

PCT Applicants **Everywhere** Should **Continue** to File Powers of Attorney from the Inventors,
Notwithstanding Changes to the PCT Regulations and
Corresponding Changes to U.S. Patent Regulations¹

I.	Introduction	<u>2</u>
II.	Relevant PCT Authority Including Recent Changes Thereto	<u>3</u>
III.	Changes in U.S. Regulations in Connection with Changes in the PCT Regulations	<u>3</u>
IV.	Relevant U.S. Statutory Authority Has Not Changes, and it Requires that Inventors Authorize Filing of a PCT Application	<u>5</u>
V.	The Legal Effect of Filing a PCT Application Without Express Authorization from the Inventors at the Time of Filing	<u>6</u>
	A. Will the USPTO enforce 35 USC 373?	<u>6</u>
	B. Impact on U.S. Patents Issued on PCT Applications in Which the Inventor's Authorization to File the Pct Application Is Not Apparent	<u>6</u>
VI.	What Could or Should the USPTO Do to Address This Issue?	<u>7</u>
VII.	What Can Practitioners do Now to Correct PCT Applications Filed Without Authorization from the Inventors?	<u>8</u>
VIII.	Conclusion	<u>8</u>

I. Introduction

The regulations of the PCT were recently amended for the purpose of relieving the oppressive requirement to file a Power of Attorney from each inventor when filing a PCT application. However, U.S. national law *was not* amended to relieve the requirement that the inventors authorize the filing of a PCT application. Therefore, filing a PCT application without express authorization from the inventors, such as via powers of attorney, creates an unnecessary risk of loss of U.S. patent rights.

Recent amendment to the PCT regulations and corresponding amendments to U.S. regulations *appear* to have enabled practitioners to by-pass the inventor signature burden by obtaining a power of attorney only from the corporate applicant. At least, that is how it appears by following the relevant PCT articles, recent changes to the PCT rules, and the commentary on new 37 CFR 1.421. However, the actual language of 37 CFR 1.421 and 35 USC 373 do not support this conclusion.

I outline the relevant authority and changes thereto below, and then examine the consequences of PCT applications filed without express authority from the inventors. Finally, I suggest corrective actions the USPTO, U.S. Congress, and practitioners could take to alleviate

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this situation.

II. Relevant PCT Authority Including Recent Changes Thereto

PCT Article 14(1) states in pertinent part, my emphasis added:

Article 14 - Certain Defects in the International Application

(1)(a) The receiving Office shall check whether the international application contains any of the following defects, that is to say:

- (i) *it is not signed as provided in the Regulations;*
- (ii) it does not contain the prescribed indications concerning the applicant;
- (iii) it does not contain a title;
- (iv) it does not contain an abstract;
- (v) it does not comply to the extent provided in the Regulations with the prescribed physical requirements.

Thus, PCT regulations promulgated under the authority fo PCT article 14(1)(a)(i) controls what signatures the ROs must require.

PCT Rule 26.2bis (amended and in force as of January 1, 2004) is the regulation to which PCT Article 14(1)(a)(i) relates. PCT Rule 26.2bis states in pertinent part, my emphasis added:

26.2bis Checking of Requirements Under Article 14(1)(a)(i) and (ii)

(a) For the purposes of Article 14(1)(a)(i), if there is more than one applicant, *it shall be sufficient that the request be signed by one of them.*

(b) For the purposes of Article 14(1)(a)(ii), if there is more than one applicant, it shall be sufficient that the indications required under Rule 4.5(a)(ii) and (iii) be provided in respect of one of them who is entitled according to Rule 19.1 to file the international application with the receiving Office.

Thus, PCT Rule 26.2bis allows a RO to accept a PCT application signed by *only* the corporate applicant.

