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DEPARTMENT OF COMMERCE

United States Patent and Trademark Office

37 CFR Part 1

[Docket No.: PTO-P-2013-0040]

RIN 0651-AC90

Changes to Require Identification of Attributable Owner

AGENCY: United States Patent and Trademark Office, Commerce.

ACTION: Notice of proposed rulemaking.

SUMMARY: The United States Patent and Trademark Office (Office) is proposing changes to the rules of practice to facilitate the examination of patent applications and to provide greater transparency concerning the ownership of patent applications and patents. This initiative is one of a number of executive actions issued by the Administration that are designed to ensure the highest-quality patents, enhance competition by providing the public with more complete information about the competitive environment in which innovators operate, enhance technology transfer and reduce the costs of transactions for

patent rights by making patent ownership information more readily and easily available, reduce abusive patent litigation by helping the public defend itself against frivolous litigation, and level the playing field for innovators. The Office is proposing in this document to require that the attributable owner, including the ultimate parent entity, be identified during the pendency of a patent application and at specified times during the life of a patent. The Office is specifically proposing that the attributable owner be identified on filing of an application (or shortly thereafter), when there is a change in the attributable owner during the pendency of an application, at the time of issue fee and maintenance fee payments, and when a patent is involved in supplemental examination, ex parte reexamination, or a trial proceeding before the Patent Trial and Appeal Board (PTAB). The Office is also seeking comments on whether the Office should enable patent applicants and owners to voluntarily report licensing offers and related information to the Office, which the Office will then make available to the public in an accessible online format.

DATES: Comment deadline date: Written comments must be received on or before [Insert date 60 days after publication in the FEDERAL REGISTER].

ADDRESSES: Comments should be sent by electronic mail message over the Internet addressed to: AC90.comments@uspto.gov. Comments may also be submitted by postal mail addressed to: Mail Stop Comments-Patents, Commissioner for Patents, P.O. Box 1450, Alexandria, VA, 22313-1450, marked to the attention of James Engel, Senior Legal

Advisor, Office of Patent Legal Administration, Office of the Deputy Commissioner for Patent Examination Policy.

Comments may also be sent by electronic mail message over the Internet via the Federal eRulemaking Portal. See the Federal eRulemaking Portal Web site (<http://www.regulations.gov>) for additional instructions on providing comments via the Federal eRulemaking Portal.

Although comments may be submitted by postal mail, the Office prefers to receive comments by electronic mail message over the Internet because sharing comments with the public is more easily accomplished. Electronic comments submitted in plain text are preferred, but also may be submitted in ADOBE® portable document format or MICROSOFT WORD® format. Comments not submitted electronically should be submitted on paper in a format that facilitates convenient digital scanning into ADOBE® portable document format.

The comments will be available for public inspection at the Office of the Commissioner for Patents, currently located in Madison East, Tenth Floor, 600 Dulany Street, Alexandria, Virginia. Comments also will be available for viewing via the Office's Internet Web site (<http://www.uspto.gov>). Because comments will be made available for public inspection, information that the submitter does not desire to make public, such as an address or phone number, should not be included in the comments.

FOR FURTHER INFORMATION CONTACT: James Engel, Senior Legal Advisor ((571) 272-7725), or Erin M. Harriman, Legal Advisor ((571) 272-7747), Office of Patent Legal Administration, Office of the Deputy Commissioner for Patent Examination Policy.

SUPPLEMENTARY INFORMATION:

Executive Summary: Purpose: On June 4, 2013, the White House issued five executive actions designed to increase transparency of the patent system, ensure the highest-quality patents, reduce abusive patent litigation and level the playing field for innovators. The first of these executive actions is titled “Making ‘Real Party in Interest’ the New Default,” and calls for the Office to begin a rulemaking process to require patent applicants and patent owners to regularly update ownership information when the applicant or patent owner is involved in a proceeding before the Office, including designation of the “ultimate parent entity(ies)” of those owners. To help achieve the above goals as well as to improve the incentives for future innovation, to enhance competition by providing the public with more complete information about the competitive landscape and technology marketplace by making patent ownership information more readily available, and to help the Office carry out its task of patent examination, the Office is proposing changes to the rules of practice concerning the attributable owner of pending patent applications and patents. This document and the proposed rules have adopted the term “attributable owner” rather than “real party in interest” to avoid confusion given that the term “real party in interest” is used elsewhere in title 35, United States Code (e.g., 35 U.S.C. 118, 315, 317, 325, 327).

The proposed changes will facilitate patent examination and other parts of the Office's internal processes by helping to: (1) ensure that a "power of attorney" is current in each application or proceeding before the Office; (2) avoid potential conflicts of interest for Office personnel; (3) determine the scope of prior art under the common ownership exception under 35 U.S.C. 102(b)(2)(C) and uncover instances of double patenting; (4) verify that the party making a request for a post-issuance proceeding is a proper party for the proceeding; and (5) ensure that the information the Office provides to the public concerning published applications and issued patents is accurate and not misleading.

Beyond providing these benefits to the Office, collecting attributable owner information and making it publicly available is expected to: (1) enhance competition and increase incentives to innovate by providing innovators with information that will allow them to better understand the competitive environment in which they operate; (2) enhance technology transfer and reduce the costs of transactions for patent rights since patent ownership information will be more readily and easily accessible; (3) reduce risk of abusive patent litigation by helping the public defend itself against such abusive assertions by providing more information about all the parties that have an interest in patents or patent applications; and (4) level the playing field for innovators.

The Office is also seeking comments on whether the Office should enable patent applicants and owners to voluntarily report licensing offers and related information to the Office, which the Office will then make available to the public in an accessible online format. Such licensing information could include willingness to license, as well as

licensing contacts, license offer terms, or commitments to license the patent, e.g., on royalty-free or reasonable and non-discriminatory terms. Further background and details about this request for comments are below.

In order to engage the public and provide as much opportunity for feedback and input as possible, the Office intends to hold two stakeholder input meetings at which members of the public can provide comment to the Office on this proposal. These meetings will be held during the public comment period for this proposal, at times and locations to be determined. The Office will publicize the times and locations of these meetings through the Office's Internet Web site (<http://www.uspto.gov>).

Summary of Major Provisions: The Office proposes collecting two basic types of attributable owner information: (1) titleholders and (2) enforcement entities. If applicable, the attributable owner would also include the ultimate parent entity as defined in 16 CFR 801.1(a)(3) of either of these two reporting categories. The Office proposes adopting this "ultimate parent entity" definition rather than creating a new one to minimize the need for additional investigation and analysis of ownership structures. The Office also proposes that "attributable owner" include any entity that creates or uses any type of arrangement or device with the purpose or effect of temporarily divesting such entity of attributable ownership or preventing the vesting of such attributable ownership.

The Office proposes that patent applicants identify the attributable owner or owners when an application is filed (or shortly thereafter), when attributable owner changes during the

pendency of an application (within three months of such change), when the issue fee is due for an application that has been allowed, when a maintenance fee is due, and when a patent becomes involved in certain post-issuance proceedings at the Office, including in supplemental examination, ex parte reexamination, or a trial proceeding before the PTAB.

The Office plans to work with its user community to implement this reporting system in a user-friendly manner and welcomes input on how this can best be accomplished. Subject to financial and resource constraints, the Office anticipates, in particular, developing a system for the electronic uploading and updating of attributable owner information, including bulk uploading and updating of attributable owner information when any ownership transfers occur. This type of reporting system will also allow applicants and patentees to indicate that the information the Office has on file is accurate at future checkpoints, such as at the time of maintenance fee payments.

As with other procedural requirements of the Office, this proposal provides an applicant or patent owner with a means to correct omissions and errors in the attributable owner information that has been reported. The notice also proposes to excuse good faith failures to notify the Office of the attributable owner or to provide correct or complete attributable owner information.

The Office proposes to make the proposed rules applicable to all applications filed on or after the effective date of the final rule. For already-filed, pending applications, the

Office proposes to require the reporting of attributable owner or owners when the issue fee is due (if and when such application has been allowed) provided that the notice of allowance is mailed on or after the effective date of the final rule. For already-issued patents, the Office proposes to require the reporting of attributable owner or owners when the next maintenance fee is paid, if the payment occurs on or after the effective date of the final rule. For any trial proceeding in which the petition was filed on or after the effective date of the final rule and any supplemental examination or ex parte reexamination in which the request was filed on or after the effective date of the final rule, the Office proposes to require the reporting of attributable owner or owners. The effective date of the final rule would be at least thirty days after publication of the final rule.

While the Office would use attributable owner information for examination purposes in both published and unpublished applications, attributable owner information would be made available to the public for an application that has been published or issued as a patent.

Costs and Benefits: This rulemaking is not economically significant under Executive Order 12866 (Sept. 30, 1993).

Background: On June 4, 2013, the White House Task Force on High-Tech Patent Issues published a paper detailing five executive actions and seven legislative recommendations “to protect innovators from frivolous litigation and ensure the highest-quality patents in

our system.” Fact Sheet: White House Task Force on High-Tech Patent Issues, Legislative Priorities & Executive Actions. The first of the five executive actions calls for the Office to “begin a rulemaking process to require patent applicants and owners to regularly update ownership information when they are involved in proceedings before the [Office], specifically designating the ‘ultimate parent entity’ in control of the patent or application.” Id.

With this notice of proposed rulemaking, the Office is proposing changes designed to increase transparency by collecting ownership information of not just the titleholder (e.g., assignee), but also entities that are real-parties-in-interest because of their right to enforce an issued patent, as well as information about the entities who ultimately control these entities (i.e., the “ultimate parent entities”). The proposed rule is designed to collect information both during the application process and at certain times after a patent issues, and thus will affect both patent applicants and holders of issued patents.

Before the White House initiatives were announced on June 4, 2013, the Office had begun the process of considering whether and how to collect assignment or real-party-in-interest information (referred to herein as the “attributable owner”) with a request for comments in 2011 and a roundtable held at the Office in January 2013. Request for Comments on Eliciting More Complete Patent Assignment Information, 76 FR 72372 (Nov. 23, 2011) (2011 Request for Comments); Notice of Roundtable on Proposed Requirements for Recordation of Real Party-in-Interest Information Throughout Application Pendency and Patent Term, 77 FR 70385 (Nov. 26, 2012) (2012 Roundtable

Notice). The 2012 Roundtable Notice reiterated that the Office was considering promulgating regulations that would require reporting of real-party-in-interest information during the application process and at certain times post-issuance and invited further public input. The Roundtable, which was open to any member of the public, was held on Friday, January 11, 2013. Details on the comments received from organizations and individuals can be found at http://www.uspto.gov/ip/officechiefecon/roundtable_01-11-2013.jsp.

