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10 Things the PTO Can Do to Enhance Context-Based Patent Disclosure

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Summary

Through this comment, I support the PTO's efforts to elicit and disseminate ownership data about patents, particularly with respect to Real-Party-In Interest (RPI) information. The comment 1) explains why ownership information is so important to the core functions of the patent system: technology transfer and technology commercialization; 2) commends and suggests several steps the PTO could take/continue to take to improve the quality, quantity, and dissemination of ownership information and explains why I believe an even more expansive definition of RPI should be applied in certain contexts; and 3) includes an Appendix that summarizes each of the 17 comments that the PTO received in its 2011 Request for Comments on Eliciting More Complete Patent Assignment Information ("2011 RFC"), which the remainder of this comment draws from extensively.

Why This Matters

To start this comment, I'm going to list a line from a patent:

"distance.sub.t=.SIGMA.[(w.sub.i*0.25/(\.sigma..."

Huh, you might be saying? Let me repeat myself again:

"distance.sub.t=.SIGMA.[(w.sub.i*0.25/(\.sigma..."

Yes. I meant it: "distance.sub.t=.SIGMA.[(w.sub.i*0.25/(\.sigma..."

¹ Assistant Professor, Santa Clara University School of Law. © 2013. colleenchien@gmail.com. This comment was submitted January 25, 2013 to the PTO, this version contains some typographic amendments. I also submitted a short paper entitled "The Who Owns What Problem in Patent Law," available on SSRN, in relation to the PTO Request for Comments on Eliciting More Complete Patent Assignment Information ("2011 RFC") in which I supported the PTO's efforts to record more complete assignment information and discussed the reasons why assignment information is incomplete and contains errors, including 1) failure to record ownership, 2) failure to record ownership in a timely manner, 3) assignment to shell or subsidiary companies that the PTO does not affiliate with the real party in interest, and 4) inconsistent self-identification and advocate for better dissemination of existing information in addition to soliciting more information. I am thankful to my research assistant Nicole Shanahan whose summary of the comments from the 2011 RFC responses is included as Appendix A. This comment draws from my experiences in practice as a patent prosecutor, and empirical patent law scholar who has worked with the USPTO's patent assignment and conveyance database, the PTO maintenance database, and other related information about the post-issuance events in a patent's life, most recently in developing my 2011 paper, *Predicting Patent Litigation*, 90 Tex. Law Rev. 283 (2011) and in relation to my work on patent assertion entities, and patent disclosure (see, e.g. *Rethinking Patent Disclosure* presentation available at <http://digitalcommons.law.scu.edu/facpubs/404/>)

What the heck?, you are thinking. But before you stop reading, let me offer some additional context. This formula appears in a patent issued to Timothy Westergren.² And it's issued to a company called Pandora. Now do you have a hunch what this patent is? Right, it appears to be a music matching algorithm that Pandora patented.

So if I'm company that is either in this music space or wants to be, this patent could be critical for understanding my ability to compete and operate. The fact that it is owned by Pandora, one of the most successful online music companies, is just as important as the formula itself. Without that bit of context, that context about who owns it, the formula by itself is useless information.

But with this context of ownership, this patent is way more useful and interesting from at least two perspectives: First - defensively, if I'm a competitor, I know that Pandora has rights in this algorithm and I better be careful to not tread on it or seek a license. As a tool of tech transfer, however, this information could also be critical. If I'm a startup in this space and I want to reverse engineer what others have done, I'm going to look at what others have done, and I want to know what Pandora has done. It might also have risk management implications – if the patent is owned by a patent assertion entity known for enforcing its portfolios – knowing that this patent, or that fundamental patents in the field are owned by it, or that such companies have ownership or financial interests in the patent, may help me make more efficient business decisions and avoid costly liability.

Here, as in other situations, context is as important as content. If I don't know who owns this patent, it doesn't mean much to me. There's a sea of patents out there and ownership provides a screen, a filter, a way to access it.

