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### **What Every Patent and Trademark Lawyer Should Understand About the MPEP, TMEP, and Other Guidance: How to Use (and Defend Against) the MPEP to be a Better Advocate<sup>1</sup>**

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The administrative law lays out limits on the ways that federal agencies may use guidance documents vis-à-vis rights of the public. It's crucial for every patent practitioner to understand those limits—when does the MPEP state binding law, when is it mere aspiration for what an agency would like the law to be, when is it asymmetric (binding against the agency, but not against any member of the public), when is it an offer of a *quid pro quo* (the agency promises “if you do this, we’ll do that”), and when is it invalid and entirely unenforceable? When has the PTO broken the law, and what rights does that give you? Knowing the difference, and following the practical advice outlined below, can prevent you from unintentionally compromising your client’s rights.

“Guidance” is an informal, nonstatutory, catch-all term that gained currency<sup>3</sup> in the late 1990s: “guidance” is any statement issued by an agency to guide future action or right (as opposed to adjudicating past facts), residual after subtracting statute, C.F.R. regulation, and Article III common

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<sup>2</sup> [Potomac Law Group PLLC](#). This article represents the views of the author, and not the views or policies of any client, organization, or firm.

<sup>3</sup> [Appalachian Power Co. v. EPA](#), 208 F. 3d 1015, 1020 (D.C. Cir. 2000).

law. “Guidance” is anything an agency says to guide future conduct, but with less than the procedural formalities required by rulemaking laws such as the Administrative Procedure Act (5 U.S.C. § 553) and several other statutes.<sup>4</sup> Justice Gorsuch, while still on the Tenth Circuit, wrote several opinions<sup>5</sup> referring to “sub-regulatory guidance”—two words that are redundant, but helpfully illuminating.

Examples of “guidance” include the MPEP, TMEP, TBMP, § 101 examination guidelines, web pages, Federal Register commentary on regulations that goes beyond the text of the regulation itself, examiner training materials, the checkboxes on the PTO’s forms, memoranda (either agency internal guidance or external), PTAB/TTAB precedential, informative, and routine decisions (when applied as prospective precedent, as opposed to adjudication of a single case), circulars, bulletins, advisories, Q&A and other web pages, the emails the PTO sends out, and rules that exist only in software to restrict the files you can upload and submit. Any time the PTO purports to either set a requirement or steer preferences, if the statement is future-directed and issued without the procedure of “regulation,” it’s “guidance.”

The word “rule” in its statutory<sup>6</sup> sense covers “nearly every statement an agency may make” with future effect.<sup>7</sup> “Regulation,” in contrast, means a rule that has gone through all the procedures required by statute to mature into a binding rule in the Code of Federal Regulations.<sup>8</sup>

The word “binding” has two sub-implications, and they are central to what you need to know about agency guidance.

First, the word “binding” often has a qualifier—binding *against whom?* Some rules can be binding against the agency itself, and simultaneously have no binding effect whatsoever against the public. Rules against agency personnel and rules against the public are governed by very

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<sup>4</sup> Judge Plager recommended an article that gives a particularly good introduction to general principles of agency rulemaking, David Boundy, [The PTAB is Not an Article III Court, Part 1: A Primer on Federal Agency Rule Making](#), 10 LANDSLIDE (American Bar Ass’n) at 9-13, 51-57 (Nov/Dec 2017).

<sup>5</sup> *E.g.*, [El Encanto, Inc. v. Hatch Chile Company, Inc.](#), 825 F. 3d 1161, 1166 (10th Cir. 2016) (Gorsuch, J.).

<sup>6</sup> 5 U.S.C. § 551(4).

<sup>7</sup> [Batterton v. Marshall](#), 648 F. 2d 694, 700 (D.C. Cir. 1980).

<sup>8</sup> [Aqua Products, inc. v. Matal](#), 872 F.3d 1290, 1316-19, 1320-22 (plurality opinion of O’Malley, J.).

different bodies of law. Against the public, rulemaking procedure (if followed) culminates in fairly-negotiated *regulations*, and once those regulations are in place, the agency can't nickel-and-dime its way out of them. But the head of the agency can, by simple stroke of the pen, issue guidance that confines discretion or puts obligations on agency staff *if those limits have no adverse effect against a party before the agency*. The public is entitled to rely on that guidance as binding *against agency employees*, and to seek intra-agency enforcement.