As set forth in the Roundtable Notice, having accurate and up-to-date attributable owner information will facilitate patent examination and other parts of the Office's internal processes. As courts have previously recognized, the Office has the authority to promulgate regulations that "shall govern the conduct of proceedings in the Office." Star Fruits S.N.C. v. U.S., 393 F.3d 1277, 1282 (Fed. Cir. 2005) (quoting 35 U.S.C. 2(b)(2)); see also Cooper Techs. Co. v. Dudas, 536 F.3d 1330, 1335 (Fed. Cir. 2008) ("To comply with section 2(b)(2)(A), a Patent Office rule must be 'procedural'—*i.e.*, it must 'govern the conduct of proceedings in the Office.'"). Pursuant to this authority, the Office may require the submission of information that is reasonably necessary to proper examination or treatment of the matter at hand, provided that such requests are not arbitrary or capricious. See Star Fruits, 393 F.3d at 1283-84.

To this end, the Office seeks attributable owner information to ensure that a "power of attorney" is current in each application or each patent involved in a proceeding before the Office. The Office has a clear interest in ensuring that current representatives in any

proceeding before the Office are authorized by the current owner of the application or patent. See Lacavera v. Dudas, 441 F.3d 1380, 1383 (Fed. Cir. 2006) (“[T]he PTO has broad authority to govern the conduct of proceedings before it and to govern the recognition and conduct of attorneys.” Moreover, the Leahy-Smith America Invents Act, Pub. L. 112-29 (2011) (“AIA”) amended 35 U.S.C. 118 to provide that an application for patent may be filed by the assignee or person to whom the inventor is under an obligation to assign the invention. See Pub. L. 112-29, 125 Stat. 283, 296 (2011).

In addition, it is important for the Office to know the attributable owner of each application or each patent involved in a proceeding before the Office in order to avoid potential conflicts of interest for Office personnel. This problem has been identified during the adoption of regulations for the PTAB. For example, “in the case of the Board, a conflict would typically arise when an official has an investment in a company with a direct interest in a Board proceeding. Such conflicts can only be avoided if the parties promptly provide information necessary to identify potential conflicts.” Rules of Practice for Trials Before the Patent Trial and Appeal Board and Judicial Review of Patent Trial and Appeal Board Decisions, 77 FR 48612, 48617 (Aug. 14, 2012). Like administrative patent judges at the PTAB, “[p]atent examiners are quasi-judicial officials.” Western Elec. Co., Inc. v. Piezo Tech., Inc., 860 F.2d 428, 431 (Fed. Cir. 1988) (citing Butterworth v. United States ex rel. Hoe, 112 U.S. 50, 67 (1884)). Office employees are also subject to executive branch regulations that govern conflicts of interest in certain cases where employees have threshold financial interests in matters before them. See

5 CFR 2640.202(a); see also 18 U.S.C. 208. Accordingly, a clear identification of the attributable owner is important to ensure that officials are able to recuse themselves.

There are recent trends towards greater liquidity in the markets for patent-related intellectual property. See, e.g., U.S. Dept. of Justice & Fed. Trade Comm'n, The Evolving IP Marketplace: Aligning Patent Notice and Remedies with Competition, at 37-39 (2011) ("FTC Report") (discussing the increasing importance of technology transfer from small, specialized firms to manufacturing firms and from large companies to spin-offs). Thus, the Office has a corresponding need for more regular ownership reporting and updating requirements for the Office's internal function. In particular, having such accurate and up-to-date attributable owner information will help the Office determine whether current representatives in any proceeding before the Office are authorized by the current applicant or owner. Likewise, having such attributable owner information will facilitate the Office's efforts to ensure that applicable conflict-of-interest provisions for Office personnel are followed.

Facilitating greater transparency of patent application and patent ownership is also an important part of the Office's ongoing efforts to modernize patent examination and to improve patent quality. Recent changes in title 35 under the AIA have expanded the role of ownership as part of determining what constitutes prior art. See 35 U.S.C. 102(b). In particular, 35 U.S.C. 102(b)(2)(C) (2011) exempts as prior art those patent applications or issued patents that name different inventors where "the subject matter disclosed and the claimed invention, not later than the effective filing date of the claimed invention, were

owned by the same person or subject to an obligation of assignment to the same person.” Because ownership of an earlier-filed patent application or issued patent may prevent its use as prior art against a later-filed patent application, patentability may depend not just on the content of the prior art patent application or issued patent, but also on who owns it.

35 U.S.C. 102(b)(2)(C) (2011) differs from the previous statutory provision on which it was based (pre-AIA 35 U.S.C. 103(c)(1)). While pre-AIA 35 U.S.C. 103(c)(1) concerned an exception to obviousness rather than an exception to what constitutes prior art, it otherwise recited virtually identical language to that of the 35 U.S.C. 102(b)(2)(C) (2011), except that pre-AIA 35 U.S.C. 103(c)(1) stated that patentability was not precluded where “the subject matter and the claimed invention were, at the time the claimed invention was made, owned by the same person or subject to an obligation of assignment to the same person.” Under pre-AIA 35 U.S.C. 103(c)(1), whether earlier subject matter was prior art was established at the time when the claimed invention in the later-filed application was “made,” by considering whether the earlier subject matter was owned by the same entity that owned (or had a right to own) the claimed invention that was just made. In contrast, under 35 U.S.C. 102(b)(2)(C) (2011), there may be an opportunity—in the period before the filing of the second application—for ownership to change in a way that affects whether the earlier patent or patent application is prior art for purposes of 35 U.S.C. 102(a)(2) (2011).

In the prosecution context, 35 U.S.C. 102(b)(2)(C) (2011) presents the possibility that a greater amount of prior art might be subject to this exemption than under pre-AIA 35

U.S.C. 103(c)(1), which, in turn, could render the current method of handling the possibility of common ownership under MPEP 706.02(1)(2) (the examiner presenting an initial rejection, and the applicant rebutting the rejection with proof of ownership) inefficient in a manner contrary to the principles of compact prosecution as explained in MPEP 706 (“The goal of examination is to clearly articulate any rejection early in the prosecution process so that the applicant has the opportunity to provide evidence of patentability and otherwise reply completely at the earliest opportunity.”). Accordingly, tracking attributable owner information for patent applications and issued patents is directly relevant to questions of whether a claimed invention is patentable over the prior art during prosecution.

Moreover, the availability of new types of third-party proceedings that may be filed with the Office, including inter partes review under 35 U.S.C. 311 et seq. and post-grant review under 35 U.S.C. 321 et seq., has created a need for the Office to collect and publish timely ownership information. Because of certain statutory deadlines imposing short time frames for action (e.g., nine months after patent grant (35 U.S.C. 321(c)), it may often be impractical or impossible for third parties to discover ownership information through other means, such as through litigation between patent owners and third parties that would provide for discovery of such information. As discussed previously, ownership information may be relevant in determining the scope of prior art. Accordingly, providing accurate and up-to-date ownership information to the public is important to facilitate these post-issuance proceedings. In addition, requiring updated

ownership information during post-issuance proceedings will facilitate examination for the same reasons discussed previously for examination of applications.

Accordingly, having updated ownership information would allow the Office to:

(1) verify that a bona fide third party is making the request for inter partes review or post-grant review, as required by 35 U.S.C. 311(a) and 321(a), respectively; (2) verify that the petitioner applying for review of a covered business method patent is a real-party-in-interest or privy to an entity that has been sued or charged with infringement of that patent, as required by 37 CFR 42.302(a); and (3) verify that a bona fide patent owner is making the request for supplemental examination, as required by 35 U.S.C. 257(a).

Finally, because the Office publishes information it possesses related to an application or patent (subject to 35 U.S.C. 122), the Office has an interest in ensuring that such information is not misleading. The Office currently receives (and publishes) only assignment information that is voluntarily submitted by the applicant or patent owner. There is no requirement that changes in assignment information be updated, though current law protects against certain types of fraud if such updating occurs. See 35 U.S.C. 261. Consequently the information the Office has on file may be outdated, which may be misleading to the public. Ensuring that the Office can provide information to the public that is not misleading is consistent with several statutory provisions directing the Office to disseminate information to the public as well as those directing the Office to provide access to information through electronic means. See 35 U.S.C. 2(a)(2) (creating a duty of “disseminating to the public information with respect to patents”); 10(a)(4) (providing for

publication of information, including “annual indexes of . . . patentees”); 10(b) (allowing the Director to publish the specified information set forth in [item (4)] of subsection 35 U.S.C. 10(a) of this section in a publication format “desirable for the use of the Office”) and 41(i) (creating a duty to provide access to information electronically).

Beyond providing these benefits to the Office, collecting attributable owner information and making it publicly available may have other potential benefits. In particular, collecting attributable owner information and making it publicly available may:

(1) enhance competition and increase incentives to innovate by providing innovators with information that will allow them to better understand the competitive environment in which they operate; (2) enhance technology transfer and reduce the costs of transactions for patent rights since patent ownership information will be more readily and easily accessible; (3) reduce risk of abusive patent litigation by helping the public defend itself against such abusive assertions by providing more information about all the parties that have an interest in patent or patent applications; and (4) level the playing field for innovators.

Regarding enhanced competition and increased incentives to innovate, easier access to accurate and up-to-date attributable owner information will provide innovators with information to better understand the competitive environment in which they operate. This will enable them to better assess, for example, the risks and benefits of developing a new business in a different area of technology, thereby allowing them to allocate their limited research and development resources more judiciously. Chapters 1 and 2 of the

FTC Report discuss at length the advantages of ex-ante versus ex-post licensing. By providing the public with more and better information about ownership of patent rights earlier (particularly in advance of product launch and filling of distribution channels), innovators will be better positioned to seek rights ex-ante rather than ex-post, should they so desire.

Regarding enhancing technology transfer and reducing the costs of transactions for patent rights, providing easy access to accurate and up-to-date attributable owner information to the public is expected to reduce information and search costs associated with identifying and then licensing or buying patent assets.

With regard to reducing abusive patent litigation, developing a record of attributable owners will help accused patent infringers identify: (i) the parties who control and/or influence the ability to enter into a settlement agreement or licensing arrangement; and (ii) the full range of patent rights held by the attributable owners so that a license to all desired rights may be taken at once. This point is also reflected in the White House's Fact Sheet: White House Task Force on High-Tech Patent Issues, Legislative Priorities & Executive Actions (June 4, 2013), which notes that certain patent enforcement entities "set up shell companies to hide their activities" and this "tactic prevents those facing litigation from knowing the full extent of the patents that their adversaries hold." Accord, United States Government Accountability Office, Intellectual Property: Assessing Factors That Affect Patent Infringement

Litigation Could Help Improve Patent Quality, available at <http://www.gao.gov/products/GAO-13-465> (2013) (reporting that patent holders sometimes “intentionally hide the existence of their patents until a sector or company are using the patented invention without authorization and can be sued for infringement,” and in some lawsuits, “the identity of interested operating companies is intentionally hidden.” (pp. 20, 31)). Furthermore, providing the public with access to updated attributable owner information may help accused infringers determine whether a patent or application may be subject to fair, reasonable, and non-discriminatory (FRAND) licensing commitments.