So what does this have to do with Real Party in Interest (RPI)? Well, let's say that this initial patent was assigned to Pandora, and I search for Pandora and find it, but in doing so I miss a bunch of patents assigned to the Music Genome Project, an earlier version of Pandora that was absorbed into it. What the PTO can accomplish through RPI is the ability to search for a single entity – the RPI of Pandora- and find these patents even though I would have missed them through a search of front page assignee or subsequent recorded assignee, had that not been recorded. This is huge, and for this reason I fully support the PTO's efforts in this regard.

The remainder of this comment addresses various aspects of the PTO's and related proposals to enhance the quality and dissemination of patent information in context.

² See, US Patent 7,003,515 "Consumer Item Matching Method and System"

10 Things that the PTO Can (Continue to) Do To Enhance Patent Disclosure

Many of these suggestions fall under the category of keep up the good work, some suggest other things the PTO could do that go beyond the scope of the RFC.

1. Keep engaging with the community, keep listening; this is the second request for comments in a year that the PTO has conducted on the subject of recording patent ownership information, and this RFC reflects a number of suggestions and improvements made in the first round including eliciting RPI rather than just ownership information and reducing the cost of recordation. Although not everyone agreed in either of the forums about whether such rules were a good idea, in fact there was a lot of consonance among the suggestions even among diverse constituents, as is noted throughout this comment. These dialogues are an outstanding way to craft policy that will work and maximize the benefits, while reducing the costs, of enhanced disclosure. In future dialogues, the PTO could consider trying to get greater engagement from the startup community or those who otherwise use patents as a means of technology transfer, in addition to the lawyers, large firms, and individuals who have provided input to date, if the agency does not get sufficient input in this round.
2. Reduce the costs of additional disclosure particularly for attorneys; in response to the 2011 RFC and at the 2013 public roundtable, attorney groups and law firms overwhelmingly favored less disclosure, while companies and academics favored more disclosure. (see Appendix and 2013 roundtable recording) Common reasons that attorneys and attorney groups cited for their opposition included increased expense, burden, and liabilities. The PTO has already reduced the cost of recordation by eliminating the fee associated with providing this information. In addition, it could relieve the burden and risks to attorneys by, for example, making it possible for companies to use the PTO website to themselves update assignment information, rather than using their attorney and minimize any disciplinary or other penalties to the attorney or their client associated with giving inadvertently providing wrong information.
3. Reduce the risk of errors in providing ownership/RPI information; another concern cited by attorney groups was that enhanced disclosure brought with it enhanced risk of errors in providing disclosure information. Already, companies constantly refer to themselves in inconsistent ways (see 2011 RFC Chien comment), and this problem could be exacerbated if more information is required. Possible ways to address this risk could be 1) assigning every RPI/entity a unique firm level identifier as discussed by 2011 RFC Serrano/Simcoe comment and 2) forcing each customer to use a unique customer

number with strict, standardized rules for who can be a customer, or 3) reviewing assignments prior to recordation to ensure consistency in owner of record (2011 RFC Slaughter comment); there are other ways to bring the state of the art in name and error detection to try to reduce the risk of error in ownership information.

4. Make patent data available to the public; the Kappos administration has already advanced public access to patent information by leaps and bounds by releasing PTO data to the public and partnering with Google to provide key information like prior art references. That is wonderful. Of the additional information it could release, PAIR data via API, without captcha or restriction, is an obvious one. I commend the PTO on its efforts to unleash this data which I understand is a big effort.

However, the PTO could go further to make data accessible right on its own website to the public, or to partner with a public interest organization that promises to make the data available in a user friendly form to the public at or below cost. In particular, many commentators (2011 RFC Chien, IPLAC, Oliff, Philips, and related comments) lamented the lack of linkage between the various repositories of patent data that the PTO stores and/or lack of easily accessible ownership and patent status (expired/unexpired) information.

