

In the
UNITED STATES PATENT AND TRADEMARK OFFICE
Office of Enrollment and Discipline

Docket No. PTO-P-2020-0042)	
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Proposed Continuing Legal Education Guidelines)	Comments of Neil R. Ormos
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Published at 85 FR 64128)	
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To: Director of the United States Patent and Trademark Office
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Attention: William Covey
Director for the Office of Enrollment and Discipline
CLE Guidelines Request for Comments 2020

**COMMENTS OF NEIL R. ORMOS REGARDING
PROPOSED CONTINUING LEGAL EDUCATION GUIDELINES**

Responsive to a request for comments and Proposed Continuing Legal Education Guidelines (the "CLE Guidelines") published at 85 FR 64128 (the "Notice"), Neil R. Ormos presents these comments.

According to the Notice, "the Office seeks written public comments on the proposed CLE guidelines attached as Appendix 1 to this request" and submits a list of questions.

Before addressing the specific questions on which comments were sought, commenter offers the following introductory observations.

Even if currently adopted rules so far provide for **reporting** of whether a practitioner has completed a threshold amount of CLE as a condition of registration, reading between the lines, it is clear that the PTO intends to make such a requirement subject to sanction, whereby practitioners who comply will receive a benefit, or practitioners who do not comply will be punished, and eventually, the requirement will become mandatory. For the purpose of this comment, commenter treats **any** significant disparate treatment of practitioners by the agency on the basis of actual or reported CLE participation as "mandatory CLE" (MCLE), even if CLE is supposedly voluntary or the non-compliance is theoretically permitted.

Commenter believes that any PTO-specific MCLE requirements are unwarranted and unlikely to produce the claimed benefits, and should not be adopted. The current solicitation quotes the July, 2019 rulemaking publication for the assertion that, "Ideally, when practitioners are well-trained and well-educated in patent law and practice, higher quality applications are filed, prosecution is more efficient, and patent grants become stronger, more reliable, and more predictable."

Even assuming that having well-trained practitioners is a laudable goal and results in better applications and patents, it is not proven that any CLE (or the non-CLE activities which the PTO proposes be counted toward its MCLE requirements) will have any effect whatsoever on whether (a) practitioners are actually well-trained, or (b) CLE participants will actually produce better patent applications and patents.

All MCLE regimes impose significant burdens on participants. And the burdens tend to increase over time because bar regulators are not accountable to the lawyers and other

professionals they regulate. As an example, in one state, the MCLE regime started with a simple requirement that lawyers obtain (and retain) copies of completion certificates which could be used to prove compliance in the unlikely event the lawyer's self-reported compliance was audited. Over time the regime was enhanced to require that providers report participation electronically, increasing the effort and cost burdens on the providers. And now the MCLE regulator will post its records, derived from provider reporting, imposing an additional, significant burden on the lawyer to compare the lawyer's records with the MCLE regulator's records and to resolve inconsistencies.

The PTO should not impose any MCLE burden on practitioners on the basis of mere speculation that MCLE (or approved substitute activities) will improve the level of training of practitioners or will improve quality of applications and patents.

In addition, even if the PTO believes it has evidence of a link between participation in CLE (or substitute activities), the PTO should measure the burdens on practitioners of any MCLE regime, assess in good faith the value of any benefit in the quality of applications in patents to be gained thereby, and analyze whether the benefits exceed the burdens. As best understood from the PTO's rulemaking filings, the PTO has not stated that it has undertaken such measurements, assessments, or analysis, in the absence of which, the benefits are illusory and the MCLE requirement is arbitrary and capricious.

Further, if the purpose of imposing an MCLE regime is ultimately to achieve the goals of higher quality applications, more efficient prosecution, and better granted patents, then the determinations of whether courses, providers, and alternate activities shall be considered to meet

the requirements should depend on whether they advance the goals. Commenter suggests the proper question is, "Will the activity result in the **participant** filing higher quality applications, undertaking more efficient prosecution, or producing better granted patents?" The Proposed Guidelines enshrine conventional, on-topic CLE courses as credit-qualified regardless of whether they advance the goals, and further appear to be designed to reward practitioners for being well-known, well-connected, or for delivering service to the public which, while perhaps laudable and valuable in a broader sense, has nothing to do with advancing the stated CLE goals.

