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Promulgating Requirements for Admission to Prosecute Patent Applications

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Promulgating Requirements for Admission to Prosecute Patent Applications*

Michelle J. Burke & Thomas G. Field, Jr.**

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I. Introduction

Among federal agencies, the U. S. Patent and Trademark Office **2** is unique in its ability to require attorneys to submit to special requirements, such as passing a six hour examination, before being permitted to practice before it in patent cases. Indeed, the Supreme Court has held that an individual so admitted to practice before the PTO need not comply with state requirements otherwise applicable to those practicing law.

The first part of this article discusses how this requirement came to be. It then discusses how the PTO determines whether an individual is fit to sit for the patent

examination, focusing particularly on provisions contained in a bulletin mailed by its Office of Enrollment and Discipline (OED) to all would-be patent practitioners [A more recent version of the OED General Requirements Bulletin is now online]. It also briefly discusses rule-making requirements (and exceptions) generally applicable to federal agencies and examines the nature of the aforesaid provisions intended to affect admission to prosecute patent applications. This article concludes that the detailed provisions sent to applicants, fitting none of the rule-making exceptions, should be promulgated in accordance with the Administrative Procedure Act. It also concludes that, in the meantime, those provisions should not be regarded as binding on applicants to practice before the PTO in patent cases. Finally, the article contains an appendix that should be of particular interest to persons involved with software patents.

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Notes for Introduction

* From 36 Idea 145 (1995). After this paper was written, the D.C. District Court and Court of Appeals for the Federal Circuit rejected arguments of a pro se applicant that the PTO should be obligated to use notice and comment rulemaking (as argued at the end of this paper) to promulgate requirements for those wishing to sit for the patent exam. Those cases are discussed in a short comment that is also online.

Readers interested in the notes should recall that Netscape permits more than one open window. Thus, anyone who wants convenient access can arrange *two* windows to view text and corresponding notes simultaneously. This makes a lot more sense than some of the alternatives, e.g., individual links between text and notes.

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2. Hereafter *PTO* or *Office*. Not until 1975, was the name changed from Patent Office to Patent and Trademark Office, P.L. 93-596 (1975).

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II.The Evolution of PTO Power to Restrict Admission

Sperry v. Florida **3** is probably the most important case to affect those who prosecute patent applications on behalf of others. There, the U. S. Supreme Court held that a person admitted to practice before the Office could not be denied that right by states regulating the practice of law.**4** Indeed, had the case gone the other way, anyone

prosecuting patents other than as paralegals, i.e., as independent patent *agents,* and not admitted to practice law **5** in a particular state, would have been put out of business.**6** Most states do not permit anyone to sit for a bar examination without having first graduated from a law school approved by the American Bar Association.**7**

As discussed in *Sperry,* anyone apparently could prosecute patent applications on behalf of others until 1869.**8** As early as 1848, it was appreciated that, in line with then-prevailing attitudes toward the practice of law,**9** or consumer protection generally,**10** little stood in the way of those who victimized inventors.**11** In 1861, Congress first provided that, for gross misconduct, the Commissioner could refuse to recognize any person, either generally or in a particular case. In 1869, the Office provided that "[a]ny person of intelligence and good moral character may appear..... upon filing proper power of attorney."**12**

Sperry relates:**13**

> To remedy these abuses, the Commissioner... in 1899 first required registration of persons practicing before the Patent Office and in 1918, required practitioners to obtain prior approval of all advertising material which they distributed. It was to reach these same evils that [Sec.] 31 was given much its present form when, in 1922, the statute was amended to expressedly authorize the Commissioner to prescribe regulations for the recognition of agents and attorneys. [Notes omitted.]

Of interest is the Court's discussion of proposals, dating at least as early as 1912, to restrict patent prosecution to *lawyers* and the rejection of such proposals by the Office.**14** Moreover, the Court goes on to discuss initiatives, beginning with general 1940s administrative procedure reform, to preclude non-lawyers from practicing before "some 40-odd federal administrative agencies, including the Patent Office."**15**

Indeed, the Court states:**16**

> So 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 non-lawyers either with respect to their ability to handle the work or with respect to their ethical conduct." [Note omitted.]