5. Unify Patent Data Across Databases; that is to say, in addition to seeking more information from applicants, the PTO could do more with the information it already has by unifying patent data across databases. Although the only patents that could be asserted are patents that have not lapsed, as I have said before, it is impossible to search only among in-force patents at the PTO website, and even finding out whether a particular patent is still in force is a laborious process. It should be possible for an innovator to carry out the following searches without having to call their lawyer or hire a professional searcher, expenses that may be too costly for small startups:
 - Search and find all the expired patents by keyword owned by a key competitor;
 - Search and find all the unexpired patents by keyword owned by a key competitor;
 - Search and find all the litigated patents by keyword;
 - Search and find out which patents by keyword have been securitized or traded.

6. Developing and encouraging the dissemination of commercially and economically relevant data about patents; the Kappos' administration's efforts to work with the EPO to develop a state of the art classification system that reflect real-world industry segmentations and differences, and to connect patent metrics to real world metrics like jobs, should be commended. Connecting intangible metrics to the tangible world and its

real-world measures is a challenging but crucial task one as our economy increasingly depends on intangible assets.

7. Foster linkages to other repositories of patent data; as the PTO becomes increasingly involved in the life of the patent beyond US prosecution, it should seek to “keep in touch” with these related stages of the patent/patent families life, including through connection and transmittal of information to INPADOC and ESPACENET (2011 RFC AIPLA comment), and the exposure of information about litigated patents, potentially through the reporting process that takes place between the Federal Judicial system and PTO.
8. Make it easier to find the pieces of portfolios of patents; the inability to find the disparate pieces of a portfolio because their ownership is recorded under different names undercuts the notice function of the patent system and poses a key business risk. (see 2011 RFC IBM, Chien, and Serrano/Simcoe comments, discussing the challenges of search and clearance related to the inability of searchers to find a company’s complete patent holdings; see also 2011 RFC Chien comment explaining that these challenges stem from inadvertent, economic, and strategic disclosure or lack thereof). In-house counsel have told me that those who want to take advantage of the PTO’s new and existing administrative procedures are significantly frustrated by the inability to tell what patents an entity even holds – if you can’t find an entity’s patents, you can’t challenge them. The inability to locate the portfolio pieces disadvantages those with fewer patents, giving undue leverage and the ability to engage in “patent ambush” or otherwise catch the target offguard, to large-portfolio holders.

There are several ways the PTO could make it easier to find portfolios of patents. Some that have been suggested include 1) requiring RPI information to be disclosed, enabling aggregation at the “RPI” stage (the current RFC); 2) review of assignment prior to recordation to ensure consistency in owner of record (2011 RFC Slaughter comment), 3) creating a unique firm-level set of codes to enable links to other databases (2011 RFC Serrano/Simcoe comment); 4) disseminating customer number/ID code information (2011 RFC Chien comment) or forcing each customer to use a unique code with strict, standardized rules for who can be a customer. A potentially useful thing to do as well would be to integrate continuation and divisional patents applications into the parent at the assignment recordation stage (2011 RFC IPLAC comment, see also 2011 RFC AIPLA comment re: “chain of title” assignment filings), by requiring when the parent application assignment is recorded, the applicant to check a box indicating that related applications are covered, and thereby automatically establishing the default owner for

those other patent assets.

Only the PTO has the expertise to know which option is feasible at the least cost. Any progress the PTO can make in solving the vexatious subsidiary-matching problem would be very welcome.

9. Enhance the quality and consistency of recorded information; by updating PTO form 1595 to include more categories of conveyances and make it easy and searchable to distinguish between them. The ways in which a patent may be conveyed or encumbered has blossomed with the growing importance of intangible assets in our economy. Some impact the right to sue, others are more ministerial. I like the 2011 recommendation of the AIPLA to separate assignments, for example, into those which impact the legal right to sue and real party in interest and those that do not (e.g. name change). Short of a full-blown re-assignment, a patent may be the subject of a lien, covenant not to sue, "GSA, a mortgage, a charge" (2011 RFC AIPLA comment), an exclusive license, a non-exclusive license (see also 2011 RFC Ritchie comment), it should be possible to check the appropriate box in Section 3 and normalize this information, and make it searchable. I also endorse the AIPLA's recommendation that this information be enterable through an XML or API format.