Request for Comments on the Voluntary Submission of Licensing Information: The Office is also seeking public comment on enabling patent applicants and owners to voluntarily report licensing offers and related information for the Office to make available to the public. The Office currently permits patent owners to request that their patents be listed in the Official Gazette as available for license or sale, upon payment of the fee set forth in 37 CFR 1.21(i). See MPEP 1703. For examples of such listings, see (<http://www.uspto.gov/web/offices/com/sol/og/2012/week02/TOC.htm#ref18>) (Jan. 10, 2012) and (<http://www.uspto.gov/web/offices/com/sol/og/patlics.htm>) (Dec. 11, 2007). The Office seeks public comment on whether the Office should also, or alternatively, permit patent applicants and owners to voluntarily provide information about licensing for the Office to make available to the public in, for example, a searchable online database or Public PAIR. Such licensing information could include willingness to license, as well as licensing contacts, license offer terms, or commitments to license the

patent, e.g., on royalty-free or reasonable and non-discriminatory terms. In accordance with best practices in technology transfer, this information could also include permitting a patent applicant or owner to include keywords, technical fields, and/or descriptive information about the underlying technology, related technical papers and publications, and desired attributes in a technology partner (see, e.g. <http://www.federallabs.org/>).

The Office believes that the implementation of such a voluntary program would further enhance the transparency and efficiency of the marketplace for patent rights by providing a clearinghouse for patent holders to post licensing terms. Such a system would be expected to further enhance technology transfer and reduce the costs of transactions for patent rights. The World Intellectual Property Organization (WIPO) has offered a similar option to report licensing terms and information to PCT applicants since January 2012, in order to promote voluntary licensing. In November 2013, it introduced the WIPO GREEN online marketplace, to promote innovation and diffusion of green technologies. (<https://webaccess.wipo.int/green/>).

Attributable Owner Information to be Collected: The Office is proposing that the attributable owner be identified on filing (or shortly thereafter), when there is a change of attributable owner during the pendency of an application, at the time of issue fee and maintenance fee payments, and when a patent is involved in supplemental examination, ex parte reexamination, or a trial proceeding before the Patent Trial and Appeal Board (PTAB). The Office proposes to collect two basic types of attributable owner information: (1) titleholders and (2) enforcement entities. The attributable owner would

also include the ultimate parent entity as defined in 16 CFR 801.1(a)(3) of either of these two types of attributable owner. In addition, any entity that creates or uses any type of arrangement or device with the purpose or effect of temporarily divesting such entity of attributable ownership or preventing the vesting of such attributable ownership would also be considered an attributable owner. Each of the attributable owner types and corresponding “ultimate parent entity” are discussed in greater detail as follows.

In many cases, these types of ownership interests may be coextensive. Specifically, the titleholder (or assignee) is often the same entity that has the right to enforce the patent, and is not controlled by any other entity (and so would not have to separately report an ultimate parent entity). Most additional reporting will need to be done by companies that have complicated corporate structures and licenses, which often include the complex structures used by certain patent assertion entities (“PAEs”) to hide their true identities from the public. Some of this additional reporting may include exclusive licensees. Although exclusive licensees are sometimes confidential now, they would only need to be disclosed where their rights are so substantial that they have enforcement rights in the patent. In such circumstances, the public has a strong interest in knowing their identities in order to have an accurate picture of the competitive patent landscape, to allocate their research and development efforts appropriately, and to take licenses or purchase patents proactively and efficiently from the correct entities, as dictated by business needs.

The Office proposes to collect this attributable owner information from applicants and patent owners, and invites public comments as to whether and when additional

attributable owner information should be collected as well as whether changes could be made to the scope of the information proposed to be collected while still achieving the objectives of the Office set forth in this document.

The Office is proposing to require disclosure of the following ownership interests:

1. Titleholders: The first type of attributable owner information the Office proposes to collect is comprised of the titleholder(s) of the patent application or issued patent.

Titleholders are defined as an entity that has been assigned title to the patent or application. This proposed requirement overlaps with the information that applicant and patent owners currently may voluntarily submit for assignment recordation at the Office. Reporting of exclusive licensees might be required in the limited circumstances where the exclusive license transfers so many rights that it is effectively an assignment, but the Office expects that exclusive licensee information would more routinely be reported under the second type of ownership information the Office proposes to collect (entities that have standing to enforce). See, e.g., Alfred C. Mann Found. v. Cochlear Corp., 604 F.3d 1354, 1360-61 (Fed. Cir. 2010).

2. Enforcement Entities: The second type of attributable owner information the Office proposes to collect is comprised of those entities not already identified as titleholders, but who are necessary to be joined in a lawsuit in order to have standing to enforce the patent

or any patent resulting from the application. The entities having the legal right to enforce the patent refers to those parties that would be necessary and sufficient to bring a legal infringement action. See Vaupel Textilmaschinen KG v. Meccanica EuroItalia SPA, 944 F.2d 870, 875-76 (Fed. Cir. 1991). This proposed reporting requirement would require disclosure of exclusive licensees in certain cases.

Ultimate Parent Entities: Information required to be reported for each type of attributable owner would also include identification of the ultimate parent entity, *i.e.*, the entity that ultimately controls the actions of any entities discussed previously, if they are not their own ultimate parents. The term “ultimate parent entity” is defined by reference to the definition (an entity which is not controlled by any other entity) along with the accompanying examples set forth in 16 CFR 801.1(a)(3). The Office is proposing incorporation by reference of the definition of ultimate parent entity in 16 CFR 801.1(a)(3) but would welcome comments on how this definition might be modified for use at the Office. The Office recognizes that corporations sometimes transfers patents and patent applications within the corporation for legitimate reasons, such as tax savings purposes, and also welcomes comments on the impact of the proposed changes on this practice.

Hidden Beneficial Owners: Information required to be reported would also include identification of entities that are trying to avoid the need for their disclosure by temporarily divesting themselves of ownership rights through contractual or other arrangements. The Office deems the beneficiaries of these temporarily divested rights to

be attributable owners. The Office seeks to have a complete picture of the attributable owners for the numerous reasons detailed in this document, and this provision is designed to discourage intentional shielding of such ownership interests.

As discussed previously, the Office expects that this information will facilitate the Office's core function of examining patents. All of the ownership interests outlined previously will help the Office to avoid potential conflicts of interest, as required by regulation and statute, and the quasi-judicial roles of patent examiners. For example, the attributable owner information would allow Office employees to evaluate whether they own stock in companies that are appearing before them in patent examination or other Office proceedings. The related ultimate parent entity information would serve as an additional check to the extent that Office employees might not be aware of subsidiaries owned by companies in which they might own stock.

Information about the titleholder and its ultimate parent entity will also help the Office to determine the scope of prior art under the common ownership exception under 35 U.S.C. 102(b)(2)(C), to uncover instances of double patenting, and ensure that the power of attorney is current in applications under examination. The ultimate parent entity information in particular would facilitate searching by providing a common identifier for companies that have many subsidiaries that nominally hold title to the application or patent.

The Office plans to publish information about attributable owners in accordance with its duty to provide information to the public, 35 U.S.C. 2(a)(2), although such information will be made available only in accordance with 35 U.S.C. 122. The Office expects that the public provision of attributable owner information will increase transparency of the patent system, as outlined in the background section of this document.

The Office is proposing the following timing and handling of disclosures:

Timing of Attributable Owner Information Collection: For the purposes discussed previously, the Office proposes to collect information at the following points during prosecution and post-issuance so that the Office will have access to accurate and up-to-date information and will be able to provide such information to the public.

During Patent Prosecution: The Office proposes the following attributable owner reporting requirements for pending applications: (1) Application Filing Requirement: the applicant would be required to identify the attributable owner at the time a patent application is initially filed (or shortly thereafter); (2) Update Requirement: the applicant would be required to identify a new attributable owner during prosecution within three months of any change in attributable owner; and (3) Issue Fee Payment Requirement: the applicant would be required to identify the attributable owner (or verify that the attributable owner information currently on record at the Office is correct) at the time of issue fee payment. The requirement to identify the attributable owner would not apply to provisional applications, and would not apply to international

applications prior to the commencement of the national stage in the United States. The Office welcomes comments on whether there are other times during prosecution (e.g., with each reply to an Office action) where updating or verification of attributable owner information should be required, and on whether within three months of any change in attributable owner is the appropriate time frame (i.e., should the time frame be more or less than three months?).

After Patent Issuance: The Office proposes the following attributable owner reporting requirements for issued patents: (1) Maintenance Fee Requirement: the patent owner would be required to identify the attributable owner (or verify that the attributable owner information currently on record at the Office is correct) at the time each maintenance fee is paid; and (2) Post-Issuance Proceeding Requirement: the patent owner would be required to identify the attributable owner (or verify that the attributable owner information currently on record at the Office is correct) at the time the patent becomes involved in certain post-issuance proceedings before the Office, including (1) any trial proceeding before the PTAB, such as any post grant review under 35 U.S.C. 321, inter partes review under 35 U.S.C. 311, covered business method patent review under section 18 of the AIA, or derivation proceeding under 35 U.S.C 135; (2) any request for supplemental examination under 35 U.S.C. 257(a); and (3) any ex parte reexamination proceeding under 35 U.S.C. 302.

Provision of Attributable Owner Information to the Public: While the Office would use attributable owner information for examination purposes in both published and

unpublished applications, attributable owner information would be made available to the public in an application that has been published under 35 U.S.C. 122(b) or issued as a patent under 35 U.S.C. 151. The Office anticipates providing information about the current attributable owner, as well as a history of any attributable owner changes, in an accessible electronic format, such as via the public side of the Patent Application Information Retrieval (PAIR) system.

Discussion of Specific Rules:

The following is a discussion of proposed amendments to title 37 of the Code of Federal Regulations, Part 1:

Section 1.17: Section 1.17(g) is proposed to be amended to include a reference to proposed §§ 1.279 and 1.387. Sections 1.279 and 1.387 as proposed provide for a petition and the petition fee set forth in § 1.17(g) if the applicant or patent owner has failed to notify the Office of a change to the attributable owner, or has indicated an incorrect or an incomplete attributable owner, despite a good faith effort to comply with these requirements.

Section 1.271: Section 1.271 as proposed defines the entity or entities that are covered by the term “attributable owner” as that term is used in the rules of practice. Section 1.271(a) as proposed specifically provides that the attributable owner includes each of the following entities: (1) an entity that, exclusively or jointly, has been assigned title to the

patent or application (proposed § 1.271(a)(1)); and (2) an entity necessary to be joined in a lawsuit in order to have standing to enforce the patent or any patent resulting from the application (proposed § 1.271(a)(2)).

Section 1.271(b) as proposed provides that the attributable owner of a patent or application includes the ultimate parent entity as defined in 16 CFR 801.1(a)(3) of an entity described in § 1.271(a). The ultimate parent entity is an entity which is not controlled by any other entity. 16 CFR 801.1(a) provides the following illustrative examples for identifying the ultimate parent entity: “(1) if corporation A holds one hundred percent of the stock of subsidiary B, and B holds seventy-five percent of the stock of its subsidiary C, corporation A is the ultimate parent entity, since it controls subsidiary B directly and subsidiary C indirectly, and since it is the entity within the person which is not controlled by any other entity; (2) if corporation A is controlled by natural person D, natural person D is the ultimate parent entity; and (3) if P and Q are the ultimate parent entities within persons ‘P’ and ‘Q,’ and P and Q each own fifty percent of the voting securities of R, then P and Q are both ultimate parents of R, and R is part of both persons ‘P’ and ‘Q.’”