However, in the same vein, the Administrative Conference reports:**17**

> In 1957 the Department of Justice recommended discontinuing the practice of many agencies whereby attorneys were required to apply for acceptance by the agency as practitioners. Several bills were introduced in the early 1960s to abolish agency admission requirements, and only the Treasury Department and the Patent Office objected to discontinuing them.

Little more than two years after *Sperry,* Congress enacted the Agency Practice Act. It provides: "An individual who is a member in good standing of the bar of the highest court of any state may represent a person before an agency on filing ... a written declaration .... "**18** Also, that statute explicitly does *not* "grant nor deny an individual [not so qualified] the right to appear ...."**19** or "authorize or limit the discipline, including disbarment, of individuals who appear .... "**20** Finally, it provides that most

21 of the section does not apply "to practice before the Patent Office with respect to patent matters that continue to be covered by [35 U.S.C. Secs. 31-33]."**22** Thus, the PTO is unique in its ability to significantly hinder *lawyers* from representing others in matters pending before it. Moreover, aside from the situation of appearances by CPAs before the Internal Revenue Service,**23** the PTO is unique in its *explicit* power to permit *non-lawyers* to practice before it as held in *Sperry*, notwithstanding the objection of any state concerning the unauthorized practice of law.

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3. 373 U.S. 379 (1963).

4. *Sperry* is also apparently the first case to find state authority over patents and related matters to be preempted by federal law. *See* Sears Roebuck & Co. v. Stiffel Co., 376 U. S. 225, 229 (1964) - many regard *Sears*, itself, as the first such case.

5. "We do not question the determination that under Florida law the preparation and prosecution of patent applications for others constitutes the practice of law .... " *Sperry*, 373 U.S. at 383.

6. It is rumored, but we were unable to confirm except at one firm, that such persons cannot obtain malpractice insurance. If so, that would seem indirectly to accomplish much the same result.

7. *See, e.g.*, TASK FORCE ON LAW SCHOOLS AND THE PROFESSION, LEGAL EDUCATION AND PROFESSIONAL DEVELOPMENT AN EDUCATIONAL CONTINUUM, 100 (Robert McCrate ed., Student Edition 1992).

8. 373 U.S. 379, 388 (1963).

9. *Supra* note 6, at 95-7.

10. *E.g.*, selling quack medicines was not federally prohibited until 1912, with passage of the Shirley Amendment, 37 Stat. 416.

11. 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. *Sperry*, 373 U.S., at 390. *But see*, *supra* note 6, at 95-7 (according to the McCrate Report, there seems to be little basis for distinguishing lawyers and nonlawyers prior the 1880s). While some progress may have made with regard to patent *prosecutors* in the intervening years, inventors are still very much at risk from fraudulent invention *promoters*. The extent of such fraud recently prompted the Federal Trade Commission to publish a small pamphlet entitled, Facts for Consumers: Invention Promotion Firms (Jan. 1994). It has also prompted hearings in the U.S. Senate on September 1, 1994. and subsequent introduction ofS. 909, 1o4th Cong., 1st Sess. (1995) (intended to become the Inventor Protection Act of 1995).

12. Sec. 127 Rules and Directions for Proceedings in the Patent Office (1969). *See Sperry*, 373 U.S. at 388.

13. 373 U.S. at 390.

14. 373 U.S. at 391-6.

15. 373 U.S. at 396-402.

16. 373 U.S. at 402 (note omitted).

17. ADMINISTRATIVE CONFERENCE OF THE UNITED STATES, FEDERAL ADMINISTRATIVE PROCEDURE SOURCEBOOK 266 (2d ed. 1992).

18. 5 U.S.C. Sec. 500(b), P. L. 89-332, 79 Stat. 1281 (1965); incorporated into the U.S. Code with minor stylistic changes by P.L. 90-83, 81 Stat. 195 (1967).

19. 5 U.S.C. Sec. 500(d)(1) (1977).

20. 5 U.S.C. Sec. 500(d)(2) (1977).

21. 5 U.S.C. Sec. 500 (1977). Only subsection f appears to apply (indicating that notice to a participant may be sent to his or her representative).

22. 5 U.S.C. Sec. 500(e) (1977).

