

Substantive PTO Rulemaking Authority Will Create Confusion in Patent Law

Current Law – 35 U.S.C. § 2(b)(2)(A) provides that “The Office...may establish regulations, not inconsistent with law, which...shall govern the conduct of proceedings in the Office...” The Federal Circuit has interpreted this section as a limited grant of authority: “As we have previously held, the broadest of the PTO's rulemaking powers – 35 U.S.C. § 6(a) [now Section 2] – authorizes the Commissioner to promulgate regulations directed only to ‘the conduct of proceedings in the [PTO]’; it does not grant the Commissioner the authority to issue substantive rules.”

The Patent Reform Act of 2007 would overturn longstanding law by granting sweeping new regulatory powers to the PTO. It provides that, “in addition to the authority conferred by other provisions of this title, the Director may promulgate such rules, regulations, and orders that the Director determines appropriate to carry out the provisions of this title or any other law applicable to the United States Patent and Trademark Office or that the Director determines necessary to govern the operation and organization of the Office.”

This provision should be deleted from the Patent Reform Act because...

- the delegation of rulemaking authority has not been sufficiently justified, will lead to unintended consequences, and will upset a longstanding and carefully-crafted legislative scheme that has balanced the administrative role of the PTO against the judicial role of interpreting patent law. –
- this provision would alter the balance between Congress, the courts, and the PTO, and would likely result in inconsistent applications of the law, creating uncertainty for patent holders.
- the PTO is an administrative agency tasked with applying the law as Congress has written it, and as interpreted by the courts. Patentability disputes, which are related to rapidly-evolving technologies, often give rise to fundamentally new questions of law, and – importantly -- arise not only during the administrative process between PTO examiners and applicants, but also in district court between private litigants.
- all such new questions of patent law are currently appealed to the U.S. Court of Appeals for the Federal Circuit, ensuring that patent law is applied consistently - no matter whether new legal questions arise in the PTO or in district court. To now give the PTO new, unfettered substantive rulemaking power, however, would alter this fundamental balance, requiring the courts to defer to the PTO's interpretations of law when reviewing cases arising from the PTO, even if they are inconsistent with longstanding case law.