Second, rules have different degrees of force of law—"binding" lies on a spectrum, and can be asymmetric. Some agency-created rules have the same force of law as statutes—binding against the public, against the courts, and against the agency itself. Some are nonbinding suggestions—an agency can promise that if a party does thus-and-so, the agency will do thus-and-so in return. When a statute or regulation has an ambiguity, the agency may issue an interpretation of that ambiguity—that interpretation is almost always binding against the agency itself, and has binding effect against the public that varies with circumstance as I start to explain below (and explain in *exhausting* detail in a 2019 article<sup>9</sup>).

Most valid guidance slots into the statutory categories of 5 U.S.C. § 553 as "interpretative rule" or "general statement of policy." Guidance is entirely proper for an agency to communicate its preliminary views on cutting edge issues, or where agency decision-making is intensely fact-specific and cannot be reduced to bright line rules. Other agencies have no trouble following the law. For example, the FTC recently revised its "Green Guides" on advertising claims for environmentally-friendly products.<sup>10</sup> The FDA follows<sup>11</sup> Presidential directives<sup>12</sup> for informing the public about suggested approaches to ease matters though. The FDA even has guidance for issuing

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<sup>9</sup> David Boundy, *The PTAB Is Not an Article III Court, Part 3: Precedential and Informative Opinions*, 47 AIPLA Q.J. 1-99 (June 2019) ("Director's cut" with updates reflecting subsequent cases at SSRN <https://ssrn.com/abstract=3258694>).

<sup>10</sup> Federal Trade Commission, *Guides for the Use of Environmental Marketing Claims*, [87 Fed. Reg. 77766](https://www.ftc.gov/policy/advocacy-guides-for-the-use-of-environmental-marketing-claims) (Dec. 20, 2022).

<sup>11</sup> Food and Drug Administration, *Guidances*, <https://www.fda.gov/industry/fda-basics-industry/guidances>.

<sup>12</sup> Executive Office of the President, *OMB Bulletin No. 07-02, Bulletin for Agency Good Guidance Practices* (Jan. 25, 2007), reprinted at [72 Fed. Reg. 3432](https://www.federalregister.gov/documents/2007/01/25/61441-01/omb-bulletin-no-07-02-bulletin-for-agency-good-guidance-practices) (Jan. 25, 2007).

guidance.<sup>13</sup> But the PTO regularly exceeds legal limits on use of guidance. Lots of the PTO's guidance doesn't slot into any of the legal pigeonholes, so it's just plain invalid and unenforceable. When guidance states rights in applicants' favor, the PTO refuses to keep the promises it made, and refuses to enforce against itself. This article is designed to help you identify those cases, so you know when you have the right to push back against an unreasonable demand.

### **To bind the public, an agency must use regulation—guidance is (almost) never binding against any member of the public**

Congress and the President recognized that agencies have immense power, and tend to regulate in self-interest. Congress, the President, and Department of Commerce issued a number of laws to confine that power, to protect the public from agency overreach. To bind the public, an agency must observe the procedural rulemaking requirements of the Administrative Procedure Act (esp. [5 U.S.C. § 553](#)), the Paperwork Reduction Act (esp. [44 U.S.C. § 3507](#)) and its implementing regulations at 5 C.F.R. Part 1320, the Regulatory Flexibility Act (5 U.S.C. § 601 *et seq.*), several Executive Orders, and other laws (either default laws that apply government-wide or rulemaking laws specific to the agency). These procedures culminate in regulations, codified in the Code of Federal Regulations. (That's not 100% true by law, but it's awfully close to 100% true as a practical matter.) If an agency skips statutory procedural requirements, the agency may not enforce its rule against the public.<sup>14</sup>

The Supreme Court has reminded agencies that they can't bind the public by guidance with less-than-regulation procedural formality. For example, the NLRB tried to replace APA rulemaking with "precedential decisions;" the Supreme Court put a stop to it.<sup>15</sup> A more-recent statement is in *Perez v. Mortgage Bankers Ass'n*<sup>16</sup>:

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<sup>13</sup> Food and Drug Administration, *Fact Sheet: FDA Good Guidance Practices*, <https://www.fda.gov/about-fda/transparency-initiative/fact-sheet-fda-good-guidance-practices>.