With regard to the definition of “ultimate parent entity” as “an entity which is not controlled by any other entity,” 16 CFR 801.1(b) defines “control” as follows: The term control (as used in the terms control(s), controlling, controlled by and under common control with) means: (1) either (i) holding fifty percent or more of the outstanding voting securities of an issuer, or (ii) in the case of an unincorporated entity, having the right to

fifty percent or more of the profits of the entity, or having the right in the event of dissolution to fifty percent or more of the assets of the entity; or (2) having the contractual power presently to designate fifty percent or more of the directors of a for-profit or not-for-profit corporation, or in the case of trusts that are irrevocable and/or in which the settlor does not retain a reversionary interest, the trustees of such a trust.

16 CFR 801.1(b) further provides a number of illustrative examples for identifying the ultimate parent entity based upon its definition of “control.”

Section 1.271(c) as proposed provides that any entity that, directly or indirectly, creates or uses a trust, proxy, power of attorney, pooling arrangement, or any other contract, arrangement, or device with the purpose or effect of temporarily divesting such entity of attributable ownership of a patent or application, or preventing the vesting of such attributable ownership of a patent or application, shall also be deemed for the purpose of § 1.271 to be an attributable owner of such patent or application.

Section 1.271(d) as proposed defines the term “entity” used in § 1.271. Section 1.271(d) as proposed specifically provides that the term “entity” used in § 1.271 includes: (1) any natural person, corporation, company, partnership, joint venture, association, joint-stock company, trust, estate of a deceased natural person, foundation, fund, or institution, whether incorporated or not, wherever located and of whatever citizenship (proposed § 1.271(d)(1)); (2) any receiver, trustee in bankruptcy or similar official or any liquidating agent for any of the entities described in § 1.271(d)(1), in his or her capacity as such (proposed § 1.271(d)(2)); (3) a joint venture or other corporation which has not

been formed but the acquisition of the voting securities or other interest in which, if already formed, would be an attributable owner as described in this section (proposed § 1.271(d)(3)); or (4) any other organization or corporate form not specifically listed in § 1.271(d)(1), (d)(2), or (d)(3) that holds an interest in an application or patent (proposed § 1.271(d)(4)). Section 1.271(d) as proposed (in combination with the exception in proposed § 1.271(e)) tracks the definition of entity in 16 CFR 801.1(a)(2).

Section 1.271(e) as proposed provides an “exception” to the term “entity” as used in § 1.271. Section 1.271(e) as proposed specifically provides that, notwithstanding the provisions of § 1.271(c), the term “entity” does not include any foreign state, foreign government, or agency thereof (other than a corporation or unincorporated entity engaged in commerce), and also does not include the United States, any of the States thereof, or any political subdivision or agency of either (other than a corporation or unincorporated entity engaged in commerce).

Section 1.271(f) as proposed sets out the information concerning an entity that must be provided when that entity is being identified as an attributable owner. Section 1.271(f) as proposed specifically provides that when there is a requirement to identify the attributable owner, each entity constituting the attributable owner must be identified as follows:

(1) the identification of a public company must include the name of the company, stock symbol, and stock exchange where the company is listed (proposed § 1.271(f)(1)); (2) the identification of a non-public company must include the name of the company, place of incorporation, and address of the principal place of business (proposed § 1.271(f)(2));

(3) the identification of a partnership must include the name of the partnership and address of the principal place of business (proposed § 1.271(f)(3)); (4) the identification of a natural person must include the full legal name, residence, and a correspondence address (proposed § 1.271(f)(4)); and (5) the identification of any other type of entity must include its name, if organized under the laws of a state, the name of that state and legal form of organization, and address of the principal place of business (proposed § 1.271(f)(5)).

Section 1.271(g) is proposed to clarify that a shareholder or partner in a corporate form, partnership, or other association (except for shareholders of a public company) must also be identified as an attributable owner if the shareholder or partner meets one of the definitions set forth in § 1.271(a), (b), or (c), even if the a corporate form, partnership, or other association is separately identified as an attributable owner.

Section 1.273: Section 1.273 as proposed requires the applicant to identify the attributable owner (the “initial” attributable owner) on filing or within the time period provided in § 1.53(f) (provides for the completion of an application under 35 U.S.C. 111(a) for examination) or § 1.495(c) (provides for the submission of missing requirements in an international application that commenced the national stage under 35 U.S.C. 371). Section 1.273 as proposed specifically provides that the attributable owner must be identified in each application under 35 U.S.C. 111(a), including a reissue application, and in each international application that commenced the national stage under 35 U.S.C. 371(b) or (f). The requirements of proposed § 1.273 would not apply to

provisional applications under 35 U.S.C. 111(b), and would not apply to international applications prior to the commencement of the national stage under 35 U.S.C. 371(b) or (f). Section 1.273 as proposed also provides that if an application under 35 U.S.C. 111(a) which has been accorded a filing date pursuant to § 1.53(b) or (d) does not identify the attributable owner, or if an international application which complies with § 1.495(b) does not identify the attributable owner, the applicant will be notified and given a period of time within which to file a notice identifying the attributable owner to avoid abandonment. Section 1.273 as proposed also provides that the notice by the Office under § 1.273 may be combined with a notice under § 1.53(f) (providing for the completion of an application under 35 U.S.C. 111(a) for examination) or § 1.495(c) (providing for the filing of missing requirements in an international application that commenced the national stage under 35 U.S.C. 371). Thus, the applicant must identify the attributable owner on filing or in reply to a notice setting a time period within which the attributable owner must be identified. The Office generally issues a notice under § 1.53(f) (if necessary) within one to two months of the filing date of an application and sets a two-month time period for an applicant to comply with the requirements in the notice under § 1.53(f). The two-month time period for an applicant to comply with the requirements in the notice under § 1.53(f) may be extended under § 1.136(a) by up to five months. Thus, this process would permit an applicant up to eight months from the filing date of an application to provide the attributable ownership information. The failure to identify the attributable owner within the time period set under § 1.273 would result in abandonment of the application. An applicant would be able to revive an application abandoned for failure to identify the attributable owner within the time period set under

§ 1.273 under the provisions of § 1.137, provided that the failure to identify the attributable owner was unintentional.

The Office is proposing making this requirement applicable to applications under 35 U.S.C. 111(a) filed on or after the effective date of the final rule and to international applications that commenced the national stage under 35 U.S.C. 371(b) or (f) on or after the effective date of the final rule.

Section 1.275: Section 1.275 as proposed addresses the procedure to be followed if there is a change in attributable owner during the pendency of an application under 35 U.S.C. 111(a) or the pendency of an international application which complies with § 1.495(b). The requirements of proposed § 1.275 would not apply to provisional applications under 35 U.S.C. 111(b), and would not apply to international applications prior to the commencement of the national stage under 35 U.S.C. 371(b) or (f). Section 1.275 as proposed specifically provides that if there is such a change during the pendency of an application, the applicant has three months (non-extendable) from the date of the change to the attributable owner within which to file a notice identifying the current attributable owner.

The Office is proposing making this requirement applicable to applications under 35 U.S.C. 111(a) filed on or after the effective date of the final rule and to international applications that commenced the national stage under 35 U.S.C. 371(b) or (f) on or after the effective date of the final rule.

Section 1.277: Section 1.277 as proposed requires applicants to confirm that attributable owner information on record at the Office is accurate, or to provide updated information. Section 1.277 as proposed specifically provides if a notice of allowance under § 1.311 has been sent to the applicant, and if the attributable owner information on record at the Office is no longer correct, that the applicant must file a notice identifying the current attributable owner within three months (non-extendable) from the date of the mailing of the notice of allowance. If the attributable owner information on record at the Office is still correct, applicants can simply confirm that there have been no changes. To this end, the Office plans to provide a checkbox on the notice of allowance (PTOL-85b) (or checkbox via the electronic filing system) so that if the information on record at the Office remains correct, an applicant may simply check a box to so indicate. The failure to either update or confirm within three months (non-extendable) from the date of mailing of the notice of allowance would result in abandonment of the application. An applicant would be able to revive an application abandoned for failure to complete this action under the provisions of § 1.137, provided that the failure was unintentional.

The Office is proposing making this requirement applicable to applications in which a notice of allowance under 35 U.S.C. 151 and 1.311 is mailed on or after the effective date of the final rule.

Section 1.279: Section 1.279 as proposed provides for the situation in which the applicant has failed to notify the Office of a change to the attributable owner, or has

indicated an incorrect or an incomplete attributable owner, despite a good faith effort to comply with these requirements. Section 1.279 as proposed specifically provides that if, despite a good faith effort by the applicant to notify the Office of the initial attributable owner, and of any changes to the attributable owner, in the manner required by §§ 1.273, 1.275, and 1.277, the failure or error may be excused in a pending application on petition accompanied by a showing of reason for the delay, error, or incompleteness and the petition fee set forth in § 1.17(g).

Section 1.279 as proposed is limited to excusing failure or errors in a pending application. Where there has been a failure to identify the attributable owner within the time period set under § 1.273, or after mailing the notice of allowance, a failure either to confirm that the information on file at the Office is correct, or to identify the current attributable owner within three months (non-extendable) from the date of mailing under § 1.277, that has resulted in abandonment of an application, the applicant's remedy (if the failure was unintentional) is by way of a petition to revive the abandoned application under the provisions of § 1.137.

Section 1.381: Section 1.381 as proposed provides for a patent holder to either:

- (1) identify the current attributable owner prior to each maintenance fee payment; or
- (2) confirm prior to each maintenance fee payment that there has been no change to the attributable owner information most recently provided to the Office. Section 1.381 as proposed specifically provides that a notice identifying the current attributable owner must be filed within the period specified in § 1.362(d) or (e), but prior to the date the

maintenance fee is paid, for each maintenance fee. Section 1.381 as proposed does not require that the notice be provided concurrently with the maintenance fee payment as the Office appreciates that maintenance fee payments are often provided as bulk payments in an automated fashion by a third party. Rather, § 1.381 as proposed provides a considerable “window” (within the six-month payment window in § 1.362(d) or the six-month surcharge window in § 1.362(e), but prior to the date the maintenance fee is paid) within which a notice identifying the current attributable owner must be provided. The Office welcomes comments on how to collect attributable owner information at the time of each maintenance fee, particularly in light of this practice of maintenance fee submission in bulk by third parties.

Section 1.381 as proposed also provides that if there has been no change to the attributable owner information most recently provided to the Office, the notice may simply indicate that there has been no change. The Office plans to provide a means (automated or a pre-printed form) such that if the current attributable owner has been previously provided to the Office, the patent owner may simply check the box or submit a pre-printed form to indicate that there has been no change to the attributable owner. Thus, a patent owner who provides updated attributable owner information whenever there is a change to the attributable owner during the life of the patent may simply check the box or submit a pre-printed form to indicate that that there has been no change to the attributable owner.

