

Rule 1.46(e) Compliance in Patent Prosecution; Another Trap for the Unwary

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The AIA introduced a number of major and readily apparent changes. However, it also introduced subtle changes imposing requirements with which failure to comply could adversely affect practitioners and their clients' rights. One such change is the rule 1.44(e) requirement for any juristic entity applicant to "notify the Office of any change in the real party in interest [sic party-in-interest] no later than payment of the issue fee."

35 USC 118 (AIA) requires the Director to grant patents in the name of the real party-in-interest. In order to effect that statutory requirement, the PTO promulgated 37 CFR 1.46(e) (AIA). PTO comments (see 77 FR 48786) on promulgation of rule 1.46(e) note that compliance is effected by filling out box 3 of the issue fee transmittal form with the name of the real party-in-interest. However, box 3 of the issue fee transmittal form asks only for assignee information, not real party-in-interest information. Therefore, the issue fee transmittal form fails to place applicants on notice that entering the assignee information instead of or in addition to real party-in-interest information violated rule 1.46(e). My guess is that most practitioners do not recognize that this is a requirement, or if they do recognize that this is a requirement, then they do not know how to address this requirement.

Questions that arise from this duty are (1) what is a "real party-in-interest" within the meaning of rule 1.46(e) and 35 USC 118 (aka in patent prosecution); (2) how to comply with this duty; and (3) what are the potential consequences for failing to comply with this duty? Back at the last of the PTO's AIA seminars, in 2013, here in Alexandria, I asked the PTO panel those questions. The panel's response was along the lines that this was not the PTO's problem; it was the applicant's problem. In that sense, I expect little administrative guidance from the PTO on this issue.

However, substantial guidance on question (1) appears in a PTAB expanded panel decision from April 2013. That panel decision addressed question (1), the meaning of real party-in-interest, in a patent. All patent prosecutors should be aware of this decision, insofar as it is the only judicial guidance from the PTO relevant to compliance with rule 1.46(e). The decision is Motorola Mobility LLC v. Michael Arnouse, IPR2013-00010, paper 30 (PTAB 4/19/2013)(Opinion by APJ Giannetti, for an expanded panel consisting of APJs Tierney, Chang, Giannetti, and Bisk).

In that decision, the panel adopted the "effective patentee" doctrine in Sicom Sys. Ltd. v. Agilent Techs., Inc., 427 F.3d 971, 976 (Fed. Cir. 2005) as defining the real party-in-interest in a patent. In Sicom, the CAFC equated the "effective patentee" with the party entitled, pursuant to 35 USC 281, to remedy by civil action for patent infringement. ("This court has defined "all substantial rights" as those rights sufficient for the licensee or assignee to be "deemed the effective patentee under 35 U.S.C. § 281.", quoting from Prima Tek ii, LLC v. A-Roo Co., 222 F.3d at 1377.).

Practitioners need to act to ensure compliance with rule 1.46(e), for example by specifically identifying to applicants how real party-in-interest might differ from the named assignee, to request identification of real party-in-interest at time of allowance, and to notify the PTO in applications in which the applicant is a juristic entity and the real party-in-interest differs from the applicant and assignee. As to question (3), the potential consequences for non-

compliance, they are at this time uncertain.

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