<sup>14</sup> *E.g.*, [5 U.S.C. § 552\(a\)\(1\) and \(2\)](#); [44 U.S.C. § 3512](#); [5 C.F.R. § 1320.6](#).

<sup>15</sup> *NLRB v. Wyman-Gordon Co.*, 394 US 759, 764-65 (1969).

<sup>16</sup> *Perez v. Mortgage Bankers Ass'n*, 575 U.S. 82, 97 (2015).

The absence of a notice-and-comment obligation makes the process of issuing interpretive rules comparatively easier for agencies than issuing legislative rules. But that convenience comes at a price: Interpretive rules “do not have the force and effect of law and are not accorded that weight in the adjudicatory process.”

Those of you that read the PTO’s rulemaking notices will observe that the PTO is fond of citing that first sentence of *Perez*: agencies can skip notice-and-comment in narrow circumstances (when a rule *interprets* ambiguity in a statute or regulation, a key concept which we’ll explain below). But the PTO’s notices always quote-crop the second sentence—the PTO always “overlooks” giving notice that when the PTO exercises the shortcut, the PTO surrenders the authority to enforce. (In the private sector, any first year associate that repeatedly pulled quote-cropping stunts like this would have a short career.)

This isn’t a new problem. From the time the APA was enacted in the 1940s through the 1990s, agencies attempted to circumvent the law of rulemaking by promulgating vague or general regulations, and later adding all the real limits by subregulatory guidance. Courts are wise to this trick, and don’t permit it.<sup>17</sup>

The Executive Office of the President issued the *Bulletin for Agency Good Guidance Practices*<sup>18</sup> explaining to agencies how they are and are not permitted to use guidance. The Department of Commerce issued a specific regulation to remind agencies that they can’t attribute binding effect to

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<sup>17</sup> [Appalachian Power Co. v. EPA, 208 F.3d 1015, 1020 \(D.C. Cir. 2000\)](#) (“The phenomenon we see in this case is familiar:” agency may not issue broad or vague regulations, and then flesh out the specific binding provisions by guidance); [Hoctor v. Dep’t. of Agriculture, 82 F.3d 165, 169-70 \(7th Cir. 1996\)](#) (when regulation for zoo fences requires “such strength as appropriate ... [and] to contain the animals,” guidance requiring fences to be eight feet is not “interpretive.”); [U.S. v. Picciotto, 875 F.2d 345, 347 \(D.C. Cir. 1989\)](#) (regulation purported to permit the agency to impose “additional reasonable conditions and ... limitations” by guidance and wording on a permit; Court reminded agencies that they cannot grant themselves *ad hoc* substitutes for statutory rulemaking procedure).

<sup>18</sup> *Good Guidance Bulletin*, note 12, *supra*.

guidance.<sup>19</sup> The Administrative Conference of the United States has issued a number of recommendations for agency use of guidance.<sup>20</sup>

The President's *Good Guidance Bulletin*<sup>21</sup> deserves special attention: it was developed by the Executive Office of the President as a simplified restatement of statutory law on guidance, issued with the force of an Executive Order. It was rescinded by President Trump, and then reinstated on President Biden's first day in office. It's a good consolidation/restatement of the statutory law of guidance.

But the PTO has never implemented any of these laws, despite several petitions from me asking the PTO to do so.