III. Changes in U.S. Regulations in Connection with Changes in the PCT Regulations

However, treaties including the PCT are not self implementing under U.S. law. U.S. statutes and regulations must be passed to implement treaties to which the U.S. accedes. In response to the changes to PCT Rule 26.2bis, the USPTO published rule changes at 68 FR 59881 (published October 20, 2003; effective 1/1/2004), but the USPTO did not (and could not) change relevant U.S. statutes. U.S. statutes are based upon Bills signed into law by the President, and they control over U.S. regulations. In particular, 68 FR 598883 left hand column states in pertinent part, my emphasis added:

Section 1.421: Section 1.421(b) is amended to remove reference to § 1.425

(§ 1.425 is removed). Under PCT Rule 26.2bis(a) (as amended), ***the international application will be considered to satisfy the signature requirement for purposes of PCT Article 14(1)(a)(i) if the request is signed by at least one applicant*** (except that all of the applicants' signatures will still be required for withdrawals, see discussion of § 1.421(g)). Accordingly, ***the current requirement in § 1.425 that the failure of an inventor to sign the request in an international application designating the United States will only be excused where the inventor could not be found or reached after diligent effort or refused to sign the request will no longer be applicable***. Section 1.421(b) is also amended to include the requirement of § 1.424 that joint inventors must jointly apply for an international application. Section 1.424 is removed (see discussion of § 1.424). Section 1.421(c) is amended as a consequence of the change to PCT Rule 4.9, as the United States will always be designated upon filing of an international application. Section 1.421(d) is amended to reflect the change to PCT Rule 90.4(d) permitting the RO to waive the requirement for a separate power of attorney.

The foregoing language in the comments on rule changes *suggests* that signatures of the inventors are no longer required in order to file a PCT application and have the PCT application be effective for obtaining a patent in the U.S. In fact, the actual amendments to the U.S. patent rules do not support that suggestion. In fact, 37 CFR 1.421, as amended, states in pertinent part, my emphasis added, that:

1.421 Applicant for international application.

* * * * * (b) Although the United States Receiving Office will accept international applications ***filed by*** any resident or national of the United States of America for international processing, ***for the purposes of the designation of the United States, an international application must be filed, and will be accepted by the Patent and Trademark Office for the national stage only if filed, by the inventor or as provided in §§ 1.422 or 1.423. Joint inventors must jointly apply for an international application.***

(c) ***For the purposes of designations other than the United States, international applications may be filed by the assignee or owner.***

(d) ***A registered attorney or agent of the applicant may sign the international application Request and file the international application for the applicant.*** A separate power of attorney from each applicant may be required.

The expression in rule 1.421 "the United States Receiving Office will accept international applications ***filed by*** any resident or national" means that the USPTO, acting as a PCT RO will accept a PCT application filed by an attorney having power from any one applicant, such as and in particular a corporate applicant.

However, rule 1.421(b) goes on to state that "for the purposes of the designation of the United States, an international application must be filed, and will be accepted by the Patent and Trademark Office for the national stage ***only if filed, by the inventor*** ." The negative implication is that a PCT application that is ***not "filed by the inventor"*** will ***not be "be accepted by the Patent and Trademark Office for the national stage."*** If the PCT application is not accepted by

the USPTO for the national stage, then the applicants have lost rights to a U.S. patent.

I discussed my concerns with USPTO officials regarding the inconsistency of the changes in the PCT Rule 26.2bis and U.S. rule 1.421(b). They indicated that the reason for the tortured language in 37 CFR 1.421 is because that language mirrors the statutory requirements in 35 USC 373, which I discuss below. 37 CFR 1.421(b) is directed specifically to applications filed in the US/RO. However, the statutory language is not, I repeat, is not, limited to applications filed in the US/RO. The statutory language applies to all PCT applications wherever they are filed.

IV. **Relevant U.S. Statutory Authority Has Not Changes, and it Requires that Inventors Authorize Filing of a PCT Application**

35 USC 373 states reads as follows.

35 USC 373 Improper applicant.

An international application designating the United States, **shall not be accepted by the Patent and Trademark Office for the national stage** if it was filed by anyone not qualified **under chapter 11 of this title** to be an applicant for the purpose of filing a national application in the United States.