10. Requiring litigation-level, enhanced RPI disclosure, when the patent is engaged in post-grant proceedings; the RFC asks for feedback on two definitions of RPI. To the extent that both serve suggestion 8, I do not have a strong preference between the two of them though, if costless in terms of accuracy, compliance, and burden, more disclosure is generally better. However, I would go further particularly in the context of post-grant proceedings and advocate, because these proceedings are often litigation-like, the imposition of litigation-like real party in interest disclosures that require the disclosure of any party with a financial interest in the outcome of the proceeding. Though local rules vary, Northern District of California Model Rule Local Rule 3-16 has been praised in the practitioner community for providing a useful record of ownership. The rules provide that "[u]pon making a first appearance in any proceeding in this Court, a party must file with the Clerk a 'Certification of Interested Entities or Persons,' which includes "any persons, associations of persons, firms, partnerships, corporations (including parent corporations), or other entities other than the parties themselves known by the party to have either: (i) a financial interest (of any kind) in the subject matter in controversy or in a party to the proceeding; or (ii) any other kind of interest that could be substantially affected by the outcome of the proceeding."

Because I am sensitive of the costs that might need to go into providing RPI information, if requiring RPI information to be provided in every patent is unfeasible, I would advocate requiring RPI information to be available upon request, by party, patent, or other entity within a certain period of time. If the RPI cannot readily be identified from the record, a delay may be introduced in the proceeding to compensate for the gap in time.

Respectfully submitted,

Colleen Chien

January 25, 2013

(with typographical amendment made Jan 30, 2013)

APPENDIX A: QUESTIONS AND ANSWERS TO 2011 RFC

- (1) Is there any reason that the mandatory disclosure of any assignee or assignees should not take place at the time of application filing?
- (2) Would it be in the public interest for the USPTO to obtain from applicants updated identification of the assignee at the time of allowance, e.g. in response to the Notice of Allowance? Are there limitations on the USPTO's rights and powers to require the reporting of such information?
- (3) Would it be in the public interest for the USPTO to obtain from applicants updated identification of the assignee during prosecution of the application? Are there limitations on the USPTO's rights and powers to require the reporting of such information? Should the USPTO consider requiring the identification of assignment changes after filing date for inclusion on the patent application publication (PGPub)? At what time should changes be recorded relative to the assignment, and what are the appropriate consequences of non-compliance?
- (4) Would it be in the public interest for the USPTO to obtain from applicants updated identification of the assignee after issue of the patent? Are there limitations on the USPTO's rights and powers to require the reporting of such information? At what time should such identification be made to the Office relative to a change? Should the USPTO consider requiring the identification of assignment changes during the maintenance period of the patent right, *i.e.*, after grant, but prior to patent expiration? What are the appropriate consequences of non-compliance?
- (5) To accomplish adequate and timely recording, are changes to Agency regulations necessary? What are the most effective and appropriate means for the USPTO to provide the public with a timely and accurate record of the assignment of patent rights and the assignee?
- (6) Would it help the USPTO's goal of collecting more updated assignment information if 37 CFR 1.27(g)(2) were amended to require identification of any new ownership rights that caused the application or issued patent to lose entitlement to small entity status?
- (7) Given the passage of the America Invents Act, is it proper for the Office to provide for financial incentives for disclosure of assignment information by way of discounts in fee payments? For example, would it be more likely for patentees to update assignment information and record assignment documents on in-force patents if a maintenance-fee discount were available in return? What are the appropriate consequences for failure to provide accurate information when accepting such a discount?
- (8) In order to provide a more complete record for transactional purposes, what changes do you recommend that USPTO make in its requirements or incentives relating to the disclosure of assignment information during the patent application process and for issued enforce patents?