### **Guidance is binding against agency personnel**

Guidance is binding against agency personnel in *ex parte* matters (that is, where an agency acts solely to confine its own discretion with no adverse effect on any party). Guidance is asymmetric: it binds against agency personnel in *ex parte* cases (that is, where there is no dividing between a winner and a loser—an agency can only create a rule that binds against a loser by *regulation*). Guidance *against agency personnel* arises as a permissive power under the Housekeeping Act, 5 U.S.C. § 301, and a long line of Supreme Court cases originating with *Accardi v. Shaughnessy*.<sup>22</sup> The Patent Act goes one better than most other agencies—where most can issue agency-facing guidance as a matter of discretion, the Commissioners are under an obligatory *duty* to “manage and direct ... all activities of the Office.”<sup>23</sup>

The PTO can change the MPEP with very little procedure, but as long as the MPEP reads as it does, you can rely on it for three classes of promises:

- Sentences that state mandatory actions of agency personnel, for example “The examiner must ...” or “The Office will...”—an agency can bind its employees via an employee manual, but can't bind the public.

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<sup>19</sup> [15 C.F.R. § 29.2](#).

<sup>20</sup> Administrative Conference of the United States, *Guidance Documents*, <https://www.acus.gov/guidance>.

<sup>21</sup> *Good Guidance Bulletin*, note 12, *supra*.

<sup>22</sup> [Accardi v. Shaughnessy, 347 U.S. 260 \(1954\)](#).

<sup>23</sup> [35 U.S.C. § 3\(b\)\(2\)\(A\)](#).

- When the MPEP promises “If an applicant does x, we promise to do (favorable) y.” If you do x, the PTO has to keep those promises.
- When the MPEP interprets an ambiguity in a way that’s favorable to you, you can rely on that, and no agency employee can back out.

And of course the PTO can use guidance as non-binding asks for favors, or to express preferences or recommendations—

- Anything using hortatory language like “should” is nonbinding,<sup>24</sup> For example, *Jepson* claims are easier for the PTO to examine, so [37 C.F.R. § 1.75\(e\)](#) and the MPEP suggest them. The PTO is allowed to make a nonbinding request for a favor, but can’t use guidance to impose a binding rule or standard.<sup>25</sup>

### How may agencies use guidance vis-à-vis the public?

Only three things are binding against applicants: **statute** (as interpreted by the courts), a few Article III **common law** doctrines (such as inequitable conduct, *Metallizing Engineering* forfeiture, the judicial exceptions to § 101, obviousness-type double patenting, and a few others), and **regulations** (and guidance that meets the many-step tests that have evolved for *Chevron* or *Auer* deference<sup>26</sup>).

Which leaves four roles in which an agency may use guidance—

- Quotes of statutes or regulations (but they’re binding because they’re statutes or regulations, not because they’re in the MPEP).
- Guidance may bind against agency staff in *ex parte* matters.
- Interpretations of genuine ambiguity in statute or regulation may apply as follows:
  - If the agency wraps its interpretative guidance in further procedure

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<sup>24</sup> “Should” statements slot into the category “general statement of policy” in the Administrative Procedure Act, 5 U.S.C. § 553(b), and as such are entirely nonbinding.

<sup>25</sup> David Boundy, *37 C.F.R. § 1.75(e), Jepson claims, and the Administrative Procedure Act*, Patently-O, <https://patentlyo.com/patent/2017/09/%c2%a7-administrative-procedure.html> (Sep. 5, 2017).

<sup>26</sup> *Chevron USA Inc. v. Natural Resources Defense Council, Inc.*, 467 U.S. 837 (1984) and *Auer v. Robbins*, 519 U.S. 452 (1997)—the implications for guidance are explained in detail in *PTAB Is Not an Article III Court, Part 3*, note 9, *supra*.



that's almost as formal as notice and comment, the agency's interpretation may be binding against the public, courts, and against the agency itself under *Chevron* or *Auer* deference.<sup>26</sup>

- Without that level of procedure, guidance's interpretations are just "partially frozen slush," not firmly binding, until confirmed by an Article III court (a principle called *Skidmore* deference). In most cases, you're permitted to argue for an alternative interpretation (though of course the agency will often not entertain the suggestion; you may have to go to court). The *Good Guidance Bulletin* reminds agencies that they are obligated to "entertain alternative interpretations" of statute or regulation.<sup>27</sup>
- In addition, an agency can issue *nonbinding* guidance (the APA refers to this as "general statements of policy"). For example, the PTAB's precedential opinions that lay out nonexclusive lists of factors to be weighed, and that don't purport to set any binding norms or limits, are exactly the way an agency is *supposed* to use guidance (except that the PTAB was required to publish notice in the Federal Register,<sup>28</sup> which it hasn't).

