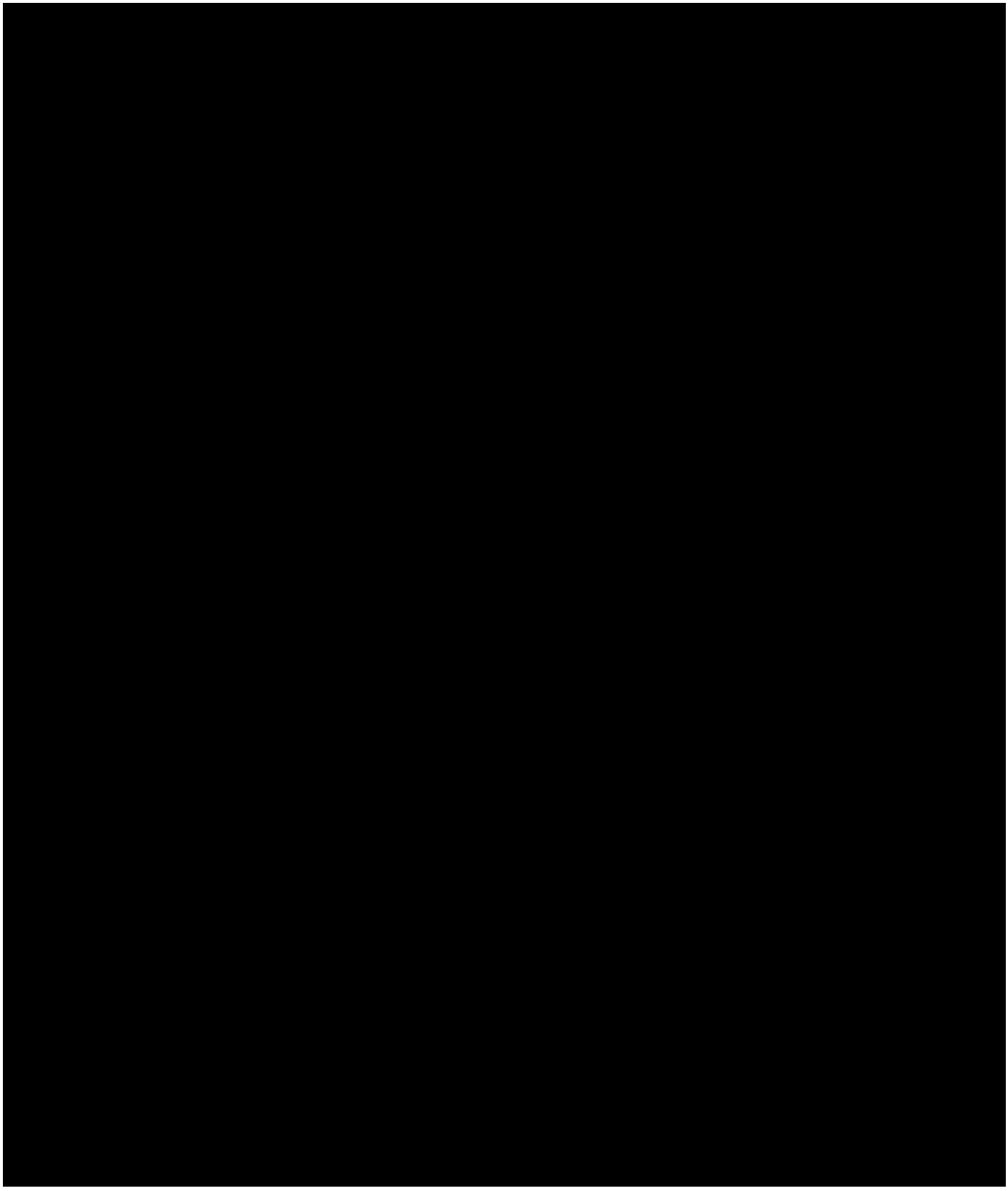
> country in which he or she resides and practices and is possessed of good moral character and reputation, may be recognized for the limited purpose of representing parties located in such country before the Office in the presentation and prosecution of trademark matters, provided: the patent or trademark office of such country allows substantially reciprocal privileges to those permitted to practice in trademark matters before the Office. Recognition under this paragraph shall continue only during the period that the conditions specified in this paragraph obtain. (**Exhibit S**)

Given that U.S. licensed trademark attorneys cannot practice before SIPO for their U.S. clients and formal training of differences in the rules between SIPO and the USPTO is required, Chinese attorneys and Chinese non-attorneys should not be permitted to practice before the USPTO.