Legislative history relevant to this section appears on page 18 of the Senate Report entitled "Implementation of the Patent Cooperation Treaty" CIS-1975-S523-9 (Jun 19, 1975). That section states in pertinent part that:

373 Improper Applicant

This section provides that an international application designating the United States, shall not be accepted if it was filed by anyone who, according to chapter 11 of this title, is not entitled to be an applicant in the United States. The refusal can only be made when the application enters the national stage (Article 27(3) of the Treaty). Thus, the Receiving Office cannot refuse an international application on these grounds, since that application may contain designations of other countries in which such applicant is permitted to file. [Page 18 lines 18-37.]

Thus, 35 USC 373 specifically requires that a PCT application filed in the international stage can only enter the U.S. national stage if it was filed, in the international stage, by someone qualified under chapter 11 to file the application. Chapter 11 specifies that only someone **authorized by the inventor** can file their patent application. In particular, Chapter 11 includes sections 35 USC 111 to 35 USC 122. These sections of the statute includes numerous passages clarifying that the **applicant means the inventor**, and generally that the **inventors must authorize** that the application to be "made" on their behalf. The statute does not define "made." However, "made" in this context clearly implies prepared and filed.

35 USC 115 **defines** "applicant" to be the inventor, stating "Oath of applicant. The applicant shall make oath that he believes him-self to be the original and first inventor of [the invention]..."

35 USC 111(a)(1) makes it clear that preparation and filing of a patent application must be authorized by the inventor/applicant, stating that "Written application. An application for patent shall be *made, or authorized to be made*, by the inventor...."

35 USC 117/118 handle the exceptional circumstances of an inventor being dead, incapacitated, or wrongfully refusing to sign, in which case, upon sufficient showing, another may sign on behalf of the inventor.

Thus, barring exceptional circumstances, a U.S. application filed under Chapter 11 must be "authorized to be made" (that is, authorized to be prepared and filed) by the inventors. Accordingly, 35 USC 373 requires therefore that entry into the U.S. national stage requires that the PCT application had been "authorized to be made" (that is, authorized to be prepared and filed) by the inventor. Moreover, the language of 35 USC 373 clearly refers to the time of filing of the international application, and therefore the time relevant for determining whether the application was authorized to be filed by the inventors *was when the PCT application was filed*.

A power of attorney is authorization for an attorney to make application on behalf of an inventor, by definition of the meaning of attorney. That is, a power of attorney is a power to "authorize.. [the attorney] to act in the place or stead of another." Black's Law dictionary, fifth edition, page 117. Thus, a power of attorney from an inventor authorizes a practitioner to file a PCT application on behalf of that inventor.

V. **The Legal Effect of Filing a PCT Application Without Express Authorization from the Inventors at the Time of Filing**

A. **Will the USPTO enforce 35 USC 373?**

35 USC 373 requires that an inventor authorize the filing of the PCT application. It does not require that the authorization be in writing or in the form of a power of attorney. However, it is clearly imprudent to not file proof of authorization from the inventor when filing a PCT application, as exemplified by the following hypothetical situations.

Assume a PCT application filed without express authorization of the inventors. If the USPTO decides to enforce 35 USC 373, it could require proof that the inventors had authorized the filing of the PCT application at the time it was filed. In that case, a PCT application filed anywhere in the world without proof of authorization by the inventors may initially be refused entry to the U.S. national stage. This would be a backtrack on the USPTO's apparently lax position at this time, but within the realm of possibility.

A related issue is of course what constitutes an inventor's authorization? Would an employment contract be sufficient authorization to file a PCT application? Would a general or particular assignment of inventions be sufficient authorization to file a PCT application? There is of course no legal certainty. However, U.S. law and regulations require proof of authorization in the form of an inventor's declaration and a power of attorney, not a mere employment contract or even an assignment.

Assume the USPTO requires documentary proof of authorization. What level of documentary proof would the USPTO require? For example, would a mere ex post facto assertion of the inventor be sufficient? Would the USPTO require evidence of a

contemporaneous (with the filing of the PCT application) authorization from the inventors?

B. Impact on U.S. Patents Issued on PCT Applications in Which the Inventor's Authorization to File the PCT Application Is Not Apparent

Unless Congress acts to revise 35 USC 373, case law will eventually provide clarification on this issue. However, at a minimum, filing a PCT application without also filing powers of attorney potentially weakens any resulting U.S. patent because it raises a potential ground for invalidity.