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| <u>AIPLA</u> | Yes - | Maybe – but the PTO must provide evidence of benefits. | No – puts too much liability on patent attorney. Public has no benefit since patent in prosecution phase is valueless. | No – 35 USC 261 already encourages this. Too large a risk that administrative burdens would produce clerical errors. | Makes 3 alternative 1. Visible PAIR data 2. Available web links to actual documents. 3. Creating a PAIR and Assignment database APIs and transmit data to/from foreign database. | No – entity size has to do with fees. It would be confusing to modify the rule to require unrelated information. | No – financial incentives are not that attractive and penalties are inappropriate when considering | Makes 4 recommendations: 1. Assignment registry should be separated in assignment type, i.e. parties that have standing to sue, exclusive licensees, etc. 2. Patent rights should be terminated if there is a fraudulent assignment filing. 3. Bundle “chain of title” assignment filings versus independent docs. 4. Keep data up to date and consistent across intl. databases. |
| <u>IPLAC</u> | Yes – it should remain discretionary because of potential filing delays from special assignment arrangements. | Yes – but it shouldn’t be mandatory or penalized. | Yes – but it should not be mandatory or penalized. Determinations as to when, how often and to whom the updated record is filed are critical to this. | Maybe – there is less of a need to update information once a patent issues. An issue exists with entity size and maintenance fees, but beyond that it is irrelevant for the filer. | Makes 2 recommendations: 1. Provide access to electronic copies of the actual documents through PAIR or PTAS to facilitate title searches. 2. A target 8-10 weeks to record and publish recordation data. | No – i.e. licenses should not affect entity size and it should not be mandatory to record them. A certification would be more appropriate if entity size is the issue, not a recordation requirement. | No – impractical and too complex to sort between 3 rd party maintenance payments and direct assignee payments to apply financial awards for providing accurate information. Too much room for clerical error. | Two recommendations: 1. Create incentives for filers to file assignments on continuation and divisional applications. 2. Automatically integrate the data between the assignment database and PAIR, and integrate continuation and divisional applications into the parent PAIR record. |

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| IPO | Yes – “IPO questions whether the general language of this section (35 USC § 2(a)(2)) authorizes the USPTO to impose specific requirements on applicants” | No – this is private information. | No – too many burdens and expenses on applicants. | | No - “This statute (35 USC § 262) provides incentive to record patent ownership information, and may reflect Congressional intent that no other consequences flow from failing to record an assignment. | No - The Federal Register Notice sets forth reasons why it would be beneficial to have “more complete patent assignment data” available to the public, but it is not clear that currently available information is inadequate. | “The AIA does not generally require patents to be granted in the name of the real party in interest, let alone authorize the USPTO to require applicants to provide that information throughout prosecution.” | According to a recent report by Patently-O available at http://www.patentlyo.com/patent/2011/12/assignment-of-us-patents.html , fewer than 10% of granted patents do not have recorded assignments at the time of grant.” One suggestion would be to do what WIPO is doing with voluntary posting of assignment data to Patentscope in cases which assignees wish to make public their information. |
| JIPA | N/A | Yes | Yes | N/A | “we believe that the current notification system on the USPTO’S website functions properly for reflecting the latest information.” | N/A | | “We would recommend that the current USPTO’S website system of “Assignments on the Web” system reflect the latest assignment information in more timely and precise manner. In order for that the web system would receive more timely and precise assignment information, we would recommend the cost incentive for the earlier recordation of the assignment. So, the earlier recordation of the assignment information, the less fees will be charged.” |