The USPTO has tried to enforce their rules with respect to foreign Chinese trademark filers (**Exhibit T** and **Exhibit U**), but has fallen behind as evidenced by 25% of the trademark filers in the United States being non-licensed practitioners from just one country - China - as described in **Exhibit O**. Generally, foreign attorneys and non-attorneys are not recognized to practice before the USPTO in trademark matters and therefore may not perform any of the following actions: giving advice to an applicant or registrant in contemplation of filing a trademark application or application-related document; preparing or prosecuting an application, response, post-registration maintenance document, or other related

document; signing amendments to applications, and responses to Office actions. (**Exhibit T**).





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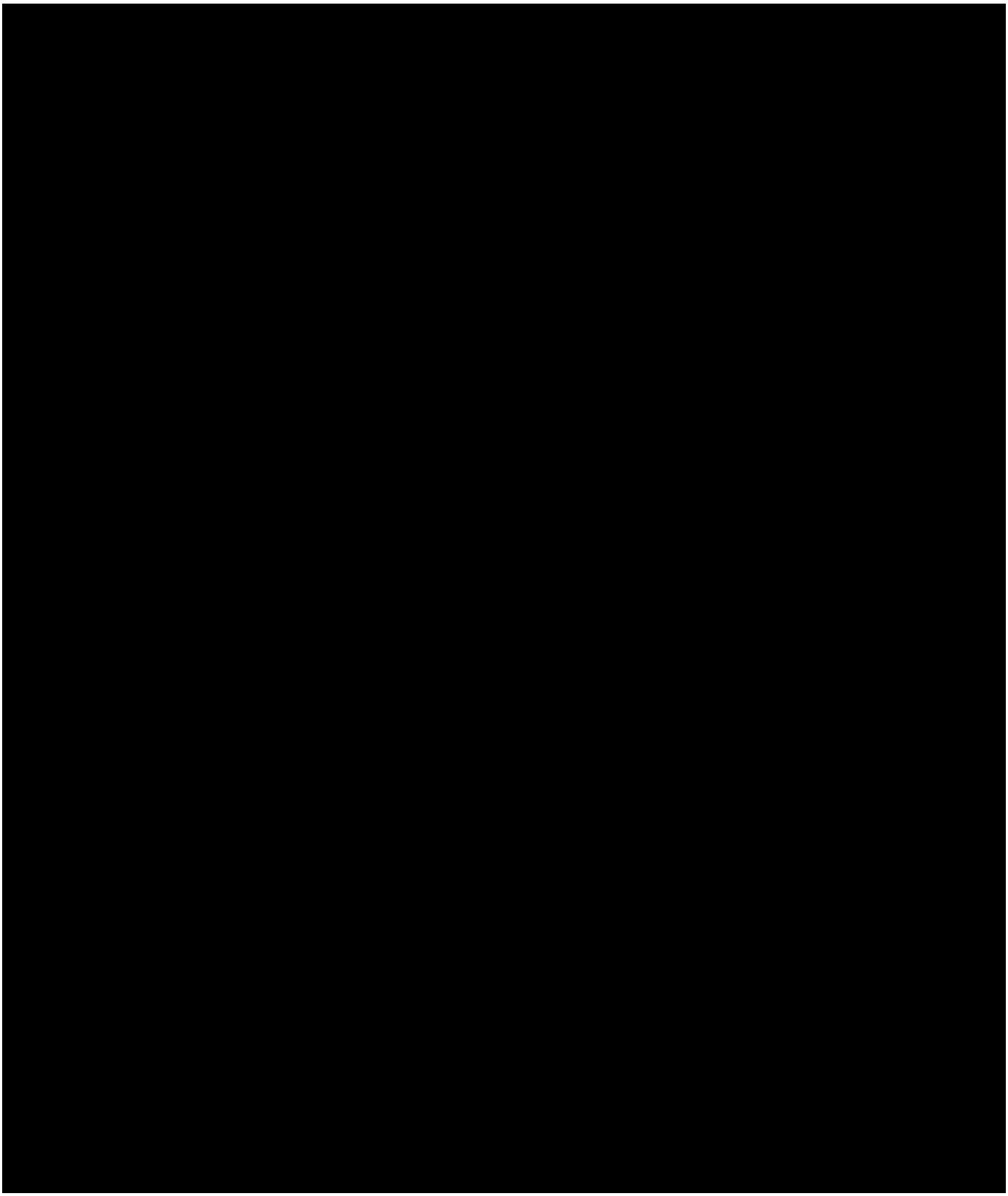