The Office is proposing making this requirement applicable to patents in which a maintenance fee is paid on or after the effective date of the final rule.

Section 1.383: Section 1.383 as proposed requires the patent holder to identify the current attributable owner for any patents involved in a PTAB trial proceeding. Section 1.383 as proposed specifically provides that the mandatory notice filed by a patent owner as required by § 42.8(a)(2) must also be accompanied by a notice identifying the current attributable owner. Section 42.8 requires that the petitioner and the patent owner each file a notice identifying (inter alia) each real party in interest owner for the party. See § 42.8(b)(1). Proposed § 1.383 differs from the current requirement in § 42.8 to identify each real party in interest in that proposed § 1.383: (1) requires identification of each attributable owner (defined in § 1.271), rather than real party in interest; and (2) applies only to a patent owner. Section 1.383 as proposed further provides that if there is a change to the attributable owner during the pendency of the trial, the patent owner has twenty-one days (non-extendable) from the date of the change within which to file a notice identifying the current attributable owner. Section 1.383 provides a twenty-one-day period, rather than a three-month period, for updating any changes in attributable owners for a patent involved in a PTAB proceeding because § 42.8 requires that a notice must be filed with the Board within twenty-one days of a change in the information that is required to be in the mandatory notice. See 42.8(a)(3).

The Office is proposing making this requirement applicable to any trial proceeding in which the petition was filed on or after the effective date of the final rule.

Section 1.385: Section 1.385 as proposed requires a patent holder to identify the current attributable owner in a request for supplemental examination and during ex parte reexamination proceedings.

Section 1.385(a) as proposed pertains to supplemental examination. Section 1.385(a) as proposed provides that a request for supplemental examination under § 1.610 must also be accompanied by a notice identifying the current attributable owner. Thus, a request for supplemental examination would not be accorded a filing date unless it is accompanied by a notice identifying the current attributable owner. A request for supplemental examination may be filed only by the patent owner and a supplemental examination proceeding will not last longer than three months (35 U.S.C. 257(a)).

Therefore, there are no provisions for a request for supplemental examination by a party other than the patent owner or for a change to the attributable owner during a supplemental examination.

Section 1.385(b) as proposed pertains to a request for ex parte reexamination by the patent holder. Section 1.385(b) as proposed specifically provides that a request for ex parte reexamination under § 1.510 by the patent holder must also be accompanied by a notice identifying the current attributable owner. Thus, a request for ex parte reexamination by the patent owner would not be accorded a filing date unless it is accompanied by a notice identifying the current attributable owner.

Section 1.385(c) as proposed pertains to a request for ex parte reexamination in which the patent owner has not identified the current attributable owner because the request was filed by a third party rather than the patent holder. Section 1.385(c) as proposed specifically provides that a reply or any other paper filed by the patent holder in an ex parte reexamination proceeding must be accompanied by a notice identifying the current attributable owner, unless such a notice has previously been filed by the patent holder. Thus, a reply by the patent holder in an ex parte reexamination would be considered incomplete unless it is accompanied by a notice identifying the current attributable owner, or unless such a notice has previously been filed. The phrase “unless such a notice has previously been filed by the patent owner” covers the situations in which: (1) the request for ex parte reexamination was by the patent holder and the patent holder identified the current attributable owner in the request for ex parte reexamination; or (2) the current attributable owner was identified in a previous reply by the patent holder. Section 1.385(c) as proposed further provides that if there is a change to the attributable owner during the pendency of the reexamination proceeding, the patent holder has three months (non-extendable) from the date of the change to the attributable owner within which to file a notice identifying the current attributable owner.

The Office is proposing making this requirement applicable to any supplemental examination or ex parte reexamination in which the request was filed on or after the effective date of the final rule.

Section 1.387: Section 1.387 as proposed addresses the situation in which the patent holder has failed to notify the Office of a change to the attributable owner, or has indicated an incorrect or an incomplete attributable owner, despite a good faith effort to comply with these requirements. Section 1.387 as proposed specifically provides that if, despite a good faith effort by the patent holder to notify the Office of the initial attributable owner, and of any changes to the attributable owner, in the manner required by §§ 1.273, 1.275, 1.277, 1.381, 1.383, and 1.385, the failure or error may be excused on petition accompanied by a showing of reason for the delay, error, or incompleteness and the petition fee set forth in § 1.17(g). Thus, proposed § 1.387 would be the applicable provision for corrections in an issued patent, regardless of whether the failure or error occurred during the application process (i.e., there was a failure to comply with §§ 1.273, 1.275, or 1.277) or after the patent issued (i.e., there was a failure to comply with §§ 1.381, 1.383, and 1.385).

Rulemaking Considerations:

A. Administrative Procedure Act: This document proposes to require that the attributable owner, including the ultimate parent entity, be identified during the pendency of a patent application and at specified times during the life of a patent. The changes in this rulemaking do not change the substantive criteria of patentability and also do not place any limits or conditions on the patent owner's ability to transfer ownership of, or any other interest in, a patent or patent application. Therefore, the changes proposed in this rulemaking involve rules of agency practice and procedure, and/or interpretive rules.

See Bachow Commc'ns Inc. v. F.C.C., 237 F.3d 683, 690 (D.C. Cir. 2001) (rules governing an application process are procedural under the Administrative Procedure Act); Inova Alexandria Hosp. v. Shalala, 244 F.3d 342, 350 (4th Cir. 2001) (rules for handling appeals were procedural where they did not change the substantive standard for reviewing claims).

Accordingly, prior notice and opportunity for public comment are not required pursuant to 5 U.S.C. 553(b) or (c) (or any other law). See Cooper Techs., 536 F.3d at 1336-37 (Fed. Cir. 2008) (stating that 5 U.S.C. 553, and thus 35 U.S.C. 2(b)(2)(B), does not require notice and comment rulemaking for “interpretative rules, general statements of policy, or rules of agency organization, procedure, or practice”) (quoting 5 U.S.C. 553(b)(A)). The Office, however, is publishing all of these proposed changes as it seeks the benefit of the public’s views on the Office’s proposed implementation.

B. Initial Regulatory Flexibility Analysis:

1. Description of the reasons that action by the agency is being considered: The Office is proposing to amend the rules of patent practice to provide greater transparency concerning the ownership of pending patent applications and patents. The purpose of this rulemaking is to ensure the highest-quality patents, to facilitate patent examination at the Office, to enhance competition and increase incentives to innovate by providing innovators with information that will allow them to better understand the competitive environment in which they operate, enhance technology transfer and reduce the costs of transactions for patent rights by making patent ownership information more readily and

easily available, to reduce risk of abusive patent litigation by helping the public defend itself against risk of abusive assertions by providing more information about the parties that have an interest in patents or patent applications, and to level the playing field for innovators.

2. Succinct statement of the objectives of, and legal basis for, the proposed rules: The objective of the proposed rules is to provide greater transparency concerning the ownership of pending patent applications and patents to facilitate patent examination at the Office by requiring that the attributable owner, including the ultimate parent entity, be identified during the pendency of a patent application and at specified times during the life of a patent, and to further ensure that the ownership information the Office provides to the public is accurate and not misleading.

The proposed changes to require patent applicants and patent owners to regularly update ownership information when the applicant or patent owner is involved in a proceeding before the Office will facilitate patent examination and other parts of the Office's internal processes by helping to: (1) ensure that a "power of attorney" is current in each application or proceeding before the Office; (2) avoid potential conflicts of interest for Office personnel; (3) determine the scope of prior art under the common ownership exception under 35 U.S.C. 102(b)(2)(C) and uncover instances of double patenting; (4) verify that the party making a request for a post-issuance proceeding is a proper party for the proceeding; and (5) ensure that the information the Office provides to the public concerning published applications and issued patents is accurate and not misleading.

Beyond providing these benefits to the Office, collecting attributable owner information and making it available may: (1) enhance competition and increase incentives to innovate by providing innovators with information to allow them to better understand the competitive environment in which they operate; (2) enhance technology transfer and reduce the costs of transactions for patent rights since patent ownership information will be more readily and easily accessible; (3) help the public defend itself against abusive patent assertion or litigation by providing more information about all the parties that have an interest in the patent or patent application; and (4) level the playing field for innovators.

The legal basis for the proposed rules is 35 U.S.C. 2(b)(2), which authorizes the Office to establish regulations, not inconsistent with law, which “govern the conduct of proceedings in the Office.” 35 U.S.C. 2(a)(2)(A); see also Star Fruits S.N.C., 393 F.3d at 1282 (quoting 35 U.S.C. 2(b)(2)), and Cooper Techs., 536 F.3d at 1335 (“To comply with section 2(b)(2)(A), a Patent Office rule must be ‘procedural’—*i.e.*, it must ‘govern the conduct of proceedings in the Office.’”). Pursuant to this authority, the Office may require the submission of attributable owner information that is reasonably necessary to proper examination or treatment of the matter at hand, provided that such requests are not arbitrary or capricious. See Star Fruits, 393 F.3d at 1283-84.

Further legal basis for the proposed rule comes from 35 U.S.C. 2(a). Because the Office publishes information it possesses related to an application or patent (subject to 35 U.S.C. 122), the Office has an interest in ensuring that such information is not misleading. The

Office currently receives (and publishes) only assignment information that is voluntarily submitted by the applicant or patent owner. There is currently no requirement that changes in assignment information be updated, though current law protects against certain types of fraud if such updating occurs. See 35 U.S.C. 261. Consequently, the information the Office has on file may be outdated, which may be misleading to the public. Ensuring that the Office can provide information to the public that is not misleading is consistent with several statutory provisions directing the Office to disseminate information to the public as well as those directing the Office to provide access to information through electronic means. See 35 U.S.C. 2(a)(2) (creating a duty of “disseminating to the public information with respect to patents”); 10(a)(4) (providing for publication of information, including “annual indexes of . . . patentees”); 10(b) (allowing the Director to publish the specified information set forth in item (4) of subsection 35 U.S.C. 10(a) of this section in a publication format “desirable for the use of the Office”) and 41(i) (creating a duty to provide access to information electronically).

3. Description and estimate of the number of affected small entities:

A. Size Standard and Description of Entities Affected. The Small Business Administration (SBA) small business size standards applicable to most analyses conducted to comply with the Regulatory Flexibility Act are set forth in 13 CFR 121.201. These regulations generally define small businesses as those with fewer than a specified maximum number of employees or less than a specified level of annual receipts for the entity’s industrial sector or North American Industry Classification System (NAICS)

code. As provided by the Regulatory Flexibility Act, and after consultation with the Small Business Administration, the Office formally adopted an alternate size standard as the size standard for the purpose of conducting an analysis or making a certification under the Regulatory Flexibility Act for patent-related regulations. See Business Size Standard for Purposes of United States Patent and Trademark Office Regulatory Flexibility Analysis for Patent-Related Regulations, 71 FR 67109 (Nov. 20, 2006), 1313 Off. Gaz. Pat. Office 60 (Dec. 12, 2006). This alternate small business size standard is SBA's previously established size standard that identifies the criteria entities must meet to be entitled to pay reduced patent fees. See 13 CFR 121.802. If patent applicants identify themselves on a patent application as qualifying for reduced patent fees, the Office captures this data in the Patent Application Location and Monitoring (PALM) database system, which tracks information on each patent application submitted to the Office.