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III. PTO Requirements under 35 U.S.C. 31

Title 35, section 31 (Regulations for agents and attorneys) of the U.S. Code provides:

> 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 and Trademark *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. [Emphasis added.]

Regulations under that provision were moved to new Part 10 of 37 C.F.R. in 1985. Recognizing limitations on PTO power, Sec. 10.14 provides that "any individual who is an attorney may represent others before the Office in trademark and other *non-patent* cases." However, it is generally necessary **24** for anyone wanting to prosecute *patent* cases to:**25** apply, in writing; establish that he or she is of good moral character, "possessed of the *legal, scientific, and technical* qualifications necessary to enable him

or her to render applicants for patent valuable service;"**26** and pass an examination that is not "administered as a mere academic exercise."**27** Practice without so qualifying subjects one to fines of "not more than $1000 for each such offense."**28**

The PTO elaborates at length in a "General Requirements Bulletin" (Bulletin) furnished to those who inquire about admission.**29** Upon receiving it, many would-be practitioners find their most difficult hurdle, aside from *passing* the patent exam, to be proving sufficient technical qualifications to be permitted to *sit* for the exam.

As provided in the Bulletin, technical qualifications can be established in only three basic ways.**30** First, an applicant can show a bachelor's degree (or equivalent) in one of twenty-nine specific technical subjects.**31** Second, if the applicant's degree is not listed, he or she may establish "scientific and technical training equivalent to that received for a bachelor's degree in one of the subjects listed" by showing a specified number of semester hours in physics, chemistry, engineering or biological sciences.**32** This may be accomplished with an official undergraduate transcript and official descriptions for each course potentially credited or through proof of an apprenticeship with a registered patent attorney or agent.**33** Finally, an applicant may demonstrate sufficient technical training by taking and passing the Engineer-in-Training test.**34**

The Office amends the Bulletin from time to time.**35** For example, one author of this article (Field) recalls that, prior to *Chakrabarty*,**36** biology was not an accepted degree, and courses in biology were not recognized. This caused substantial difficulty for some Franklin Pierce Law Center students who had otherwise demonstrated ample capacity to prosecute patent applications. More recently, students with computer *science*, in contrast with computer *engineering*, degrees have faced difficulty.**37** Again, Field is aware of highly capable individuals who were not permitted to sit. In one instance, an applicant's school had changed the name of its degree from computer science to computer engineering after he had received it (but would not issue him a new diploma). Moreover, that person had already been hired by a very prestigious patent firm. Yet, the PTO required him to take additional courses before being permitted to sit for the exam.

One of the more interesting things about the Bulletin is that it was promulgated, and is regularly revised, without opportunity for those outside the PTO to comment, or at least formally.**38** However, the PTO, and heretofore the courts,**39** seem to regard its contents as carrying as much legal authority as 37 C.F.R. or even the patent statute itself.**40** The following discussion questions the propriety of that approach.

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23. 5 U.S.C. Sec. 500(c) (1977).

24. 37 C.F.R. Sec. 10.9 (1994) permits recognition in a particular case upon a showing that it is necessary or justifiable.

25. This summarizes 37 C.F.R. Sec. 10.7 (1994).

26. 37 C.F.R. Sec. 10.7 (b) (1994) (emphasis added); *compare* italicized language in 35

U.S.C. Sec. 31, *supra*.

[27.] 37 C.F.R. Sec. 10.7 (b) (1994). Subsection b also provides that the exam *may* be waived for those who served at least four years as a patent examiner. *See, e.g.*, Leeds v. Mosbacher, 732 F.Supp. 198 (D.D.C. 1990).

[28.] 35 U.S.C. Sec. 33 (1994).

[29.] The Bulletin distributed in advance of the April 1992 exam, had a cover bearing a much longer title: General Requirements for Admission to the Examination for Registration to Practice in Patent Cases before the U.S. Patent and Trademark Office. One recent Bulletin is very similar but lacks the cover bearing the longer title.

[30.] *Id.* at 2.

[31.] *Id.* The following are listed: biology, biochemistry, botany, electronics technology, aeronautical engineering, agricultural engineering, biomedical engineering, ceramic engineering, chemical (including electrochemical) engineering, civil engineering, computer engineering, electrical engineering, engineering physics, geological engineering, industrial engineering, mechanical engineering, metallurgical engineering, mining engineering, nuclear engineering, petroleum engineering, food technology, general chemistry, marine technology, microbiology, molecular biology, organic chemistry, pharmacology, physics, and textile technology.