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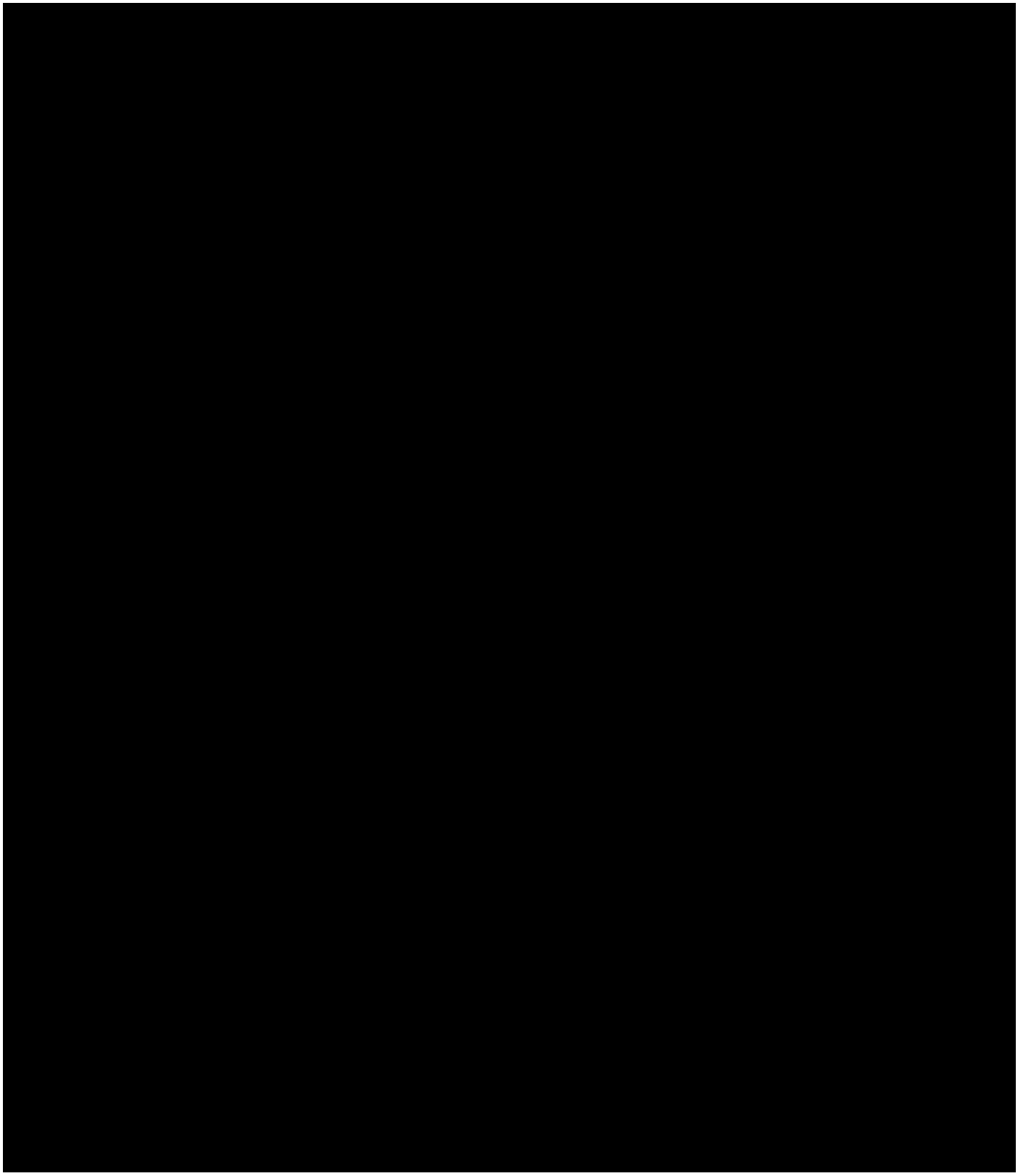

