NATIONAL ASSOCIATION OF PATENT PRACTITIONERS
701 Exposition Place, Suite 206
Raleigh, NC 27607
Phone: 919-230-9635
Email: napp@napp.org
Website: www.napp.org

February 23, 2021

Via: Federal eRulemaking Portal at www.regulations.gov (Docket # PTO–P–2020–0057)

Mr. Drew Hirshfeld
Commissioner for Patents, performing the functions and duties of the Under Secretary of Commerce for IP and Director of the USPTO
Mailstop: Comments – Patents
PO Box 1450
Alexandria VA 22313-1450

Re: Request for Comments on National Strategy for Expanding American Innovation

Dear Mr. Hirshfeld:

As outlined in the Request for Comments, the USPTO is seeking to develop a national strategy for building a more demographically, geographically, and economically inclusive innovation ecosystem. As most directly suggested by question 13 of the RFC (ways of promoting diversity in the corps of IP practitioners), but also of relevance to other questions concerning access of underrepresented communities to the innovation ecosystem, we believe a necessary component of any such strategy is developing a "more demographically, geographically, and economically inclusive" corps of IP practitioners without reducing the required level of professional qualifications needed to ensure competent representation.

As others have noted, "Law is America's least diverse profession",[1] and while progress is being made on that front, it would be wise to promote the profession to other, more inclusive pools of qualified candidates such as holders of engineering degrees and others qualified to take the USPTO registration exam to become patent agents. With America's emphasis on innovation and entrepreneurship, the profession should be extremely attractive to such candidates; yet the perceived need for a law degree causes many to opt instead for more traditional engineering careers.

[1] J. Shontavia Johnson, Tonya M. Evans, and Yolanda M. King, "Diversifying Intellectual Property Law: Why Women of Color Remain "Invisible" and How to Provide More Seats at the Table", Landslide v10n4, American Bar Association © 2018.

Even though Congress established the patent agent profession to eliminate the law degree requirement and increase the number of qualified IP practitioners, law degrees are still perceived to be necessary, making the profession a less desirable option for disadvantaged communities. This perception arises because, despite doing the same work as many patent lawyers, patent agents are treated as staff by attorneys, law firms, and bar associations, sharply limiting their opportunities for career advancement. In particular, law firms routinely credit any benefit from the patent agents' business development, management, training, and other administrative activities to a supervising partner. While often true for associate lawyers as well, such activities typically advance lawyers along a promotion track; patent agents have little opportunity or incentive to grow their experience on the business-related aspects of patent practice and their associated influence in the IP community.

At the heart of this situation lies ABA Model Rule 5.4 ("Professional Independence of a Lawyer"),[2] which has been adopted in some fashion in nearly every one of the States in the Union. Under this rule, nonlawyers cannot become partners or co-owners with lawyers in a law firm, even if those nonlawyers do the same work, invest the same time, and accept the same responsibilities as the firm's associate lawyers. Though various court decisions have made it clear that, so long as patent agents remain within the scope of their practice before the USPTO, they are practicing law and should be treated as lawyers, neither the USPTO nor any of the States has yet taken a position that this status should extend to lawyer status under Model Rule 5.4 despite the absence of any inherent conflict of interest.[3] Sperry v. Florida holds that it is within the USPTO's power to do so, preempting any conflicting state regulations if necessary.[4]

Such action by the USPTO will have a swift and meaningful benefit to the popularity of the patent agent profession. For as long as the ambiguity lingers, patent agents will remain unable to ascend the career ladder of their chosen profession unless and until they secure a law degree and admission to their State Bar, a prohibitive time and financial investment for most in the disadvantaged communities. The ambiguity accordingly limits the influence and earning power of patent agents, preventing those in good conscience

[2] American Bar Association Rules of Professional Conduct ("Rule 5.4: Professional Independence of a Lawyer, Law Firms and Associations (a) A lawyer or law firm shall not share legal fees with a nonlawyer … . (b) A lawyer shall not form a partnership with a nonlawyer if any of the activities of the partnership consist of the practice of law. … (d) A lawyer shall not practice with or in the form of a professional corporation or association authorized to practice law for a profit, if: (1) a nonlawyer owns any interest therein … .")

[3] Kenneth R. Shurtz, "How far should the PTO regulate business relationships of patent practitioners" Hastings Bus. LJ, 2009 ("the PTO should explicitly state the intent to preempt state regulations with this rule to allow the valid and ethical business practice of patent attorneys and patent agents working in a partnership.")

[4] Sperry v. Florida, 373 U.S. 379, 386 (1963) ("Nothing in this part shall be construed to preempt the authority of each State to regulate the practice of law, except to the extent necessary for the Patent and Trademark office to accomplish its Federal objectives." (emphasis added)).

from promoting it as a career option, despite the benefit that a larger, more inclusive corps of practitioners would offer the innovation ecosystem. If the USPTO expressly adopts the position that patent agents acting within their authorized scope of practice before the USPTO must be treated as lawyers for the purposes of those rules governing professional independence, eligibility for fee sharing, and law firm ownership, these limits will be removed and the patent agent profession rendered much more appealing to qualified candidates unable to pursue law degrees.

Such action by the USPTO would also bring US practice more in line with that of other global actors such as the EPO, Australia, China, Germany, Great Britain, and India, where their equivalents of US Patent Agents (registered practitioners without a law degree) are commonly called Patent Attorneys and treated accordingly.[5] International harmonization of IP rights and practices has long been seen as desirable by the USPTO and will help maintain preeminence of the US innovation ecosystem.[6]

We appreciate this opportunity to provide input to the National Strategy for Expanding American Innovation. Please let us know if we can be of any further assistance with these matters.

Sincerely,

Dr. Daniel J. Krueger, Esq.
NAPP President
NAPP@NAPP.org

David D. Smith

David "Dan" Smith
Patent Director and Innovation Coach
CableLabs®
D.Smith@CableLabs.com

[5] G. Chambers, "The Intellectual Property Profession – An International Comparison", ©2013 FICPI, p.7-9, https://bit.ly/3qzqLMX .
[6] https://www.uspto.gov/ip-policy/patent-policy/harmonization