Unlike the SBA small business size standards set forth in 13 CFR 121.201, the size standard for the Office is not industry-specific. Specifically, the Office's definition of small business concern for Regulatory Flexibility Act purposes is a business or other concern that: (1) meets the SBA's definition of a "business concern or concern" set forth in 13 CFR 121.105; and (2) meets the size standards set forth in 13 CFR 121.802 for the purpose of paying reduced patent fees, namely, an entity: (a) whose number of employees, including affiliates, does not exceed 500 persons; and (b) which has not assigned, granted, conveyed, or licensed (and is under no obligation to do so) any rights in the invention to any person who made it and could not be classified as an independent

inventor, or to any concern which would not qualify as a non-profit organization or a small business concern under this definition. See Business Size Standard for Purposes of United States Patent and Trademark Office Regulatory Flexibility Analysis for Patent-Related Regulations, 71 FR at 67112, 1313 Off. Gaz. Pat. Office at 63.

B. Estimate of Number of Entities Affected. The proposed rules will apply to all entities, including small or micro entity patent applicants or patent owners, that: (1) file a patent application; (2) change attributable owners during the pendency of a patent application; (3) pay an issue fee in an allowed application; (4) pay a maintenance fee for a patent; (5) file a request for supplemental examination under 35 U.S.C. 257(a); (6) file a request for ex parte reexamination under 35 U.S.C. 302; or (7) have a patent involved in a third-party requested ex parte reexamination under 35 U.S.C. 302, or a trial proceeding before the PTAB, such as any post grant review under 35 U.S.C. 321, inter partes review under 35 U.S.C. 311, covered business method patent review under section 18 of the AIA, or derivation proceeding under 35 U.S.C 135.

Based upon the information in the Office's PALM system, the Office received approximately 437,000 new applications (including continuing applications but not requests for continued examination) in fiscal year 2013, of which approximately 131,000 were by small or micro entity applicants. Thus, the Office estimates that 437,000 patent applicants, of which 131,000 are small or micro entities, will need to provide attributable owner information each year due to the requirement to identify the attributable owner at the time a patent application is initially filed (or shortly thereafter).

Based upon the information in the Office's PALM system, there are approximately 1,249,000 patent applications currently (in October of 2013) pending before the Office, of which 337,000 are by small or micro entity applicants. Since the Office does not currently require applicants and patent holders to disclose changes in the attributable owner of an application or patent, the Office does not have information on how often there is a change in attributable owner of an application during the pendency of a patent application. The Office's assignment records, however, indicate that about ninety-two percent of applications have recorded assignment documents at the time of patent grant, but fewer than four percent of applications have a second recorded assignment document each year reflecting some type of ownership transfer during the pendency of a patent application. The high percentage of patent applicants who currently submit an assignment document for recordation and the relatively low percentage of patent applicants who submit a second assignment document for recordation leads to the inference that changes in ownership during the pendency of a patent application are relatively infrequent (e.g., changes in ownership will occur in fewer than four percent of applications each year). Thus, the Office estimates that 50,000 (four percent of 1,249,000, rounded up to the nearest thousand) patent applicants, of which 14,000 (four percent of 337,000, rounded up to the nearest thousand) are small or micro entities, will need to update attributable owner information each year due to the requirement to update attributable owner information when there is a change in ownership during the pendency of a patent application.

Based upon the information in the Office's Revenue Accounting Management (RAM) system, the Office received the following fee payments in fiscal year 2013: (1) 296,481 issue fee payments (68,574 by small or micro entity applicants); (2) 153,875 first stage maintenance fee payments (27,076 by small or micro entity patent owners); (3) 99,249 second stage maintenance fee payments (16,692 by small or micro entity patent owners); and (4) 75,470 third stage maintenance fee payments (11,273 by small or micro entity patent owners). Thus, the Office estimates that 297,000 (266,481 rounded up to the nearest thousand) patent applicants, of which 69,000 (68,574 rounded up to the nearest thousand) are small or micro entities, will need to update attributable owner information each year due to the requirement to identify the attributable owner (or verify that the current attributable owner has been previously identified) at the time of issue fee payment, and the Office estimates that 329,000 (153,875 plus 99,249 plus 75,470, rounded up to the nearest thousand), of which 55,000 (27,076 plus 16,692 plus 11,273, rounded up to the nearest thousand) are small or micro entities, will need to update attributable owner information each year due to the requirement to identify the attributable owner (or verify that the attributable owner information currently on record at the Office is correct) at the time each maintenance fee is paid.

Based upon the information from the Office's Central Reexamination Unit, there are fewer than 800 requests for ex parte reexamination filed each year. In addition, the Office's assignment records show that fewer than three percent of the patents in force have a recorded assignment document reflecting some type of ownership transfer during the life of the patent, which leads to the inference that changes in ownership during the

life of a patent are relatively infrequent (e.g., changes in ownership will occur in fewer than three percent of patents). Thus, the Office estimates that approximately 1,000 (800 plus three percent of 800 (800 plus 24) rounded up to the nearest thousand) patent owners will need to update attributable owner information each year due to the requirement to identify the attributable owner (or verify that the real party in interest information currently on record at the Office is correct) in an ex parte reexamination proceeding or when there is a change in ownership during an ex parte reexamination proceeding.

The supplemental examination provisions have been enacted as part of the AIA. The Office has received thirty-one requests for supplemental examination since September 16, 2012, the effective date of the supplemental examination provisions of the AIA. Thus, the Office estimates that approximately 100 (31 rounded up to the nearest hundred) patent owners will need to update attributable owner information each year due to the requirement to identify the attributable owner (or verify that the real party in interest information currently on record at the Office is correct) at the time the patent owner files a request for supplemental examination.

The PTAB trial provisions (post grant review under 35 U.S.C. 321, inter partes review under 35 U.S.C. 311, covered business method patent review under section 18 of the AIA, or derivation proceedings under 35 U.S.C 135) have been enacted as part of the AIA. The Office received 563 petitions for a PTAB trial proceeding during fiscal year 2013, but received between eighty and one hundred petitions for a PTAB trial proceeding during each of August, September, and October of 2013. Thus, the Office estimates that

approximately 2,000 (100 per month multiplied by 12 months (1,200) plus three percent of 1200 (1,200 plus 360), rounded up to the nearest thousand) patent owners will need to update attributable owner information each year based upon the filing of a petition for a PTAB trial proceeding.

Summary of Number of Entities Affected: Based upon the foregoing, the Office estimates that: (1) 437,000 (131,000 small or micro entity) patent applicants will need to provide attributable owner information each year due to the requirement to identify the attributable owner at the time a patent application is initially filed (or shortly thereafter); (2) 50,000 (14,000 small or micro entity) patent applicants will need to update attributable owner information each year due to the requirement to update attributable owner information when there is a change in ownership during the pendency of a patent application; (3) 297,000 (69,000 small or micro entity) patent applicants will need to update attributable owner information each year due to the requirement to identify the attributable owner (or verify that the current attributable owner information on record at the Office is correct) at the time of issue fee payment; (4) 329,000 (55,000 small or micro entity) patent owners will need to update attributable owner information each year due to the requirement to identify the attributable owner (or verify that the attributable owner information currently on record at the Office is correct) at the time each maintenance fee is paid; (5) 1,000 patent owners will need to update attributable owner information each year due to the requirement to identify the attributable owner (or verify that the real party in interest information currently on record at the Office is correct) in an ex parte reexamination proceeding, or the requirement to identify the attributable owner when

there is a change in ownership during an ex parte reexamination proceeding; (6) 100 patent owners will need to update attributable owner information each year due to the requirement to identify the attributable owner (or verify that the attributable owner information currently on record at the Office is correct) at the time the patent owner files a request for supplemental examination; and (7) 2,000 patent owners will need to update attributable owner information each year due to the requirement to identify the attributable owner (or verify that the attributable owner information currently on record at the Office is correct) at the time the patent becomes involved a PTAB post grant review, inter partes review, covered business method patent review, derivation proceeding, or the requirement to identify the attributable owner when there is a change in ownership during a PTAB post grant review, inter partes review, covered business method patent review, or derivation proceeding.

4. Description of the projected reporting, recordkeeping and other compliance requirements of the proposed rules, including an estimate of the classes of small entities which will be subject to the requirement and the type of professional skills necessary for preparation of the report or record: The proposed rules will apply to all entities, including any small or micro entity patent applicant or patent holder, that: (1) file a patent application; (2) change attributable owners during the pendency of a patent application; (3) pay an issue fee in an allowed application; (4) pay a maintenance fee for a patent; (5) file a request for supplemental examination under 35 U.S.C. 257(a); (6) file a request for ex parte reexamination under 35 U.S.C. 302; or (7) have a patent involved in a third-party requested ex parte reexamination under 35 U.S.C. 302, or a trial proceeding

before the PTAB, such as any post grant review under 35 U.S.C. 321, inter partes review under 35 U.S.C. 311, covered business method patent review under section 18 of the AIA, or derivation proceeding under 35 U.S.C 135.

A patent attorney or general practice attorney would have the type of professional skills necessary for providing the attributable owner information required by the proposed rules. As discussed previously, the Office issued a request for comments in November of 2011 (Request for Comments on Eliciting More Complete Patent Assignment Information, 76 FR at 72372 et seq.) and issued a notice of a roundtable and request for comments in November of 2012 (Notice of Roundtable on Proposed Requirements for Recordation of Real Party-in-Interest Information Throughout Application Pendency and Patent Term, 77 FR at 70385 et seq.). The Office received input at this roundtable, including the suggestion that providing the attributable owner information might have a transaction cost of \$100, depending upon the inclusiveness of the definition of attributable owner (which was discussed under the rubric of “real party in interest” at the roundtable). It was also suggested that the transaction could be less costly, and less frequently incurred, because reporting would occur at times applicants were already working with the application and would require ownership information that was readily known and could be easily reported. As described further below, given the Office’s records concerning assignment recordation and feedback at the roundtable, the Office estimates that in many instances, reporting ownership information in compliance with this proposed rule will have negligible costs. Applicants or patentees will often be reporting information readily known (e.g., that the patent is owned by the inventor, or

that the patent is owned by the employer of the inventor to whom it has been assigned) and in many instances will be providing this information at a time they are otherwise interacting with the Office (e.g., upon application, upon issue, during a post-grant proceeding). This seems likely to have a minimal cost, and to require minimal time to report. Given the Office's records suggesting that many applications do not have more than one recorded assignment, in many instances applicants or patentees will likely be merely confirming the ownership information is unchanged, which should have a negligible cost.