Consider for example an inventor/employee on the witness stand being questioned whether he or she *actually* authorized the filing of a particular PCT application. Then, consider the inquisitor probing into conventional filing practices of the inventor/employee's company indicating that inventors were routinely not consulted on PCT filings.

Consider for example inventors that change employment between the filing of the PCT application and the filing of the U.S. national stage application. Will their change in allegiance affect their memory as to whether they authorized the filing of a PCT application? Will it affect the prosecuting attorney's ability to get necessary proofs from them to overcome a question regarding authorization?

Consider for example inventors that die or become incompetent prior to entering or attempting to enter the U.S. national stage. Will the USPTO accept allegations from anyone other than the inventor that the inventor did in fact authorize the filing of the PCT application? If so, what proof will be required?

All of these hypothetical situations could be avoided by obtaining and filing powers from the inventors when filing their PCT application.

VI. What Could or Should the USPTO Do to Address This Issue?

I did discuss this issue with officials at the USPTO in early 2004. Based upon those discussions, it is clear that the USPTO did not intend to cause problems for PCT applicants, and that the USPTO was attempting to make PCT filings less burdensome. However, it was apparent from my discussions that the USPTO had not fully considered, from a practitioner's perspective, the impact, or potential impact, of their regulatory changes in connection with 35 USC 373.

At this time, it would be beneficial for the USPTO to do what it can to alleviate any burden or potential loss of right caused by applicants filing PCT applications without powers of attorney from the inventors, since such filings have been in reliance in part on the USPTO's apparent advice. I list some possibilities below.

First, the USPTO could push Congress or a suitable revision to 35 USC 373.

Second, the USPTO could notify the public that it will presume that PCT applications filed in the international stage were authorized by the inventors. (This is in effect what I believe to be the current USPTO policy, at least it was the apparent policy until I raised this issue with the USPTO.) However, for the reasons noted above, this presumption would arguably be inconsistent with Congressional intent and would fail to enforce 35 USC 373.

Third, the USPTO could notify the public that PCT applications filed in the international

stage without powers of attorney from the inventors will simply not be accepted (and I guarantee that some practitioners have filed already such applications). That is, the USPTO could vigorously enforce 35 USC 373. This action seems incredibly harsh, but it would be consistent with both U.S. law and the USPTO's function of enforcing U.S. patent laws relating to acquisition of patents.

Fourth, the USPTO could notify the public that it will, until a specified date, allow "backfilling" of PCT applications filed since January 1, 2004 with either powers or confirmatory authorizations from inventors, in view of the USPTO's inadvertent inconsistent guidance on this issue. Since the changes to the PCT regulations only came into force January 1, 2004, this would allow all affected PCT applicants to obtain and file the necessary authorizations. Of course, patents issuing from such "backfilled" applications would still be subject to a validity challenge for failure to comply with 35 USC 373 in subsequent litigation.

VII. What Can Practitioners do Now to Correct PCT Applications Filed Without Authorization from the Inventors?

If you have filed such a PCT application, at a minimum, an obvious course of action is to obtain a confirmatory power of attorney and file that in the PCT application as soon as practical. It may be that you or corporate counsel have correspondence with the inventors, and that correspondence may indicate that the inventors knew of and impliedly authorized the filing of the PCT application. I would memorialize that evidence, and consider in each case what to file in the PCT application or the subsequent U.S. national stage proceeding to prove that the inventors did in fact authorize filing of the PCT application.

Alternatively, if the Paris year has not run, you could file a second PCT application and claim Paris priority to the first PCT application, and of course include powers from the inventors. Still further, if the Paris year has run, you could re-file the PCT application without claiming Paris priority and take your chances.

VIII. Conclusion

It should be clear that failing to obtain powers from the inventors when filing PCT applications anywhere in the world is currently inadvisable because it may negatively impact subsequent U.S. national stage proceedings. Accordingly, all practitioners everywhere should continue to require either powers or express authorizations from each inventor to file any PCT application.

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