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| WSPLA | Yes - there are legitimate business reasons for not disclosing assignment information at the time of filing. For example, disclosure of assignment information may cause businesses to lose a competitive advantage when developing new technology or when entering a new market." | No | No - "additional administrative requirements posed by the proposed rules would only increase costs for applicants and patentees further, requiring expenditure of limited resources that could otherwise be used to support new companies and innovations" | No | N/A | N/A | No - In general, incentives, such as the proposed reduction in maintenance fees, are much preferred over requirements that carry punitive fees or other costs (e.g., abandonment of an application or expiration of a patent) for noncompliance. Such incentives seem better calibrated...) | N/A |
| Oliff | Yes – Congress indicated via the voluntary standard that government should not be involved. Second, too difficult to disclose exact assignment rights given the nature of patents. Third, at time of filing equitable title has not yet passed to an assignee. | Yes – but the system in place is adequate in conveying this information to the public. | No – too costly and PTO does not have the authority to mandate this. Changes should be recorded when desired by applicants, with the effect of non-recording within three months of the date of the transaction, or prior to the date of a subsequent purchase or mortgage, being that defined by Congress in 35 USC §261. | No – the USPTO loses jurisdiction over the patent after issuance | Makes 3 recommendations: 1. Better public access to data and documents. Assignment data should be linked to PAIR and the main database. 2. Assignment information printed on the patent should be directly correlated to the Assignment database – not taken from the Issue Fee Transmittal. 3. Continuing and divisional applications should be correlated to the parent assignment data. | No – It “would be going backwards” to the old system, which required detailed ownership information. That system was complex and expensive; it was simplified for a purpose. | No - “The America Invents Act has no relevance to any of the issues addressed in the subject Request for Comments, other than allowing the USPTO to set fees.” | “See item 5” |
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| IBM | No – Wholeheartedly support. | Yes - There is no current mechanism for the developer to independently discover or verify the full scope of the corporation's patent portfolio in a time-or cost-effective fashion. | Yes - As a result of incomplete or inaccurate ownership information, and the potential for unnecessary transaction costs and risks, developers may ultimately decide to refrain from entering the market completely | Yes - The Office needs accurate assignee information before evaluating the patentability of a claim so that it can avoid improper rejections based on a reference that is, in fact, commonly owned. | Accurate ownership information is required to determine if a double-patenting rejection is appropriate and/or if it can be overcome with a terminal disclaimer. | Yes - While the Office does not possess substantive rulemaking power, these are procedural, not substantive rules. In particular, courts have held that a "critical feature" of a procedural, non-substantive rule "is that it covers agency actions that do not themselves alter the rights or interests of parties, although it may alter the manner in which parties present themselves or their viewpoints to the agency. | Yes - The public cannot intelligently exercise these new rights (or existing ones such as through ex parte reexamination) without proper information concerning the owner of the patent or patent application. Even the basic threshold decision of whether to pursue these proceedings requires correct identification of the patent owner. Prompt availability of accurate ownership identification is particularly critical for pre-issuance submissions and post-grant review because these proceedings have limited time windows. | By defining the real-party-in-interest to include both the entity having legal title to the patent or patent application and the "ultimate parent" of that entity, if one exists, where the ultimate parent is defined as the entity in the title holder's ownership chain that is not controlled by any other entity |

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| PHILIPS | No - Philips believes the Office should, to the extent feasible, require applicants to disclose information about the owner or assignee of patent applications and patents. | Yes – Though preference is at time of filing. | Yes – Though preference is at time of filing. | Yes, but Perhaps the Office could add a field to Public PAIR (the “Patent Application Information Retrieval” system) for “current owner,” like that used in on the trademark side of the Office via the Trademark Electronic Search System (“TESS”). This new field could be associated with either the maintenance fee records, assignment records, or both, as an accuracy check. | the Office could (a) waive or (b) discount the \$40 recordation fee under 37 C.F.R. § 1.21(h) to, for example, \$20 for assignments that are submitted for recordation within 30 days of filing an original or national-stage application or within 30 days of execution, as an inducement to record. Moreover, the Office could offer a discount on filing fees under 37 C.F.R. 1.16, issue fees under 37 C.F.R. § 1.18, or maintenance fees under 37 C.F.R. § 1.20 to promote disclosure and recordation. As a consequence of failing to promptly disclose, the Office could charge the full fee, without application of discounts. | Yes – generally supports it. | | “the Office could charge a standard recordation fee (or waive the fee altogether) for assignments recorded before the application is published (or, e.g., sixteen months from the priority date, to allow processing time for including the ownership information with publication). The Office could charge a higher fee for assignments recorded after publication but before a Notice of Allowance. For assignments recorded after the Notice of Allowance but prior to issuance, the Office could charge either the pre-Notice of Allowance fee if the recordation was accompanied by a certification that the assignment was recently executed, e.g., within 30 days of recording, or a larger fee if the assignment is recorded without such a certification.” “the Office could send a “Need to Record Assignment” notification, after filing or prior to publication, affording the applicant an opportunity to avail itself of the less-expensive prepublication recordation fee, as discussed above.” |

