

REPORT

USPTO RULE CHANGES REGARDING DECLARATIONS, POWERS OF ATTORNEY AND ASSIGNMENTS

June 17, 2004

The U.S. Patent and Trademark Office (PTO) has established new rules relating to Powers of Attorney and recordation of Assignments. These rules become effective on June 25, 2004.

SUMMARY

The new rules relating to Powers of Attorney encourage the transition from current forms (e.g., the Combined Declaration/Power of Attorney signed by the inventor(s)) to new forms (e.g., a Declaration signed by the inventor(s) separate from a Power of Attorney signed by the Assignee). All of the current Oliff & Berridge forms are acceptable under the new rules while transitioning to new forms. Moreover, please rest assured that Oliff & Berridge will take all required steps to ensure that all PTO requirements are met in connection with the current or new forms.

Specific rule changes are described in this report, along with our procedural recommendations and sample forms for your consideration. We invite any questions on the rule changes and our recommended procedures and forms.

I. Declarations and Powers of Attorney

The new PTO rules strongly encourage use of "General Powers of Attorney" from a client (e.g., assignee corporation) to a law firm (e.g., all attorneys associated with an Oliff & Berridge, PLC Customer Number). The new rules also limit the number of individual attorneys that can be personally identified on a power of attorney, absent submission of a separate paper identifying ten or fewer attorneys as to whom the power of attorney is to be effective.

In view of the new rules, Oliff & Berridge will be using new Declarations and Powers of Attorney. Generic samples of these new forms are attached, and can be readily adapted for specific users on a client-by-client basis. If desired, we can supply you with electronic copies of any of these forms.

All of our current forms can still be used as necessary or convenient. Oliff & Berridge will take the necessary steps to ensure that all PTO requirements are met in connection with those forms, including filing papers identifying ten attorneys as to whom the power of attorney will be effective. Furthermore, all Declarations and Powers of Attorney that have been filed (or executed but not yet filed) before June 25, 2004 will continue to be effective.

A. New General Powers of Attorney

We propose to use General Powers of Attorney with all cases that have been assigned. In particular, we will propose to have a single document (see Exhibit A - General Power of Attorney) executed by a representative of each assignee, granting a power of attorney to all practitioners associated with an Oliff & Berridge, PLC Customer Number. We will have a copy of that signed document scanned into our computer system. Thereafter, a copy of that General Power of Attorney can be filed with each new or continuing application from that assignee. This will have the effect of (1) establishing that our power is from the assignee, and not from the inventor(s), in the event of a dispute between the inventor(s) and the assignee, and (2) minimizing the number of formal documents that need to be signed by corporate representatives. In our opinion, the General Power of Attorney approach will be most cost-effective and efficient for assignees filing multiple patent applications.

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It is also possible to file a Power of Attorney that is specific to a given patent application if preferred by the client (see Exhibit B - Specific Power of Attorney). However, in view of the need to have a corporate representative sign such a document in each patent application, we anticipate that most clients will prefer to use the General Power of Attorney approach.

In order to file a General Power of Attorney in a given case under the new rules, we will attach a paper signed by an Oliff & Berridge attorney (1) including a reference to a recorded assignment to the assignee who has granted the General Power of Attorney, or (2) accompanied by a copy of an executed assignment to that assignee. We will ensure that this paper (see Exhibit C - Transmittal of Power of Attorney) is filed in all applications at no additional charge. For new cases in which a Declaration and Assignment have not yet been signed, we can postpone filing the General Power of Attorney until declaration and assignment documents become available. Oliff & Berridge will nevertheless be the official correspondence address in such files.

B. New Inventor Declarations

Our new inventor declarations (Exhibit D - Declaration) will not include a power of attorney at all. In that way, all issues of conflicting representation between assignees and inventors who may enter into disputes can be avoided. In unassigned applications, the inventor(s) will also execute a Power of Attorney to all practitioners associated with an Oliff & Berridge, PLC Customer Number.

C. Current Declaration and Power of Attorney Documents

Until our clients have fully converted to use of the new documents, we expect that we will continue to receive Declarations and Powers of Attorney on our current forms, which in many cases identify more than ten attorneys. We will also continue to file copies of previously-filed combined Declaration/Power of Attorney documents in continuation and divisional applications. Whenever filing such documents, we will file with them: (1) a copy of a General Power of Attorney from the assignee where such a document is available to us, or (2) where a General Power of Attorney is not available, a separate paper identifying ten Oliff & Berridge partners as the attorneys to whom the

Power of Attorney will be effective (see Exhibit E - Designation of Ten Attorneys for Power of Attorney).