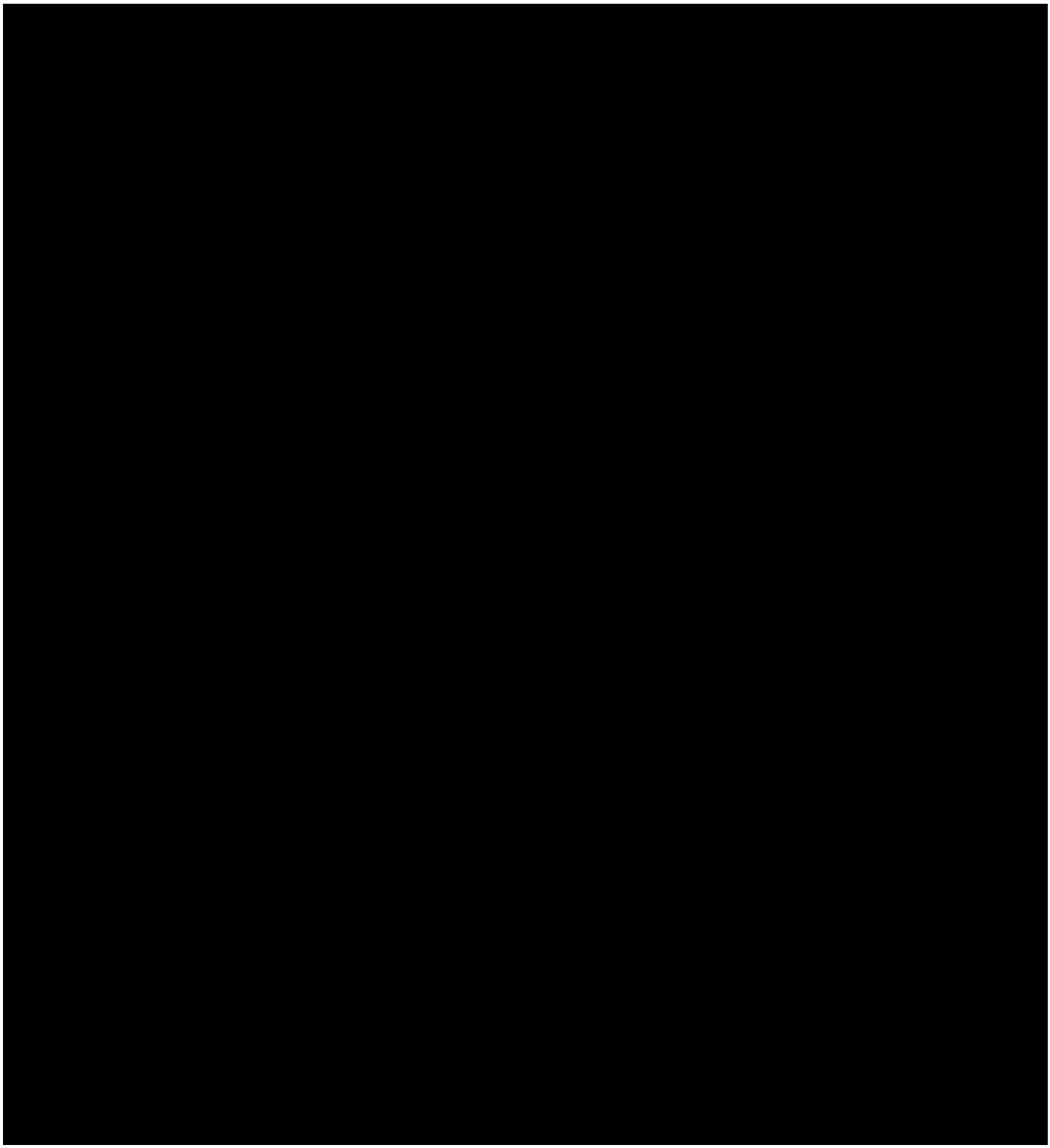

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CONCLUSION

While the Grievant understands and appreciates the need for Chinese nationals to be able to access the United States trademark system through culturally compatible Mandarin language speaking trademark professionals, the same can be said in the reverse. American business owners often want to seek protection in China using culturally compatible English speaking U.S. trademark attorneys. For example, the World Trademark Review writes:

> Overall, then, finding concrete information on many of the new entities on the list is not an easy task, with Cindy Johnson Walden, chair of the trademark copyright practice group at Fish & Richardson, reflecting: "There is obviously an increased desire by Chinese companies to file trademark applications in the US, and they are doing so through less established channels." The question, then, is why tens of thousands of Chinese applicants are not choosing more established norms when they look to file trademarks in the country. Walden suggests it is probably "something to do with a higher comfort level of working with native Chinese speakers" and also "to do with cost". This latter point is reiterated by Douglas Wolf, shareholder and IP lawyer at Wolf Greenfield. (**Exhibit V**).

There is no reciprocity offered by the Chinese government. Therefore, there is an unreasonable competition against the interests of the Grievant, upon which this grievance is based. Under the context of current state and federal law, the practice of trademark law by these individuals and entities is unlawful. *See e.g.*, 37 C.F.R. §§ 11.5(b)(2) and 11.505,, TMEP § 608.01.

The World Trademark Review (WTR) featured an article on November 10, 2017 titled "US trademark filings from China soar, but law firms struggle to capitalise amid warnings of suspicious activity". (**Exhibit V**). In this article, the article described "New data reveals a massive rise in US trademark applications from China." (**Exhibit V**). "The figures, compiled by CompuMark, show that US trademark applications originating from the country have skyrocketed; in 2012, there were just 3,400 filings from Chinese applicants. In 2017 (up to November 8) that figure stands at close to 50,000 – accounting for over 10% of all □lings to the USPTO so far this year." (**Exhibit V**).