For the second bullet, silence is not ambiguity. An agency can't point to a silence in statute or regulation, and claim to have the authority to gap-fill the silence by guidance (by regulation, yes; by guidance, no). If an agency wants to create a new obligation binding on the public, or a carve-out from an obligation of the agency, the agency must act by regulation. Subregulatory guidance can only have binding effect against any member of the public if it is grounded in a "fair interpretation" of "genuine ambiguity" in a regulation or statute. Guidance can't independently create a new duty, or carve-out an exception to an agency obligation.

One of the most influential decisions on an agency's authority to "interpret" via guidance is Judge Posner's decision in *Hector v. Dep't. of Agriculture*.<sup>29</sup> The agency issued a (valid) regulation that required zoo fences to be of "such strength as appropriate . . . [and] to contain the animals." The agency then issued guidance requiring fences for tigers to be eight feet high. Judge Posner held that imposing a limit of "eight feet" could not be "derived

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<sup>27</sup> *Good Guidance Bulletin*, note 12, *supra*, at § II(2)(h).

<sup>28</sup> [5 U.S.C. § 552\(a\)\(1\) and \(2\)](#).

<sup>29</sup> *Hector*, note 17, *supra*, 82 F.3d at 169-70.



from the regulation by a process reasonably described as interpretation,” so the “eight foot” guidance was invalid and unenforceable.

The Supreme Court, in *Kisor v. Wilkie*, recently clarified that deference applies to an agency’s subregulatory interpretation only if, first, ambiguity remains “after exhaust[ing] all the ‘traditional tools’ of construction ... [after] carefully consider[ing] the text, structure, history, and purpose.”<sup>30</sup> Second, that interpretation must be “reasonable,” that is, “within the zone of ambiguity.”<sup>31</sup> From the 1990s to 2006 or so, the Court had given agencies freedom to cut loose from the language of statute and regulation; *Kisor* reins in that freedom. Third, deference only applies if a court, after an “independent inquiry,” determines that the interpretation is “entitl[ed] to controlling weight.”<sup>32</sup> That generally calls on the agency to use procedures nearly equivalent to notice-and-comment—agencies can’t act by *ad hoc* one-off’s. Fourth, deference is only due if the agency’s judgment is “fair and considered.” PTO guidance that connects to fees is likely *not* to be eligible for deference, and is instead likely to be considered *de novo*. All of these are “tightenings” relative to the 1990s and 2000s.

In the limited situations where an agency may issue binding (or advisory or “partially frozen slush”) guidance, the law still requires procedures that protect the public from agency overreach.<sup>33</sup> The PTO is remarkably consistent in its *non*compliance with those laws, for example, with excuses made-up-on-the-fly like a teenager caught coming home after curfew.<sup>34</sup>

## Unlawfully-promulgated guidance

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<sup>30</sup> [Kisor v. Wilkie](#), 139 S.Ct. 2400, 2415 (2019).

<sup>31</sup> *Id.* at 2416.

<sup>32</sup> *Id.*

<sup>33</sup> *E.g.*, [5 U.S.C. § 552\(a\)\(1\) and \(2\)](#), [44 U.S.C. § 3507](#); [5 C.F.R. § 1320.8](#) and [.10](#).

<sup>34</sup> I laid out some examples in a recent *amicus* brief to the Federal Circuit, an article about the PTAB’s “ordinary meaning” rule, and a 2018 Patently-O Law Journal article about the billion-dollar costs of the PTO’s unlawful conduct. Brief of Amicus Curiae David E. Boundy in Support of Appellant, *In re Chestek PLLC*, No 22-1843 (Fed. Cir. Sep. 26, 2022), available at SSRN <https://ssrn.com/abstract=4274391>; David Boundy, [An Administrative Law View of the PTAB's 'Ordinary Meaning' Rule](#), WESTLAW J. INTELLECTUAL PROP, 25:21 13-16 (Jan 30 2019); David E. Boundy, [Agency Bad Guidance Practices at the Patent and Trademark Office: a Billion Dollar Problem](#), [2018 PATENTLY-O PATENT LAW J. 20](#) (Dec. 6, 2018).