[32.] *Id.* Four options are listed: (1) 24 semester hours in physics, (2) a combination of 24 semester hours in biological sciences and either 8 semester hours (two sequential semesters) of chemistry with a lab or 8 semester hours (two sequential semesters) of physics with a lab, (3) 30 semester hours in chemistry, or (4) a combination of 40 semester hours of chemistry, physics, biological sciences, or engineering which includes at least 8 semester hours two sequential semesters) of chemistry with a lab, or 8 semester hours (two sequential semesters) of physics with a lab.

[33.] *Id.* at 3.

[34.] *Id.* at 4.

[35.] The discussion of the second option (*supra* note 31) is now longer than it was in April 1992. Also, it is interesting to compare the present and 1962 versions. The latter is quoted in part in Gager v. Ladd, 212 F.Supp. 671, 673 (D.D.C. 1963).

[36.] Diamond v. Chakrabarty, 447 U.S. 303 (1980).

[37.] *See supra* note 30. *See also infra* Appendix.

[38.] *Id.*

[39.] *See, e.g., Gager, supra* note 34.

[40.] *See, e.g.*, In re Doe, 27 U.S.P.Q.2d 1934 (Comm'r 1993) (Decided Dec. 7, 1992; released June 10, 1993).

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IV. APA Rule Making and its Exceptions

Professor Kenneth C. Davis, long a, if not *the*, leading federal administrative process scholar, has called rule making under the Administrative Procedure Act (APA) **41** "one of the greatest inventions of modern government."**42** Also, as discussed by Wamsley in his seminal article,**43** the Office has long used rule making even when not required:**44**

> While most of the Patent and Trademark Office rules of practice may have been exempt from the APA rulemaking requirement under [an] exemption..., the Office chose to follow the requirements of APA Sec. 4 for its rule making and has done so ever since.

The APA defines a rule as "the whole or a part of an agency statement of general or particular applicability and future effect designed to implement, interpret, or prescribe law or policy or describing the organization, procedure or practice requirements of an agency .... "**45** APA Sec. 4, now 5 U.S.C. Sec. 553, provides the primary process for making rules. This process is also known as "informal" or "notice and comment" rule making. Basically, Sec. 553 requires that before a rule can be effective, a proposal must be published in the Federal Register,**46** an opportunity must be afforded for interested persons to participate and, after consideration of relevant matter so presented, adopted rules must incorporate a concise general statement of their basis and purpose.**47** Finally, it provides that "[e]ach agency shall give an interested person the right to petition for the issuance, amendment, or repeal of a rule."**48**

As suggested above, Sec. 553 contains exceptions. For present purposes, the most significant appears to be that "this subsection does not apply ...to interpretative rules, general statements of policy, or rules of agency organization, procedure, or practice .... " These exceptions are construed narrowly,**49** but the line between exempt and non-exempt rules has been described as "blurred," "tenuous" and "fuzzy."**50** Nevertheless, let's consider them in order.

"Interpretative" rules are defined as "rules or statements issued by an agency to advise the public of the agency's construction of the statutes and rules which it administers."**51** However, these interpretations cannot add substantive content to the authorizing legislation, even when the rule is "based on an agency's power to exercise its judgment as to how best to implement a general statutory mandate."**52** Interpretive rules should not be binding on the public because they set forth only what the agency believes existing laws or regulations to mean. They should not impose new obligations, even if these obligations are designed to implement a statute.**53**

General statements of policy are considered to be "statements issued by an agency to advise the public prospectively of the manner in which the agency proposes to exercise a discretionary power."**54** The statements are issued to indicate what course the agency intends to take in the future. This is done by "announc[ing] [the] motivating factors the agency will consider, or tentative goals toward which it will aim, in determining the resolution of a substantive question of regulation."**55** These statements are not meant to impose any new rights or obligations on the regulated parties, but instead to allow the agency to explain its intended future actions.**56** Thus, if the announcement states a change in substantive rights, it is not a general statement of policy.