At the USPTO's quarterly meeting of its Trademark Public Advisory Committee (TPAC) in the last quarter of 2017, the trademark commissioner Mary Boney Denison specifically brought up one problem that the office is aware of.

"There has been a dramatic increase in Chinese filings which don't appear [to be] legitimate," she noted. "Many people are sending in fake specimens as part of applications; we are working on a suspicious specimens email box to help with this."(**Exhibit V**).

For the reasons stated, it is respectfully submitted that there are reasonable grounds to conclude that above violated, *inter alia*, the Rules of Professional Conduct of the USPTO, the Rules of Professional Conduct of the State of California, and/or the laws of the United States. An investigation, therefore, is warranted.

The undersigned is available to provide any further assistance, information, or documentation as may be necessary.

Thank you for your attention to this important matter.

Respectfully submitted,

Raj Abhyanker, Esq.

Enclosures: As stated.

EXHIBIT D

BIGLAW

Axiom's War On Biglaw

Axiom's IPO application foreshadows problems for Biglaw.

By JAMES GOODNOW

Mar 8, 2019 at 9:59 AM

Axiom's war on Biglaw continues, and this time it's making a move that Biglaw cannot, by definition, respond to.

Axiom, the alternative legal services provider founded in 2000, has been on a tear in recent years. Its most recently reported revenues, from 2017, came in at $300M for the year, about the same as an Am Law 150 firm. It has over 1,300 attorneys on staff, global reach, and high-powered clients eager for alternatives to traditional, pricey Biglaw. Axiom's success has been one more example of how smartly deployed 21st-Century technology has allowed small startups to rocket to the top of well-established industries in relatively little time.