If the Power of Attorney is granted to our firm by the inventor(s) in an assigned application, we will: (1) also file the General Power of Attorney (if available); or (2) request the assignee to execute a Power of Attorney (which can be a General or Specific Power of Attorney, as desired by the Assignee), and file it upon receipt. Either option will have the effect of revoking the Power of Attorney by the inventor(s) and establishing the Power of Attorney by the Assignee.

Filing either the General or Specific Power of Attorney by the assignee is not required under the new rules. If desired, the assignee can allow the Power of Attorney by the inventor(s) to remain in effect. However, if the Power of Attorney from the inventor(s) remains in effect, an inventor has the authority to revoke the Power of Attorney and appoint his/her own attorney. Further, the PTO may require, in the future, a statement from the inventor(s): (1) authorizing the designated U.S. attorneys to accept and follow instructions regarding the prosecution of the application from the assignee or the assignee's agent, without direct communication between the U.S. attorney and the inventor(s); and (2) indicating that in the event of a change in the entity from whom instructions may be taken, the designated U.S. attorney will be so notified by the inventor(s). The second requirement of this statement may become burdensome in the event of a change in assignee (e.g., a sale or other reassignment of the application) because the inventor(s) may no longer be available or cooperative. Therefore, we strongly encourage the filing of a Power of Attorney by assignee.

D. Recommended Procedures

1. We recommend that all clients (corporations or individuals) provide our firm with a General Power of Attorney (Exhibit A), which we will file with each new or continuing application. This General Power of Attorney by the assignee can be used with our firm's new or current inventor Declarations.

2. We recommend that all corporate clients have the inventor(s) sign an Assignment and our new inventor Declaration that does not include a Power of Attorney from the inventor(s). We will file a copy of the General Power of Attorney (if available) when filing the Declaration and Assignment. If a General Power of Attorney is not in effect, we recommend that our corporate clients send us a

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General Power of Attorney when forwarding the Declaration and Assignment. If we do not receive a Power of Attorney with the Declaration and Assignment, we will remind our clients of the need to supply a General or Specific Power of Attorney.

3. If the inventor signs our current combined Declaration/Power of Attorney in the absence of a General Power of Attorney by Assignee, our firm will: (a) file a separate paper identifying ten attorneys as to whom the Power of Attorney will be effective (Exhibit E); and (b) request the Assignee to execute a Power of Attorney (which can be a General or Specific Power of Attorney, as desired by the assignee).

4. If the inventor signs our new Declaration in an unassigned application, we will request the inventor to sign a Power of Attorney as well (which can be a General or a Specific Power of Attorney, as desired by the inventor).

We believe these recommended procedures will minimize the burden of complying with the new rules in most applications. Applications with joint assignees may present more complex situations, which we nonetheless believe can be readily accommodated by relatively minor adaptation of certain forms. We will address this issue with individual clients as the need arises.

II. Assignment Recordation

The PTO has also codified into the rules that it will not return recorded Assignment documents. Thus, as has been our practice for several months, only copies of Assignment documents will be submitted to the PTO for recordation. When clients send us the original document, we maintain it in our file until the recordation has been confirmed, and then return the original Assignment to the client with the Notice of Recordation.

On its face, our Assignment form grants Oliff & Berridge, PLC the authority to add identifying information to assignment documents to facilitate their recordation. We routinely do this in connection with new patent applications. Thus, we recommend that clients continue to send us original documents so that we can complete them before recordation, such that the recorded document is identical to the original assignment document that is eventually maintained in the client's files.

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Oliff & Berridge, PLC is a full-service Intellectual Property law firm based in historic Alexandria, Virginia. The firm specializes in patent, copyright, trademark, and antitrust law and litigation, and represents a large and diverse group of domestic and international clients, including businesses ranging from large multinational corporations to small privately owned companies, major universities, and individual entrepreneurs.

This Special Report is intended to provide information about legal issues of current interest. It is not intended as legal advice and does not constitute an opinion of Oliff & Berridge, PLC. Readers should seek the advice of professional counsel before acting upon any of the information contained herein.

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