Rules relating to agency organization, practice or procedure are "technical regulation [s] in the form of agency action and proceedings [and] ...should not be deemed to include any action which goes beyond formality and substantially affects the rights of those over whom the agency exercises authority."**57** The purpose of this exception was to provide agency latitude in the governing internal operations.**58** A two-part test recently recommended by the Administrative Conference states that for a rule to fall under this exception, it should:**59**

> relate solely to agency methods of internal operations or of interacting with regulated parties or the public, and [should] not significantly affect conduct, activity, or a substantive interest that is the subject of agency jurisdiction, or affect the standards for eligibility for a government program.

Examples of non-exempt rules given by the Administrative Conference include criteria for determining the severity of enforcement sanctions or application requirements for benefits, contracts, licenses, permits and loan guarantees.**60**

Also, an argument might be made that the word, "practice," in the Sec. 553 exception **61** is a distinct basis for exclusion encompassing rules that govern, e.g., *admission to "practice" law* before administrative agencies, but it seems more likely that the word is used as in "practice and procedure." Indeed, in 37 C.F.R., *practically all of the rules* in patent and trademark cases are called rules of "practice!"

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41. Primarily 5 U.S.C. Secs. 551-559, 701-706 (1977) originally enacted as P.L. 404, 60 Stat. 237 (1946) and replaced by P.L. 89-554, 80 Stat. 237 (1966) as part of a general revision of Title 5.

42. *See, e.g.,* KENNETH CULP DAVIS, ADMINISTRATIVE LAW TEXT 142 (3d ed. 1972).

43. Herbert C. Wamsley, *The Rulemaking Power of the Commissioner of Patents and Trademarks,* 64 J. Pat. & Trademark Off. Soc'y, 490 (Part 1), 539 (Part 2) and 605 (Part 3) (1982).

44. *Id.* at 503-4. APA Sec. 4 is the same as 5 U.S.C. Sec. 553 (1977).

45. 5 U.S.C. Sec. 551 (1977).

46. 5 U.S.C. Sec. 553 (b) (1977).

47. 5 U.S.C. Sec. 553 (c) (1977). Once a rule is adopted, it should be possible for any interested person to challenge it, at least on process grounds -- an interested person being one who participated in the rulemaking proceeding; *see, e.g.,* Gage v. AEC, 479 F.2d 1214 (D.C. Cir. 1973).

48. 5 U.S.C. Sec. 553 (d) (1977).

49. *See, e.g.,* Air Transport Ass'n America v. Dep't Transp., 900 F.2d. 369, 375 (D.C. Cir. 1990), judgment vacated as moot, 111 S. Ct. 944 (1991).

50. Robert A. Anthony, *Interpretive Rules, Policy Statements, Guidances, Manuals, and the Like - Should Federal Agencies Use Them to Bind the Public?* 41 DUKE L.J. 1311, 1321 (1992).

51. Attorney General's Manual on the Administrative Procedure Act 30, n.3 (1947), *reprinted in* Sourcebook, *supra* note 16, at 96. *See also,* Robert A. Shwarts, *Delineation in the Exceptions to the Notice Comment and Provisions of the Administrative Procedure Act,* 56 GEO. WASH. L. REV. 1069, 1073 (1989).

52. *Supra* note 49, at 1313.

53. *See, e.g.,* American Hospital Ass'n v. Bowen, 640 F.Supp. 453, 460 (D.D.C. 1986).

54. *Supra* note 50.

55. Brown Express, Inc. v. U.S., 607 F.2d. 695, 701 (5th Cir. 1979).

56. American Business Ass'n v. U.S., 627 F.2d. 525, 529 (D.C. Cir. 1980).

57. Pickus v. U.S. Board of Parole, 507 F.2d. 1107, 1113 (D.C. Cir. 1974).

58. Air Transp. Ass'n America v. Dept. Transp., 900 F.2d. 369, 376 (D.C. Cir. 1990).

59. Jeffrey S. Lubbers & Nancy G. Miller, *The APA Procedural Rule Exemption: Looking for a Way to Clear the Air,* 6 AM. U. L. REV. 481, 491 (1992).

60. *Id.*

61.