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| TOYOTA | | | | Yes - The USPTO has authority to issue regulations to "govern the conduct of the proceedings in the Office" under 35 USC 2(b) (2) (A). This statutory authority should provide the USPTO with the right and power to require the reporting of patent assignment information. | "For example, Article 98(1) (i) of the Japanese Patent laws requires mandatory registration of patent assignment in order to transfer patent rights. Other countries, such as Korea, United Kingdom and China have similar assignment registration requirements. Obtaining more complete assignment information would result in another step towards harmonization." | | Yes – "Obtaining more updated and comprehensive patent assignment information will also provide a benefit to the public concerning the post grant review proceedings of the AIA." "Knowing the identity of the patent owner might also dictate a particular course of action, such as contacting the patentee to discuss a possible license agreement as opposed to initiating a post grant review proceeding. Reducing unnecessary post grant review proceedings would have the added benefit of saving the resources of the Patent Office." | 35 U.S.C. 261 indicates that assignments will be void against subsequent purchasers unless it is recorded in the USPTO within three months from the date of the assignment document. The same or similar three month time period should be required for identification of assignment changes to the Office for issued patents. |

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| Robert Lelkes | Yes - Formalities such as assignments are not required by statute to be filed or identified at the time of filing in the US. Processing time and complexity could be reduced by specifying a later point in time for satisfying formalities such as recordation of assignments. | Yes - However, it is not clear on what statutory basis such a rule could be enforced for all applicants uniformly. | Yes – But a “reminder to the applicant and its patent counsel would seem sufficient to effectuate this goal.” | Yes – but unclear under what statutory basis. | Regular reminders to update ownership followed by posting of “orphaned” patents on a public website if unanswered may be an appropriate means. | No - This proposal addresses only a small percentage of pending patent applications and issued patents, leaving the vast majority of applications and patents untouched. The benefit would appear to be negligible compared with the effort required to implement this rule. | No - I doubt that a maintenance fee discount would provide sufficient motivation to update assignment information. If the potential for loss of rights due to failure to record an assignment is not enough motivation, then a maintenance fee discount will not likely cause a change in behavior. | “The assignment records could be made more reliable by actually checking whether this formality is met as is currently the practice by the EPO.” |
| Colleen Chien | N/A | | | | the PTO could provide clear guidelines regarding who is the owner, ask the owner to identify themselves with reference to an already-existing patent asset (e.g. this application is owned by the owner of record of patent X,XXX,XXX), or use other ways to reduce errors. | | Incentive helpful, “However, introducing a penalty that could cloud the validity or enforceability of a patent, even just in a scarce number of cases, could introduce considerable costs in patent transacting (due diligence) and litigation contexts , and lead to abuse by the party contesting the motivation for non-recordation.” | “require the patentee to disclose not only the patent owner but also the real party in interest.” |

