



January 23, 2012  
**VIA E-MAIL**

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Office of Chief Economist  
U.S. Patent and Trademark Office  
Mail Stop External Affairs  
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Alexandra, VA 22313-1450

Re: Eliciting More Complete Patent Assignment Information  
(PTO-P-2011-0077)

Dear Mr. Vishnubhakat:

The following comment is submitted on behalf of AT&T in response to a Request for Comments (RFC) on Eliciting More Complete Patent Assignment Information dated November 16, 2011 (PTO-P-2011-0077).

With over a quarter of a million employees, AT&T represents the largest telecommunications holding company in the world by revenue, and is one of the leading worldwide providers of mobile and fixed telephony, broadband, and subscription television services. AT&T's heritage and long history of innovation, which includes eight Nobel Prizes and thousands of patents issued or pending worldwide, have fueled groundbreaking initiatives in telecommunications. The Intellectual Property Owners Association (IPO) listed AT&T in the top 25 organizations granted the most utility patents in 2010.

The RFC considers requiring applicants-assignees to provide ownership information upon filing an application, as well as after filing the application under the following circumstances:

- (1) in anticipation of publishing the application;
- (2) in response to ownership changes that cause a loss or gain of small entity status;
- (3) upon payment of the issue fee; and
- (4) upon payment of the maintenance fee, if a discount is to be received.

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Each of the above notifications would require that the applicant-assignee make separate inquiries into the current ownership rights of an application or patent, as well as confirming such rights by obtaining executed supporting documents. Each separate notification requirement would increase the cost of pursuing a patent, and thus multiple notification requirements would multiply this extra cost. These proposed notification requirements would add substantial cost to the prosecution and maintenance of patent rights, particularly for companies, such as AT&T and other similarly situated entities, having extensive patent portfolios. Furthermore, a verifiable determination of ownership at each stage of prosecution and maintenance may be difficult to ascertain. To determine ownership of a patent or patent application, one must first determine the individuals to list as inventors. Determining inventorship requires a careful review of the claims and an analysis of who contributed to the conception of each claim. Since the claims are often amended during prosecution, both inventorship and ownership can change each time notification is required. Thus, requiring an accurate statement of ownership when faced with, for example, deadlines to respond to office actions or non-extendable deadlines to pay issue fees would result in substantial additional issues and cost in meeting these deadlines.

The proposed notification requirements would especially increase costs upon applicants-assignees when ownership is uncertain and in dispute. For an entity that arguably has an interest in a patent or patent application, the notification requirements may force that entity to assert their rights. The notification requirements may consequently cause patent prosecution to become more contentious. Managing and resolving these conflicts would further increase the cost of obtaining a patent.

Any requirement to update the chain of title is particularly difficult when such documents are not readily available or signatures from responsible parties cannot easily or quickly be obtained. For example, it can be challenging and time-consuming to obtain executed assignments from employees of a filing entity having sole ownership interest in a patent or patent application. Even more problematic is when a patent or patent application is jointly owned. It is far more difficult to obtain these same documents from contractors, who may work for different entities over time, and joint owners resulting from a joint innovation project or other third-party entity that cooperates with the owning entity, such as universities and other for-profit interests, which do not bear the responsibility of filing.

Requiring that the chain of title be updated through recordation will be enormously expensive in the wake of mergers and acquisitions, name changes of holding companies, transfers between related entities, such as subsidiaries, and reorganizations within a company that involve substantial numbers of applications or patents. Despite not having the chain of title updated, third parties are at times still able to ascertain the true owner of the patent or patent application. The enormous cost to

applicants-assignees in updating the chain of title far outweighs any added benefit to the public in ascertaining ownership. Moreover, ownership can often be fragmented within a company in accordance with legitimate business interests. Even if each of the proposed rules were enacted, ownership may remain fragmented for these legitimate business interests. For example, when employees are relocated to different subsidiaries within larger companies, substantial costs would be incurred in tracking and documenting the effect of such activities on assignment records. The proposed notification requirement would, therefore, not provide any benefit to the public in removing uncertainty due to fragmented ownership.

Reporting ownership information during prosecution will not always further the intended goal of disseminating information to that portion of the public interested in acquiring patent rights prior to publication of the application. For one, when patent applications are unpublished, the public is unaware of the patent application and consequently unaware of which entity has rights to that application. In the event a non-publication request is filed, this period of secrecy lasts until issuance of the unpublished application. Thus, the public interest is not served by requiring applicants-assignees to report ownership during prosecution of a patent application.

Requiring updates to assignment information or the chain of title through recordation in each and every application and pre-existing patent regardless of their value to the current owner or general public would result in an overwhelming waste of resources in both the public and private sectors. These resources would better be allocated to the intended goals of facilitating research and development efforts and licensing operations. Moreover, sufficient incentives to update the chain of title already exist when the value of an application or patent justifies the additional cost and burden of doing so, such as when faced with a proposed sale, assertion, or litigation involving such rights.

Given the issues outlined above, as well as an apparent lack of statutory basis to require ownership updates or recordation under 35 USC §§2(a)(2), 118, and 261, the costs of complying with the proposed notification requirements outweighs any benefits. There currently exist sufficient incentives for owners to record their rights in patents and patent applications. Thus, it is submitted that the proposed requirements represent unnecessary over regulation in an area in which efficiency demands self regulation.

Moreover, requiring updated assignment information and/or recordation of such information would impose undue financial burdens on the very entities responsible for the majority of research and development efforts and employment in the U.S, thereby circumventing many of the primary benefits intended by these requirements. As noted in the RFC, "owners may still have incentives not to record." Those owners who want it to remain difficult for the public to identify each of their patents can continue to hold

Saurabh Vishnubhakat  
January 23, 2012  
Page 4

patents in a fragmented manner or take other steps to frustrate the goals of the notification requirements.

Very truly yours,

*Rod S. Turner*

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RST:jp