5 U.S.C. Sec. 553(b) (exception A) (1977).

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V. Conclusion: PTO Requirements Should not be Regarded as Law until Properly Promulgated

Both the PTO and courts reviewing refusals to permit applicants to sit for the patent exam have treated the criteria set forth in the General Requirements Bulletin as though they were part of the statute. Thus, they have been clearly "determinative of the issues or rights addressed and foreclose[d] alternate courses of action or conclusively affect [ed] rights of private parties."**62** There is no doubt that they are intended to and have substantively bound many individuals.**63** It was to prevent precisely this type of situation that led to inclusion of the rule-making provisions in the APA.

In that respect, the following is particularly instructive: **64**

> As this court has previously stated, the Commission's "characterization of its statement as an exposition of its policy or interpretation of the standard does not preclude our finding that it is something more." Such a distinction between "interpretative rules" and "something more," i.e., "substantive" or "legislative" rules, is not always easily made. Nonetheless, courts are in general agreement that interpretative rules simply state what the administrative agency thinks the statute means, and only "remind" affected parties of existing duties. In contrast, a substantive or legislative rule, pursuant to properly delegated authority, has the force of law, and creates new law or imposes new rights or duties.
>
> The distinction between interpretative and legislative rules is significant because...the Administrative Procedure Act, exempts "interpretative rules . . . " from the process of notice and comment. Legislative rules which fail to satisfy such procedural requirements must be set aside.
>
> In deciding whether proposed Sec. 1501.20 is an interpretative rule, this court should consider the Commission's "intent in authoring it, as ascertained by an examination of the provision's language, its context, and any available extrinsic evidence." Here, the language of the statement and related comments establishes that more is involved than mere "interpretation," because the proposed statement has the clear intent of eliminating a former exemption and of providing the Commission with power to enforce violations of a new rule. For example, the statement gives the Commission authority to impose the full range of civil and criminal penalties provided by Congress .... For these reasons, the Commission's contention that the rule does not "command performance" is simply incredible. Its proposal that, instead, the statement "only expects" and "urges" compliance, and merely provides guidance to the public and its staff, ignores the statement's plain language.[Citations omitted.]

Thus, it is difficult to understand how the detailed, and ever more lengthy and specific,**65** provisions in the Bulletin could be regarded as merely interpretations of 37 C.R. Sec. 10.7 or ultimately 35 U.S.C. Sec. 31. Indeed, given the long-standing, generally favorable PTO attitude toward notice and comment rule making,**66** it is difficult to imagine why the contents of its Bulletin were not long ago promulgated in accordance with the notice and comment rule-making provisions of the APA. The most likely explanation seems to be that the Office apparently has parallel requirements for examiners and attorneys or agents.**67** While it need not seek public comment before establishing qualifications for examiners, qualifications for outsiders are another matter altogether.**68**

As we see it, the situation is ripe for a rule-making petition under Sec. 553(d) if not an action to require rule making.**69** Only general unfamiliarity with the APA among patent lawyers seems to explain why something along this line wasn't pursued long ago.**70** Meanwhile, unlike the situation in cases where this issue has not been raised much less decided, the courts should refuse to treat the provisions of the Bulletin as though they were properly promulgated under the APA. Until such time as the PTO properly promulgates its requirements, any statement in its Bulletin should carry no

more weight than if it were in an OED decision **71** or a Solicitor's brief. That is, it should be judged on the quality of its reasoning. Much of the contents of the Bulletin, in contrast, comprise criteria without any justification or reasoning whatsoever. An example is the inclusion of computer *engineering* but not computer *science*. For that reason, the Appendix below is most instructive.

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See supra note * regarding a decision that rejects a similar argument.

62. Batterton v. Marshall, 648 F.2d. 694, 702 (D.C. Cir. 1980).

63. *See* In re Doe, *supra* note 39.

64. Jerri's Ceramic Arts, Inc. v. Consumer Product Safety Commission, 874 F.2d 205, 207-08 (4th Cir. 1989).

65. *See supra* note 28.

66. *See supra*, at note 41. *See also, e.g.*, the account of amendments to Part 10 discussed in In re Teicher, 14 U.S.P.Q.2d 1573 (Comm'r 1989).

67. *See infra* Appendix, particularly italicized language in the second paragraph of Discussion and in the Commissioner's response.

