THE ASSOCIATION OF THE BAR
OF THE CITY OF NEW YORK
42 WEST 44TH STREET
NEW YORK, NY 10036-6689

## COMMENTS ON PROPOSAL TO UPDATE THE PROCEDURES REGARDING ENROLLMENT AND DISCIPLINE

In the December 12, 2003, Federal Register, the United States Patent and Trademark Office ("Patent Office") proposed to update the Patent Office procedures regarding enrollment and discipline, and requested written comments from practitioners. The Association of the Bar of the City of New York ("Association") respectfully requests consideration of its comments regarding the recertification and annual fee provisions.

The Association is a private, non-profit organization of more than 23,000 attorneys who are professionally involved in a broad range of law-related activities, and seeks to promote reform in the law and to improve the administration of justice through its committees. Several thousands of its members are registered to practice in the Patent Office, or engage in a practice related to patent prosecution and have an interest in the administration of Patent Office procedures. The Committee on Patents ("Committee") is a long-established standing committee of the Association, and its membership reflects a wide range of corporate, private practice and academic experience in patent law. The Committee members are dedicated to improving the administration of the patent laws. Most of the Committee members are registered to practice before the Patent Office. In considering these questions, the Association also sought comment from its other members known to be interested in patent law.

The proposed revision of section 37 C.F.R. § 11.12 introduces mandatory continuing education for practitioners licensed to practice in patent cases before the Patent Office (Federal Register pages 69453-69454). The purported purpose is to increase efficiency and quality of the application process (Federal Register page 69453). The education materials would include new rules, policy announcements, rule packages, questions and answer memoranda, the MPEP, narrative guidelines, and additional information (Federal Register page 69454). The Patent Office proposes to test practitioners' absorption of these materials by means of

examinations administered by the Patent Office (Federal Register page 69453), such that practitioners would be required to complete the exam successfully in a window of time set by the Director, or be suspended from practice before the Patent Office (Federal Register page 69454). The Patent Office proposes that practitioners will be compelled to take and retake the exam, in a whole or in part, until each question is answered correctly (Federal Register page 69454).

The Patent Office also proposes a revision of 37 C.F.R. §§ 1.21(a)(7)(i) and 11.8(d) to add a new annual fee for practitioners to maintain active status (Federal Register pages 69442-69443) to fund the costs of the registration examination process, disciplinary system, and maintain the roster of registered practitioners up-to-date (Federal Register page 69510). The Patent Office states that the adoption of the fee ensures that the cost of these activities will not be passed on to the applicants, and would not be diverted to support other proposals (Federal Register pages 69442-69443).

The Association is generally against the proposed continuing education, examination procedure and fee as being unduly burdensome on practitioners – particularly sole practitioners and small firms.

With respect to the proposed continuing education, the current State bar format for continuing education provides the appropriate model for instituting continuing patent education. The Patent Office, just as do the various State bar registration authorities, seeks to assure that practitioners are updated on the changes in the law pertaining to their field(s). The cost of providing updated information to practitioners (as the Patent Office acknowledges, in large part a matter of e-mail transmission) is not great, and the resources currently in place at the Patent Office should be sufficient to perform this service to practitioners. The Association encourages the dissemination of educational materials by the Patent Office. Many of us already take practice-specific educational courses for credit for our State bars. However, to the extent that the Patent Office imposes a requirement for practice-specific continued education, the time and effort involved should satisfy State bar requirements. It would be unfair to practitioners to bear this substantially greater burden than other attorneys, who have no such additional requirement.

Further, while suspension from practice may be appropriate following the commission of malpractice or misfeasance, suspension from practice for failing to pass repeated tests is unwarranted without any evidence that such testing would actually decrease incompetence

or malpractice or increase the efficiency of the Patent Office. No known State bar requires its practitioners to re-test its members – even those who have waived in from other jurisdictions. Such a testing procedure would require substantial resources to administer (including preparation, dissemination, grading, notification, re-grading, appeals procedures, etc.). The Patent Office does not provide any justification to the effect that its practitioners require re-testing. Indeed, the Patent Office appears to presume that without testing, practitioners will not become or remain competent, but has not supported such a presumption with data. Even a very brief period of non-registration would be unfairly disproportionate on sole practitioners and small firms.

Practitioners should not be required to periodically redirect significant blocks of time for taking and retaking exams on Patent Office practice. Although many State bars require continuing education, no other Federal agency or known State bar imposes on its practitioners the type of time commitments proposed by the Patent Office. Only one practitioner from the Association has speculated that the proposed testing procedure would be beneficial, and then, only on the basis that the results might highlight ambiguities in the new rules or regulations. However, any such indication would be after-the-fact, and any such benefit would be achieved at no cost to the Patent Office, by means of reports from examiners.

If the Patent Office is concerned about striking the registered practitioners who do not keep current with the rules and regulations, there are cheaper and more practical alternatives to achieve the stated objectives. The cost of administering a test to registered practitioners should be used to educate and improve the examining corps, which would help all applicants.

The Association also generally disfavors the proposed new annual fee. The Patent Office has not provided support that the fee will improve substantive prosecution and examination of patents. It is unclear the way in which non-practicing registered practitioners pose a threat to the efficiency of the examination process, and the cost of keeping them on the Patent Office registry does not seem to impose a significant incremental cost on the Patent Office. In addition, the Patent Office has not explained the basis for imposing the fee solely on registered patent practitioners – while the responsibilities of the disciplinary board are much broader. Concerns have also been expressed that the fee would be subject to unbridled escalation. While historically – and notoriously – millions of dollars in fees submitted to the Patent Office have been routinely diverted

annually by Congress for other governmental purposes, the Patent Office does not explain how it would prevent such diversion of its proposed fees.

Kelly L. Morron
Chair, Committee on Patents
Tel.: (212) 408-5100
Fax: (646) 710-1059