Teaching others, except in rare circumstances, probably does not advance the goals as to the instructor. In commenter's experience, many lawyers who teach CLE courses appear to teach in an area in which they are already expert and need no additional preparation. If the instructor is to be credited for an favorable impact on students' applications, prosecution, or grants, then why shouldn't the credit be measured by integrating that impact over the number of students? (Commenter acknowledges an exception for 1-to-1 apprenticeship/mentoring practices (whether or not organized as a formal program), where the interaction between the student and instructor is so extensive that the instructor necessarily learns, e.g., through the interplay of joint drafting and editing, or by encountering questions that require either research or novel consideration.)

Pro-bono work may be laudable but it does not appear to advance the **participant's** ability to file higher quality applications, prosecute more efficiently, or produce better issued patents, any more than does the participant's work for paying clients. Instead, allowing MCLE credit for pro-bono work simply rewards the participant for doing **something else** the PTO wants him or her to do.

That the PTO proposes to allow MCLE credit for non-CLE activities that are only tenuously related to the goals suggests that the stated goals are merely pretextual, and that the PTO's MCLE regulatory regime and the proposed guidelines are merely an arbitrary and capricious regulatory hurdle to be imposed on practitioners as a condition of registration and practice.

Accordingly, commenter urges that the PTO refrain from disparate treatment of any registered or prospective practitioner on the basis of MCLE participation, apart from compliance with the requirement that MCLE participation be reported. To the extent any regulation requires the PTO to undertake such disparate treatment, commenter urges that the rule be amended to remove the requirement.

Additional comments below are directed to the specific questions in the Request, in view of the commenter's understanding of the MCLE regime, as provided in the August 2020 rulemaking, and the proposed guidelines published at 85 FR 64128. Commenter assumes for the purpose of these following comments that the regime of the August 2020 final rule applies, but to the extent a comment would propose something inconsistent therewith, the comment should be interpreted to urge amendment of the regulation to the extent necessary to implement what the comment proposes.

- 1. What course topics should qualify for USPTO patent CLE credit?**
- 2. What parameters should be used to determine what subject matters beyond those listed in 37 CFR 11.5(b)(1) would qualify for patent CLE credit, if any?**

First, the PTO should announce a practice of broad and generous interpretation of whether subject matter qualifies under rule 11.5(b)(1).

Second, the PTO could greatly assist practitioners by announcing "safe-harbor" categories, as a supplement to the topics elaborated in Rule 11.5(b)(1). For example, any CLE course directed principally to the topic of any patent case adjudicated by the U.S. Supreme Court, the U.S. Court of Appeals for the Federal Circuit, or the PTAB should be presumptively credit-qualified subject matter.

Likewise, any CLE course directed to a state appellate court on the topic of invention ownership or transfer should be presumptively credit-qualified subject matter. Even where ownership is a state-law issue, practitioners need to understand ownership to counsel clients or recognize fact patterns requiring referral to or association with other professionals. Ownership can affect validity, so understanding ownership advances the goal of better issued patents.

These are just examples of subject matter areas where safe-harbor categories would be appropriate. There could be others.

3. What activities should qualify for USPTO CLE credit, either in patent law and practice or ethics?

Commenter has earlier addressed teaching.

Commenter believes that a one-to-one apprenticeship or mentoring relationship does result in learning by both the student and teacher, and more than any other activity, contributes to both participants' ability to file higher quality applications, prosecute more efficiently, and produce better issued patents. Such activity should be credit-qualifying regardless of whether it is connected to a PTO Law School Clinic or Pro Bono program.

Teaching law school classes, CLE, or any other class, might or might not advance the goals, as to the instructor. Similarly, writing might or might not advance the goals as to the

writer.

If the instructor is being credited for the instructor's impact on the student's ability to file higher quality applications, prosecute more efficiently, or produce better issued patents, then the credit should be proportional to the integral of impact (perhaps using instruction time as a proxy) over the number of students, to assess the total impact. Perhaps the instructor should be entitled to claim 0.1 times the integral as a measure of impact. For example, if the instructor presents a class or CLE session to 20 students for one hour, the instructor could claim 2 hours.

Also, to the extent such activities as teaching and writing only speculatively advance the goals of higher quality applications, more efficient prosecution, or better issued patents, but nonetheless qualify for credit, it is unclear why other activities of no more speculative value should not also qualify for credit.

The Proposed Guidelines' exclusion of general independent study ("reading or reviewing written materials outside the context of preparing to present a CLE program approved by the USPTO for CLE credit [...]") appears to be purely arbitrary.