68. *See supra*, at note 56.

69. *Compare* Animal Legal Defense Fund v. Quigg, 18 U.S.P.Q.2d 1677 (1991). That case is easily distinguished but raises a potentially troublesome problem of standing. Still, it is difficult to imagine that only prospective practitioners would have standing in this instance given the lack of restriction in 5 U.S.C. Sec. 553(d) or 5 U.S.C. Sec. 553 generally.

70. *See infra* Appendix.

71. Generating rules through decisions seems to be the only acceptable (and even then not without criticism) alternative to 5 U.S.C. Sec. 553 for promulgating substantive rules of binding effect. *See, e.g.*, National Labor Relations Board v. Wyman-Gordon Co., 394 U.S. 759 (1969). See online discussion of decisions rendered after this paper was written.

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Appendix

Explanation regarding the appendix. What follows is the text and Discussion of Resolution 701-1 of the American Bar Association, Section of Patent, Trademark and Copyright Law, Subcommittee on Software Patent Protection to the Computer Law Committee. The resolution is indicated to have passed 54-2, but the date does not appear.
A Westlaw search did not indicate further action by the Subcommittee.
This substantially abbreviated material, with *emphasis added* both in the Discussion and in the quotation from Commissioner Quigg, is reprinted from DAVID BENDER, CURRENT DEVELOPMENTS IN SOFTWARE PATENTS, *Appendix 2* (PLI 1990).

RESOLVED, that the Section of Patent, Trademark and Copyright Law supports in principle the amendment of the requirements for being hired as a patent examiner and for admission to the examination for registration as a patent attorney to permit the hiring of patent examiners and the admission of patent attorneys with bachelor's degrees or the equivalent in computer science.
Past Action. None.

Discussion

Recently, concern has been mounting that the... Office is incapable of adequately handling software patent applications because patent examiners have insufficient training with respect to computer software and related mathematics. Some people have argued that a solution for this problem may be to establish an institute... wherein new hires would be trained in computer software by private sector experts. The... Office is actively investigating this possibility.

The Committee agrees that most examiners are inadequately trained in computer software, but disagrees with the proposed solution.... The simple reason why patent examiners have inadequate computer software training is that *the rules for admission to the patent bar, which are the same as the rules for qualification as a patent examiner,* have not been updated to permit admission of attorneys who have undergraduate degrees in computer science....

As of July 5, 1989, the chairman of this subcommittee wrote a letter to Donald J. Quigg,... then Commissioner... advocating that the rules for admission to the patent bar be amended to permit admission of attorneys with computer science degrees. This letter indicated that there has been a recent explosion of patents being issued referencing Class 364, Subclass 3, which includes software systems (programs) used in programmable digital data processing systems or computers for operators upon digital data. It further recited the statistic that [w]hile the total number of new patents granted per year have increased by 37% between 1978 and 1987, the number of software patents granted per year has increased by 470% over the same period.... It additionally related that the chairman of this subcommittee had privately discussed this matter with a highly placed member of the examining staff, who indicated recognition of the problem and agreement with the solution proposed....

The former Commissioner... responded... on July 11, 1989, and stated...:

> I appreciate your advocacy for changing the registration requirements to permit admission for attorneys with undergraduate degrees in computer science. However, no change in the registration requirements is

> contemplated at this time. The scientific and technical training qualification requirements for registration as a patent attorney or agent are the same as the qualifications for being hired as a patent examiner. Both patent examiners and registered practitioners must deal with and understand the same subject matter in patent applications and their communications. Thus, ability to do so would appear to involve similar education and training. *Clearly, it is appropriate and reasonable that a person seeking registration under 37 CFR 10.6 have comparable training to a patent examiner.*

This response somewhat missed the point, in one sense, and yet in another sense it actually supports the breadth of the proposed resolution. It is not a justification for the current rules concerning attorney admission to the patent bar that the rules concerning qualifications to be a patent examiner are the same, or vice versa. The rules should be updated in both instances. It would, in the Committee's view, be a waste of time and expense to create an institute to train patent examiners lacking an educational background in computer software and related mathematics. The simple and direct solution to the problem... is to update the rules to permit the hiring of patent examiners and admission of patent attorneys who already have had this training.

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