



# Intellectual Property Law Section: State Bar of Texas

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*Submitted via:* [micro\\_entity@uspto.gov](mailto:micro_entity@uspto.gov)

## Re: Changes to Implement Micro Entity Status for Paying Patent Fees

Dear Sirs:

We appreciate the opportunity to provide comments to the U.S. Patent and Trademark Office (USPTO) concerning the rules packages that are under development in connection with provisions of the America Invents Act (“AIA”). This correspondence provides comments specifically directed to proposed rule changes directed toward implementing micro entity status provisions of the AIA.

The State Bar of Texas Intellectual Property Law Section is the section of the Texas State Bar that focuses on intellectual property matters. Our membership includes more than 2000 attorneys, many of whom are registered to practice in front of the USPTO.

With respect to the USPTO’s specific request for comments regarding whether instances within Rule 1.29 should utilize the term “applicant” or “inventor,” multiple issues arise with respect to either term. In many instances, the entity status is claimed by, and determined based on, the company to which the patent is assigned. Such an entity would be more accurately described as an “applicant.” However, in some instances the entity will exclusively be the inventor. Because of this, either the term “applicant” should be used in an interchangeable

manner (i.e. also meaning “inventor”) as has been done in the past, or the rules may refer to “applicant or inventor” if it is necessary to maintain uniform language with other new rules being introduced as a result of the implementation of the AIA.

We note that the one instance of the word “inventor” in the proposed rule (*see* 1.29(a)(2)) appears to be inconsistent with the word “applicant” in section (b). Specifically, section (a)(2) provides that to establish micro entity status the applicant must not have been named as an “inventor” on more than four previously filed patent applications. Whereas section (b) provides that an “applicant” is not considered to be named on a previously filed application for purposes of paragraph (a)(2) of this section if the applicant has assigned, or is under an obligation by contract or law to assign, all ownership rights in the application. If the terms are considered interchangeable, this would not create an issue. However, whereas “applicant” may include an inventor, it may not be that “inventor” may include every form of applicant.

The present rule is likely written in this manner so as to track the statutory language of 35 U.S.C. § 123. However, in light of the policy reasons surrounding the creation of a micro entity status, it would make sense for the term “inventor” in section (a)(2) to refer to an applicant which has been named as an applicant and has had the opportunity to claim micro entity status in four previously filed patent applications.

We also note that there is some ambiguity in the proposed implementation of the new micro entity status with respect to who qualifies to claim this status. For example, the statutory language (and the corresponding proposed rules) states that an applicant is eligible for micro entity status if the applicant has not been named as an inventor on more than four previously filed patent applications. It is possible that what was originally intended was that an applicant is eligible so long as the applicant has had less than four micro entity applications. For example, if an inventor filed an application in 1995, and that application had three divisional or continuation applications, technically that inventor has previously filed four applications. However, it would be reasonable to assume that the congressional intent would be to allow this individual to claim micro entity status on a new innovation created by this inventor (assuming all other eligibility requirements are met). In fact, the USPTO specifically noted that “the legislative history of 35 U.S.C. 123 is clear that it is directed to a subset of small entities, namely, “truly independent inventors.” *See* H.R. Rep 112-98 at 50 (2011).” Such an inventor would seem to be a “truly independent inventor” of which Congress was attempting to assist. While the rule in its present form does not necessarily need to change in order to clarify this circumstance, it would be helpful for the patent bar to know how the USPTO interprets this portion of 35 U.S.C. § 123.

With respect to the rules regarding certification of micro entity status and fraudulent certification (1.29(g)-(k)), guidance would be beneficial in order to understand the depth of inquiry which is considered acceptable (*i.e.* good faith attempt) for a representative of an applicant to obtain in order to sign a certification. It would seem too burdensome on a practitioner to expect more than obtaining a verbal affirmation from an applicant that the applicant meets the guidelines for obtaining micro entity status. It would also be constructive to have guidance on what penalties the USPTO anticipates enforcing in the event that a fraudulent certification is made. For example, whether an application would be deemed abandoned upon receiving a fraudulent certification, whether circumstances surrounding the

certification govern the penalties such as whether it is the fault of the applicant or a representative of the applicant, etc.

Should the USPTO like any further comment or have any questions regarding this submission, please feel free to contact the undersigned.

Best Regards,

A handwritten signature in cursive script that reads "Scott W. Breedlove".

Scott W. Breedlove  
Chair, Intellectual Property Law Section  
State Bar of Texas

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