As noted previously, the Office's assignment records indicate that approximately ninety-two percent of patent applications have a recorded assignment at the time of grant, and four percent of patent applications have a second recorded assignment each year reflecting some kind of ownership change. Approximately eight percent of applications have no assignment transaction, and presumably are filed by the original owners. This suggests that for most applications, there would be a single reporting of attributable owner, with no changes needed to be reported at later times. At subsequent instances when reporting was required (e.g., upon issue), the owner would merely be confirming that no change had occurred, which would have negligible cost. The Office presumes that reporting costs for these applications would be negligible, because the applicants would be indicating that they are the attributable owners, providing the same information they are providing elsewhere in the application. In summary, the Office estimates that in many instances, when reporting is required under the proposed rule, applicants or patentees will be providing information that is readily known and available to them, and

that can be provided easily and at negligible cost during the application process, at grant, or after grant. The Office estimates that in instances where the owner of a large number of patents reports information in compliance with this proposal, economies of scale would likely work to reduce the cost of reporting (e.g., reporting ownership information at the same time). The Office estimates that only a minority of instances would present multiple transfers that would potentially require greater costs to meet these reporting requirements. In a majority of instances, the Office estimates that the costs to report would be minimal.

The Office welcomes comments from the public specifically on the issue of estimating costs of compliance with the proposed rule, including comments on possible transaction costs, frequencies of reporting changes in information, and possible economies of scale in reporting.

5. Description of any significant alternatives to the rules which accomplish the stated objectives of applicable statutes and which minimize any significant economic impact of the rules on small entities: This analysis considered significant alternatives such as: (1) the establishment of differing compliance or reporting requirements or timetables that take into account the resources available to small entities; (2) the clarification, consolidation, or simplification of compliance and reporting requirements under the rule for such small entities; (3) the use of performance rather than design standards; and (4) an exemption from coverage of the rule, or any part thereof, for such small entities. See 5 U.S.C. 603.

With respect to the proposed requirement for updating any changes in attributable owners during the application process, the Office considered requiring updated attributable owner information with each reply to an Office action. The Office has instead proposed requiring updating only if there is a change to the attributable owner during the pendency of an application, with a single confirmation at the time of issuance, to reduce the need for a periodic review of attributable owner information.

With respect to the proposed requirement for updating any changes in attributable owners after the patent is granted, the Office considered requiring updating attributable owner information whenever there was a post patent proceeding (e.g., with requests for a certificate of correction under 35 U.S.C. 254 or 255, or requests to correct inventorship under 35 U.S.C. 256).

With respect to differing compliance or reporting requirements or timetables that take into account the resources available to small entities, the Office considered requiring updating attributable owner information at fewer instances during the pendency of an application (e.g., only on filing and at allowance), but such a proposal would not achieve the objection of having accurate and up-to-date ownership information and providing greater public transparency concerning the ownership of pending patent applications and patents. The proposed rules minimize the “periodic” reporting requirement by permitting an applicant or patent owner who updates attributable owner information whenever there

is a change in the attributable owner to simply confirm that there has been no change to the attributable owner.

With respect to the clarification, consolidation, or simplification of compliance and reporting requirements under the rule for such small entities, the proposed rules track existing regulations overseen by the Federal Trade Commission (e.g., the definition of ultimate parent entity in 16 CFR 801.1(a)(3), and the definition of entity in 16 CFR 801.1(a)(2)) rather than creating new definitions, to minimize the need for additional investigation and analysis of ownership structures. The simplicity or complexity of the proposed definition of attributable owner with respect to any particular application or patent is driven by the simplicity or complexity of the ownership arrangement of the particular application or patent, which is ultimately within the control of the applicant or patent owner. Finally, as discussed previously, the proposed rules minimize the reporting requirement by permitting an applicant or patent owner who is facing a requirement to identify attributable owner information to simply confirm that there has been no change to the attributable owner.

With respect to an exemption from coverage of the rule, or any part thereof, for such small entities, such an exemption would defeat the objective of having accurate and up-to-date ownership information and providing greater public transparency concerning the ownership of pending patent applications and patents.

Finally, the proposed rules do not involve design standards.

6. Identification, to the extent practicable, of all relevant Federal rules which may duplicate, overlap or conflict with the proposed rules: The Office is the sole agency of the United States Government responsible for administering the provisions of title 35, United States Code, pertaining to examination and granting patents. Therefore, no other Federal, state, or local entity shares jurisdiction over the examination and granting of patents.

Other countries, however, have their own patent laws, and an entity desiring a patent in a particular country must make an application for patent in that country, in accordance with the applicable law. Although the potential for overlap exists internationally, this cannot be avoided except by treaty (such as the Paris Convention for the Protection of Industrial Property, the Patent Law Treaty (PLT), or the Patent Cooperation Treaty (PCT)). Nevertheless, the Office believes that there are no other duplicative or overlapping rules.

C. Executive Order 12866 (Regulatory Planning and Review): This rulemaking has been determined to be significant for purposes of Executive Order 12866 (Sept. 30, 1993).

D. Executive Order 13563 (Improving Regulation and Regulatory Review): The Office has complied with Executive Order 13563. Specifically, the Office has, to the extent feasible and applicable: (1) made a reasoned determination that the benefits justify the costs of the rule; (2) tailored the rule to impose the least burden on society consistent

with obtaining the regulatory objectives; (3) selected a regulatory approach that maximizes net benefits; (4) specified performance objectives; (5) identified and assessed available alternatives; (6) involved the public in an open exchange of information and perspectives among experts in relevant disciplines, affected stakeholders in the private sector and the public as a whole, and provided on-line access to the rulemaking docket; (7) attempted to promote coordination, simplification, and harmonization across Government agencies and identified goals designed to promote innovation; (8) considered approaches that reduce burdens and maintain flexibility and freedom of choice for the public; and (9) ensured the objectivity of scientific and technological information and processes.

E. Executive Order 13132 (Federalism): This rulemaking does not contain policies with federalism implications sufficient to warrant preparation of a Federalism Assessment under Executive Order 13132 (Aug. 4, 1999).

F. Executive Order 13175 (Tribal Consultation): This rulemaking will not: (1) have substantial direct effects on one or more Indian tribes; (2) impose substantial direct compliance costs on Indian tribal governments; or (3) preempt tribal law. Therefore, a tribal summary impact statement is not required under Executive Order 13175 (Nov. 6, 2000).

G. Executive Order 13211 (Energy Effects): This rulemaking is not a significant energy action under Executive Order 13211 because this rulemaking is not likely to have

a significant adverse effect on the supply, distribution, or use of energy. Therefore, a Statement of Energy Effects is not required under Executive Order 13211 (May 18, 2001).

H. Executive Order 12988 (Civil Justice Reform): This rulemaking meets applicable standards to minimize litigation, eliminate ambiguity, and reduce burden as set forth in sections 3(a) and 3(b)(2) of Executive Order 12988 (Feb. 5, 1996).

I. Executive Order 13045 (Protection of Children): This rulemaking does not concern an environmental risk to health or safety that may disproportionately affect children under Executive Order 13045 (Apr. 21, 1997).

J. Executive Order 12630 (Taking of Private Property): This rulemaking will not effect a taking of private property or otherwise have taking implications under Executive Order 12630 (Mar. 15, 1988).

K. Congressional Review Act: Under the Congressional Review Act provisions of the Small Business Regulatory Enforcement Fairness Act of 1996 (5 U.S.C. 801–808), the United States Patent and Trademark Office will submit a report containing any final rule resulting from this rulemaking and other required information to the U.S. Senate, the U.S. House of Representatives, and the Comptroller General of the Government Accountability Office.

L. Unfunded Mandates Reform Act of 1995: The changes set forth in this document do not involve a Federal intergovernmental mandate that will result in the expenditure by State, local, and tribal governments, in the aggregate, of 100 million dollars (as adjusted) or more in any one year, or a Federal private sector mandate that will result in the expenditure by the private sector of 100 million dollars (as adjusted) or more in any one year, and will not significantly or uniquely affect small governments. Therefore, no actions are necessary under the provisions of the Unfunded Mandates Reform Act of 1995. See 2 U.S.C. 1501 et seq.

M. National Environmental Policy Act: This rulemaking will not have any effect on the quality of the environment and is thus categorically excluded from review under the National Environmental Policy Act of 1969. See 42 U.S.C. 4321 et seq.

N. National Technology Transfer and Advancement Act: The requirements of section 12(d) of the National Technology Transfer and Advancement Act of 1995 (15 U.S.C. 272 note) are not applicable because this rulemaking does not contain provisions which involve the use of technical standards.

O. Paperwork Reduction Act: The Paperwork Reduction Act of 1995 (44 U.S.C. 3501 et seq.) requires that the Office consider the impact of paperwork and other information collection burdens imposed on the public. This rulemaking involves information collection requirements which are subject to review by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3549).

This rulemaking proposes to require that patent applicants identify the attributable owner or owners on filing of an application (or shortly thereafter), within three months of any change in attributable owner during the pendency of the application, and when the issue fee is due for an application that has been allowed. This rulemaking also proposes to require that patent holders identify the attributable owner when a maintenance fee is due, and when a patent becomes involved in certain post-issuance proceedings at the Office, including in supplemental examination, ex parte reexamination, or a trial proceeding before the PTAB. This rulemaking further proposes to provide that an applicant or patent owner may correct a good faith failure to notify the Office of a change to the attributable owner, or correct an indication of an incorrect or an incomplete attributable owner, by filing a petition accompanied by a showing of reason for the delay, error, or incompleteness.

The collection of information that would be triggered by these proposed requirements has been submitted to OMB under OMB control number 0651-00xx. The proposed collection, containing the basis for the following summary of the estimated annual reporting burdens, will be available at OMB's Information Collection Review Web site: www.reginfo.gov/public/do/PRAMain. The title, description and respondent description of this information collection, with an estimate of the annual reporting burdens, follows:

Title of Collection: Identification of Attributable Owner.

OMB Control Number: 0651-00xx.

Needs and Uses: This information collection is necessary in order to provide the Office and the public with up-to-date information concerning the attributable owner of a patent or patent application. The Office will use the information collected to facilitate patent examination and other parts of the Office's internal processes by helping to: (1) ensure that a "power of attorney" is current in each application or proceeding before the Office; (2) avoid potential conflicts of interest for Office personnel; (3) determine the scope of prior art under the common ownership exception under 35 U.S.C. 102(b)(2)(C) and uncover instances of double patenting; (4) verify that the party making a request for a post-issuance proceeding is a proper party for the proceeding; and (5) ensure that the information the Office provides to the public concerning published applications and issued patents is accurate and not misleading.

Method of Collection: By mail, facsimile, hand delivery, or electronically to the Office.

Affected Public: Individuals or households; businesses or other for-profits; and not-for-profit institutions.

Estimated Number of Respondents: 1,116,300 responses per year.

Estimated Time Per Response: The Office estimates that it will take the public, on average, approximately 6 minutes (0.1 hour) to identify the attributable owner in an

application or patent and approximately 1 hour to correct a good faith failure to notify the Office of a change to the attributable owner (or to correct a good faith but incorrect or incomplete indication of attributable owner).

Estimated Total Annual Respondent Burden Hours: 111,810 hours per year (1,116,100 responses times 0.1 hours plus 200 responses times 1 hour).