Commenter has learned a great deal of directly-useful information on patent drafting and prosecution in recent years from participation in several e-mail discussion lists. This information will have a much greater impact on the quality of commenter's applications, the efficiency of his prosecution, and any patents granted on his applications, than what commenter has learned recently from organized CLE courses. The Proposed Guidelines would allow credit for the CLE courses, but would explicitly disallow credit for the much more useful e-mail lists. There are

other forums for such discussions. And there are many other independent-study routes to learning.

Anticipating an objection that general independent study cannot be verified, it is noted that the Proposed Guidelines would allow, without mentioning anything about verification, credit for time spent preparing written materials or a presentation for a CLE course, and "up to two CLE credits [...] for writing [...] an article, chapter, or book [...]," again without mentioning how the author's contribution would be measured or verified. If authors and instructors can be trusted to claim their time for those activities without verification, those performing independent study of relevant subject matter should likewise be allowed to claim credit.

4. Should organizations or providers outside the USPTO be authorized to deliver USPTO CLE courses? If so, how should such courses be approved?

Yes.

The Proposed Guidelines provide that the PTO will accept for credit "a CLE course that has been approved by any state bar for ethics credit."

For courses in the patent law and practice subject areas, the PTO should similarly adopt as approved, without request by the provider or the participant, any course that:

- meets the subject-matter and time requirements of the guidelines;
- is approved by the regulator in at least one U.S. MCLE jurisdiction;
- for which a completion certificate is provided identifying the participant;
- and whose approval by the MCLE jurisdiction regulator is either purported on the certificate or on reliable collateral evidence which is retained by the participant.

Advantageously, such adoption would avoid the need for the PTO to devote resources to evaluating and approving courses and maintaining records of approval. Also, because lawyers in many MCLE jurisdictions are already required to keep copies of completion certificates, the practice of adoption would minimize the additional recordkeeping burden for CLE course participants and providers. (However, it would present a new burden for some agents.)

Building an infrastructure and business process within the PTO to approve CLE courses and maintain records thereof would surely involve costs, which would have to be recovered somehow.

5. In what manner should the USPTO recognize practitioners who make the CLE certification on their mandatory registration statement?

To the extent recognition is contemplated in the Rule, the PTO might indicate the reporting of the CLE certification in the online Roster of attorneys and agents. However, it is unclear how this information will be understood by or relevant to the public. Inasmuch as the guidelines explicitly threaten audits and discipline, and the certification will create a recordkeeping burden, there is significant risk to making the certification, and even practitioners who have completed far more CLE than is required properly to make the certification may consider it safest and least expensive to simply avoid making the certification. Commenter speculates that preparation and prosecution clients acquired by a practitioner primarily or only as a result of a member of the public viewing their profile in the Roster (as opposed to via such other routes as referrals and marketing) account for a so small a fraction of fees that, in practice, the potential "upside" of making the certification is tiny.

Moreover, commenter urges that disparate treatment of practitioners, e.g., via the registration fee, or any other punitive measure, based on the CLE certification, is inappropriate, unless and until the PTO:

- (1) establishes a rational, causal link between CLE, in the amount and character required to make the CLE certification, and the stated goals of higher quality applications, more efficient prosecution, and better granted patents;
- (2) quantifies the costs and burdens of compliance and the benefits to the public occasioned thereby; and
- (3) demonstrates that the benefits of disparate treatment based CLE certification exceed the costs.

6. Are there any other issues or concerns that the USPTO should consider regarding the CLE guidelines? If so, what are they and how and why would they apply?

The PTO historically has not been as effective at delivering CLE as users might like. In commenter's experience, when the PTO has offered CLE courses, the PTO has exhibited a poor record of:

- (1) communicating the availability of those courses; and
- (2) delivering the courses (including problems with registration and availability).

Also, to the extent the PTO intends to deliver CLE, PTO has several conflicts of interest that may affect both the fairness of its course approval process and the substantive utility of the content it delivers. The PTO may be in competition with commercial or non-profit CLE providers which it regulates or whose offerings it approves. Further, in commenter's experience,

the PTO has provided CLE that presents the agency's view on rules or its own procedures, but in some cases, these:

- (1) do not recognize potential conflicts between practices the PTO considers to be appropriate and those deemed by experienced practitioners to more broadly maximize the value of the patentee's rights in the granted patent; and
- (2) do not recognize reasonable disputes within the legal and practitioner community as to whether PTO positions or internal practices are actually congruent with the law.

Respectfully submitted,

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