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| Paul Morgan | The answer is yes, there are some companies which consider that not disclosing the ownership of their patent applications, especially after they are published or laid open, provides a commercial “lead time” advantage, in that it makes it more difficult for their competitors to determine, in advance of product launches, what new products they are developing and/or which avenues of R&D they are currently engaged in. | Generally yes - | N/A | N/A | N/A | N/A | N/A | A particular problem is being caused by patent trolls who engage in assignment transfers of patent ownership, often between plural “shell” corporations, and may even file patent suits without a recorded assignment of the patents in suit to the named plaintiff. Anything the PTO can do in that regard would be desirable. |

| Author | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
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| Arti Rai | No | Yes - "These are all times when the applicant would have substantial interaction with the PTO in any event." (referring to application, prosecution and issuance) | Yes - "the USPTO retains significant authority to issue rules, so long as the rules make no attempt to change the standards by which an application is evaluated. See JEM Broad. Co. v. FCC," "a rule requiring assignee information at these times should be considered a rule governing the "conduct of proceedings."" | Yes - "To be sure, in the case of maintenance fees, the PTO is not specifically engaged in its statutory responsibility of granting and issuing patents. Nonetheless, payment of maintenance fees represents an "Office proceeding" within the meaning of Section 2(b)(2)(A)" | | Maybe - A requirement to provide, or update, assignee information at the time of fee payment might be justified, at least in part, under this specific rulemaking power. | Maybe – "To be sure, in the case of maintenance fees, the PTO is not specifically engaged in its statutory responsibility of granting and issuing patents. Nonetheless, payment of maintenance fees represents an "Office proceeding" within the meaning of Section 2(b)(2)(A)" | |

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| David Ritchie | N/A | N/A | N/A | N/A | N/A | N/A | N/A | <p>Largely the rules are already in place to encourage most of the compliance you appear to seek. What you do not consistently get are "covenants not to sue", "licenses" and the like. This could be made transparent by simply amending the CFR or USC to define the "assignment, grant or conveyance" of 35 USC 261 to include such items and amending 261 to preclude enforceability of such agreements if not recorded before suit to enforce or optionally by a date certain. You should probably require that the entirety of such agreements be recorded in order to be enforceable by law (state or federal). In this way, visibility would be provided and secrecy would become expensive.</p> |

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| Carlos Serrano and Timothy Simcoe U. of Toronto and Boston U. | N/A | Yes - there is a public interest in the provision of timely and accurate information on patent ownership. This interest is consistent with a policy of mandatory disclosure of the assignee at patent application, notice of allowance and on re-assignment after a patent has issued. | | | Policies that promote disclosure of the true owner would remove an element of market uncertainty and lead to a more accurate picture of the intellectual property landscape for both innovators and researchers. | | | Any effort to improve the quality of assignee information would be enhanced by moving to a set of unique firm-level assignee codes. A unique identifier would simplify searches and facilitate links to other databases. It would also reduce the impact of measurement error introduced by mis-spellings and the proliferation of unconsolidated subsidiaries when aggregating individual patent data to examine firm-level portfolios. |

| Author | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
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| John Slaughter | N/A | Yes - Generally | N/A | N/A | <p>“An assignee should not be listed on a published patent application or issued patent until a patent assignment has been recorded with the assignment division. Many people, including corporate and IP attorneys, are under the misimpression that an assignee listed in those locations demonstrates that a patent assignment has been recorded, and therefore assignments do not get recorded.”</p> <p>“MPEP 306 should be eliminated. “Another problem is that contract law dictates whether the divisionals and continuations are assigned, so unless the recorded assignment includes an assignment of divisionals and continuations, then there is no such assignment and MPEP 306 just creates confusion because people still think the assignment applies.”</p> | N/A | N/A | <p>The USPTO could have better accuracy if the patent assignments were reviewed by the assignment branch prior to recordation and only allowed to record if consistent with being an assignment from the prior listed owner. However, the CIPO has done this in the past, and it has caused many difficulties, e.g., for lien holders to get their liens filed while the owners are still processing updates to reflect proper ownership of patents. So the USPTO should not implement a prior review for consistency.</p> |