Estimated Total Annual (Hour) Respondent Cost Burden: \$43,494,090 per year (111,810 hours times the \$389/hour attorney rate suggested by the AIPLA 2013 Economic Survey).

The Office is soliciting comments to: (1) evaluate whether the proposed information requirement is necessary for the proper performance of the functions of the Office, including whether the information will have practical utility; (2) evaluate the accuracy of the Office's estimate of the burden; (3) enhance the quality, utility, and clarity of the information to be collected; and (4) minimize the burden of collecting the information on those who are to respond, including by using appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology.

Please send comments related to this proposed collection of information under the Paperwork Reduction Act on or before [Insert date 60 days after publication in the FEDERAL REGISTER] to Mail Stop Comments--Patents, Commissioner for Patents,

P.O. Box 1450, Alexandria, VA, 22313-1450, marked to the attention of Raul Tamayo, Senior Legal Advisor, Office of Patent Legal Administration, Office of the Deputy Commissioner for Patent Examination Policy. Comments should also be submitted to the Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Room 10202, 725 17th Street, N.W., Washington, DC 20503, Attention: Desk Officer for the United States Patent and Trademark Office.

Notwithstanding any other provision of law, no person is required to respond to, nor shall a person be subject to a penalty for failure to comply with, a collection of information subject to the requirements of the Paperwork Reduction Act, unless that collection of information displays a currently valid OMB control number.

List of Subjects in 37 CFR Part 1

Administrative practice and procedure, Courts, Freedom of Information, Inventions and patents, Reporting and record keeping requirements, Small Businesses.

For the reasons set forth in the preamble, 37 CFR part 1 is proposed to be amended as follows:

PART 1 - RULES OF PRACTICE IN PATENT CASES

1. The authority citation for 37 CFR Part 1 continues to read as follows:

Authority: 35 U.S.C. 2(b)(2).

2. Section 1.17 is amended by revising paragraph (g) to read as follows:

§ 1.17 Patent application and reexamination processing fees.

* * * * *

(g) For filing a petition under one of the following sections which refers to this paragraph:

By a micro entity (§ 1.29).....	\$50.00
By a small entity (§ 1.27(a)).....	\$100.00
By other than a small or micro entity.....	\$200.00

§ 1.12—for access to an assignment record.

§ 1.14—for access to an application.

§ 1.46—for filing an application on behalf of an inventor by a person who otherwise shows sufficient proprietary interest in the matter.

§ 1.55(f)—for filing a belated certified copy of a foreign application.

§ 1.59—for expungement of information.

§ 1.103(a)—to suspend action in an application.

§ 1.136(b)—for review of a request for extension of time when the provisions of § 1.136(a) are not available.

§ 1.279—for correction of attributable owner in a pending application.

§ 1.377—for review of decision refusing to accept and record payment of a maintenance fee filed prior to expiration of a patent.

§ 1.387—for correction of attributable owner in a patent.

§ 1.550(c)—for patent owner requests for extension of time in ex parte reexamination proceedings.

§ 1.956—for patent owner requests for extension of time in inter partes reexamination proceedings.

§ 5.12—for expedited handling of a foreign filing license.

§ 5.15—for changing the scope of a license.

§ 5.25—for retroactive license.

* * * * *

3. New undesignated center headings and new §§ 1.271, 1.273, 1.275, 1.277, and 1.279 are added immediately after § 1.251 to read as follows:

Attributable Owner

§ 1.271 Attributable owner (Real-parties-in-interest for reporting purposes).

(a) The attributable owner of a patent or application includes each of the following entities:

(1) An entity that, exclusively or jointly, has been assigned title to the patent or application; and

(2) An entity necessary to be joined in a lawsuit in order to have standing to enforce the patent or any patent resulting from the application.

(b) The attributable owner of a patent or application includes the ultimate parent entity as defined in 16 CFR 801.1(a)(3) of an entity described in paragraph (a) of this section.

(c) Any entity that, directly or indirectly, creates or uses a trust, proxy, power of attorney, pooling arrangement, or any other contract, arrangement, or device with the purpose or effect of temporarily divesting such entity of attributable ownership of a patent or application, or preventing the vesting of such attributable ownership of a patent or application, shall also be deemed for the purpose of this section to be an attributable owner of such patent or application.

(d) The term “entity” used in this section includes:

(1) Any natural person, corporation, company, partnership, joint venture, association, joint-stock company, trust, estate of a deceased natural person, foundation, fund, or institution, whether incorporated or not, wherever located and of whatever citizenship;

(2) Any receiver, trustee in bankruptcy or similar official or any liquidating agent for any of the entities described in paragraph (d)(1) of this section, in his or her capacity as such;

(3) Any joint venture or other corporation which has not been formed but the acquisition of the voting securities or other interest in which, if already formed, would be an attributable owner as described in this section; or

(4) Any other organization or corporate form not specifically listed in paragraphs (d)(1), (d)(2), or (d)(3) of this section that holds an interest in an application or patent.

(e) Notwithstanding the provisions of paragraph (d) of this section, the term “entity” does not include any foreign state, foreign government, or agency thereof (other than a corporation or unincorporated entity engaged in commerce), and also does not include the United States, any of the States thereof, or any political subdivision or agency of either (other than a corporation or unincorporated entity engaged in commerce).

(f) When there is a requirement to identify the attributable owner, each entity constituting the attributable owner must be identified as follows:

(1) The identification of a public company must include the name of the company, stock symbol, and stock exchange where the company is listed;

(2) The identification of a non-public company must include the name of the company, place of incorporation, and address of the principal place of business;

(3) The identification of a partnership must include the name of the partnership and address of the principal place of business;

(4) The identification of a natural person must include the full legal name, residence, and a correspondence address; and

(5) The identification of any other type of entity must include its name, if organized under the laws of a state, the name of that state and legal form of organization, and address of the principal place of business.

(g) Except for shareholders of a public company, the presence of a corporate form, partnership, or other association, does not preclude an entity who may also be a shareholder or partner in such an identified attributable owner from a requirement to be separately identified as an attributable owner if the entity is also described in paragraph (a), (b) or (c) of this section as an entity qualifying as an attributable owner.

Identification of Attributable Owner in Pending Applications

§ 1.273 Initial identification of attributable owner in an application.

The attributable owner as defined in § 1.271 must be identified in each application under 35 U.S.C. 111(a), including a reissue application, and in each international application that commenced the national stage under 35 U.S.C. 371(b) or (f). If an application under 35 U.S.C. 111(a) which has been accorded a filing date pursuant to §§ 1.53(b) or (d) does not identify the attributable owner as defined in § 1.271, or if an international application which complies with § 1.495(b) does not identify the attributable owner as defined in § 1.271, the applicant will be notified and given a period of time

within which to file a notice identifying the attributable owner as defined in § 1.271 to avoid abandonment. The notice by the Office under this section may be combined with a notice under § 1.53(f) or § 1.495(c).

§ 1.275 Maintaining current attributable owner during prosecution of an application.

If there is a change to the attributable owner as defined in § 1.271 during the pendency of an application under 35 U.S.C. 111(a) or the pendency of an international application which complies with § 1.495(b), the applicant has three months from the date of the change to the attributable owner within which to file a notice identifying the current attributable owner as defined in § 1.271. This three-month period is not extendable.

§ 1.277 Identifying current attributable owner at allowance.

If a notice of allowance under § 1.311 has been sent to the applicant, the applicant must file a notice identifying the current attributable owner as defined in § 1.271 within three months from the date of mailing of the notice of allowance to avoid abandonment of the application. This three-month period is not extendable. If there has been no change to the attributable owner as defined in § 1.271 that was most recently provided to the Office, the notice may simply indicate that there has been no change to the attributable owner as defined in § 1.271 most recently provided to the Office.

§ 1.279 Correction of failure to notify the Office of a change to the attributable owner and errors in notice of attributable owner in a pending application.

If, despite a good faith effort by the applicant to notify the Office of the initial attributable owner as defined in § 1.271, and of any changes to the attributable owner as defined in § 1.271, in the manner required by §§ 1.273, 1.275, and 1.277, the applicant has failed to notify the Office of a change to the attributable owner or has indicated an incorrect or an incomplete attributable owner, the failure or error may be excused in a pending application on petition accompanied by a showing of reason for the delay, error, or incompleteness, and the petition fee set forth in § 1.17(g).

4. A new undesignated center heading and new §§ 1.381, 1.383, 1.385, and 1.387 are added immediately after § 1.378 to read as follows:

**Identification of Attributable Owner in Patents
Involved in Proceedings before the Office**

§ 1.381 Identifying current attributable owner with maintenance fee payment.

A notice identifying the current attributable owner as defined in § 1.271 must be filed within the period specified in § 1.362(d) or (e), but prior to the date the maintenance fee is paid, for each maintenance fee payment. If there has been no change to the attributable owner as defined in § 1.271 most recently provided to the Office, the notice may simply indicate that there has been no change to the attributable owner as defined in § 1.271 that was most recently provided to the Office.

§ 1.383 Identifying attributable owner in patents involved in Patent Trial and Appeal Board Trial Proceedings.

The mandatory notice filed by a patent owner as required by § 42.8(a)(2) of this chapter must also be accompanied by a notice identifying the current attributable owner as defined in § 1.271. If there is a change to the attributable owner as defined in § 1.271 during the pendency of the trial proceeding, the patent owner has twenty-one days from the date of the change to the attributable owner within which to file a notice identifying the current attributable owner as defined in § 1.271. This twenty-one-day period is not extendable.

§ 1.385 Identifying attributable owner in patents involved in supplemental examination and reexamination proceedings.

(a) A request for supplemental examination under § 1.610 must also be accompanied by a notice identifying the current attributable owner as defined in § 1.271.

(b) A request for ex parte reexamination under § 1.510 by the patent owner must also be accompanied by a notice identifying the current attributable owner as defined in § 1.271.

(c) A reply or any other paper filed by the patent owner in an ex parte reexamination proceeding must be accompanied by a notice identifying the current attributable owner as defined in § 1.271, unless such a notice has previously been filed by the patent owner. If there is a change to the attributable owner as defined in § 1.271 during the pendency of the reexamination proceeding, the patent owner has three months

from the date of the change to the attributable owner within which to file a notice identifying the current attributable owner as defined in § 1.271. This three-month period is not extendable.

§ 1.387 Correction of failure to notify the Office of a change to the attributable owner and errors in notice of attributable owner in a patent.

If, despite a good faith effort by the patent owner to notify the Office of the initial attributable owner as defined in § 1.271, and of any changes to the attributable owner as defined in § 1.271, in the manner required by §§ 1.273, 1.275, 1.277, 1.381, 1.383, and 1.385, the patent owner has failed to notify the Office of a change to the attributable owner or has indicated an incorrect or an incomplete attributable owner, the failure or error may be excused on petition accompanied by a showing of reason for the delay, error, or incompleteness, and the petition fee set forth in § 1.17(g).

Dated: January 16, 2014.

Michelle K. Lee,
Deputy Under Secretary of Commerce for Intellectual Property and
Deputy Director of the United States Patent and Trademark Office.

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