Late last month, Axiom dropped a potentially game-changing bombshell. The alternative legal services provider recently applied for an IPO in the U.S. We don't know yet the terms of the IPO, or where the stock will be listed, or really much of anything other than the fact that an IPO is on the menu. What we do know is that Axiom is looking to turbocharge its growth, which has already been explosive for several years.

We've Got Stock, But No Options

For leadership of law firms that Axiom is competing with, this development is equal parts terrifying and frustrating. It's terrifying in that the IPO threatens more growth by one of the companies that has been aggressively eating into what was traditionally a law-firm-only pool of work. And it's frustrating because U.S.-based law firms have no equivalent countermeasures.

As I've discussed in this space previously, one of the major economic and organizational hurdles that law firms of today face is the ethical bar on ownership of firms by non-lawyers. The ethical rules are there with noble intention: we want to ensure that the biggest decisionmakers and stakeholders impacting our clients and their cases are all bound by the ethical rules that govern our profession.

There's a healthy debate to be had over whether this aspiration is worth the limits it places on law firm development. In practice, it means law firm management is often composed of attorneys with limited or no organizational management training. It further limits the pool of non-attorney managers that law firms can turn towards, since law firms can't offer equity in the company, as would be offered to most high-end management candidates. When you self-impose limits on the ways you can pay your staff, you self-impose limits on the quality of that staff.

Shark Tank vs. Loan Sharks

As we're now seeing with Axiom, the problem isn't just limited to limiting how law firms attract and compensate their managers. The problem extends to how those firms finance their growth.

Growth takes cash, and IPOs are a great way to get cash. Take a successful company on a winning streak, offer to allow the public to buy a piece of equity, then take that investment money and grow the company further. In an ideal world the company makes money, the investors make money, and everyone ends up happy. That's exactly what Axiom is hoping it can pull off, and it's free to do so since it's not a law firm.

Law firms don't have this same luxury, which is one more reason why news of this IPO is so disheartening. For the same reason we can't give equity in our firms to potential managers, we can't sell equity to the non-JD-having public at large through an IPO. If a law firm wants

to finance growth, its only options are to do so out of its own pocket or to take out a large loan.

Growing out of one's own pocket is a fine goal, but it generally requires major sacrifices to income and stability that most law firm partners aren't eager to take on. Plus, many projects will just be too expensive to self-finance. In those instances, law firms are left seeking gigantic business loans. Unlike IPOs, loans have to be repaid, on time and with interest tacked on. If a company that went IPO experiences slower-than-expected growth, its investors will grumble, but have little to no recourse. If a law firm's loan-financed expansion doesn't pan out, the firm and its partners may find themselves in serious legal jeopardy.

In short, Axiom gets to go on Shark Tank. Biglaw gets to see the loan shark.

A Business Model That Belongs In A Museum

Biglaw is in a tough spot right now. Most large firms have barely finished clawing their way back to where they were prior to the Great Recession, despite roughly a decade of overall economic expansion in the U.S. Our customers are increasingly looking to decrease their spend with us, whether by dragging work back in house, or resorting to alternative providers such as Axiom or the Big 4 accounting firms. Work is increasingly funneling to either the absolute tip-top of the market, or to niche, commoditized boutiques, leaving a middle market that's struggling to survive.

Axiom's IPO should be read as both a warning sign and a wake-up call. In this environment, we need every tool and every innovation possible at our disposal to make our century-old business model relevant again.

Relaxing the rules on law firm ownership by non-attorneys seems as good a place to start as any. The UK has been experimenting with publicly owned and traded law firms for several years at this point, and the sky has yet to fall. There surely must be a way to allow firms to grant equity stakes in themselves while still insulating the legal decision-making from their non-attorney owners. Until we recognize that, we're bringing a knife to a gun fight. If you've seen Indiana Jones, you know how that turns out.

Biglaw has lost ground to Axiom and its kind for the last two decades. We imposed the ethical rules on ourselves to protect both the public at large and the industry's reputation. If

those same ethical rules allow our space to become dominated by non-attorneys who aren't bound by them, are they not doing more harm than good?

The time to move is now. Axiom isn't waiting, so why should we?

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