That leaves lots of PTO guidance that is invalidly promulgated, and legally unenforceable:

- MPEP Chapter 800 sets forth showings an examiner “must” make to show a restriction requirement or election of species. Even though those “must” requirements go far beyond interpreting the operative regulations (37 C.F.R. § 1.141-146), that’s totally fine (and enforceable) when the MPEP puts limits on examiner discretion. In contrast, when Chapter 800 purports to set limits on the applicant, or rewrite the statutory and regulatory language “independent and distinct” against you as “independent or distinct,” it isn’t.
- [37 C.F.R. § 1.52\(a\)\(5\)](#) purports to grant the PTO authority to enforce “USPTO patent electronic filing system requirements” that can go beyond regulation. That regulation is invalid: the public is entitled to stability and notice.<sup>35</sup> Agencies are not permitted to play Calvinball or make up rules against the public that can be changed without rulemaking procedure.<sup>36</sup> The PTO’s guidance for submission of DOCX patent applications exist only in informal web pages, issued without notice and comment. That guidance changes regularly without notice. The PTO’s DOCX guidance directly clashes with the PTO’s promises to implement a “standard.”<sup>37</sup> For each of these reasons, the PTO’s DOCX guidance may not be enforced.
- Form PTOL-303, “Advisory Action Before the Filing of an Appeal Brief” box 3 is a direct clash against [37 C.F.R. § 1.116\(b\)\(3\)](#).
- MPEP § 1207.04 allows an examiner and SPE to unilaterally abort an applicant’s appeal and reopen prosecution. That directly clashes with the operative regulation, 37 C.F.R. § 41.39(a)(2). The PTO can’t use guidance to attenuate a remedy given by Congress, or to contradict its own regulation.

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<sup>35</sup> *E.g.*, [5 U.S.C. § 552\(a\)\(1\) and \(2\)](#).

<sup>36</sup> *Contrast Picciotto*, note 17 *supra*, [875 F.2d at 347](#) (agency cannot grant itself the power to issue binding guidance by adopting a regulation that purports to create that authority) *against* [Bill Watterson, Calvin and Hobbes \(May 27, 1990\)](#) (“The only permanent rule in Calvinball is that you can’t play it the same way twice!”).

<sup>37</sup> U.S. Patent and Trademark Office, [Setting and Adjusting Patent Fees During Fiscal Year 2020, Reply 51, 85 Fed. Reg. 46932, 46957](#) (Aug. 3, 2020).

- The PTAB’s 2020 memo, *Treatment of Statements of the Applicant in the Challenged Patent in Inter Partes Reviews under § 311*<sup>38</sup>—the PTO could have followed the statute, issued that memo as a non-binding advisory in the Federal Register, and treated it as a non-binding policy statement. Instead the PTAB broke the law by issuing it as purportedly “binding,” even though the PTO observed none of the required procedures.<sup>39</sup> The Federal Circuit reversed,<sup>40</sup> without deference—quite correctly, because the PTO had neglected many provisions of law.
- Outside the limits set forth above, PTAB precedential opinions are phonier than three dollar bills—the Treasury has the requisite statutory authority;<sup>41</sup> the PTAB doesn’t.<sup>42</sup> The Supreme Court harshly criticized an agency that tried to circumvent statute and improvise its own authority to conduct rulemaking by precedential opinion.<sup>43</sup> The PTAB’s *Standard Operating Procedure 2*,<sup>44</sup> which purports to scope out PTAB “precedential” opinions, notably lacks any citation to statutory authority for (a) the PTAB’s authority to depart from statute with its own improvised rulemaking procedure, or (b) any claim of binding effect against anyone other than parties to the adjudication itself.

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<sup>38</sup> U.S. Patent and Trademark Office, *Treatment of Statements of the Applicant in the Challenged Patent in Inter Partes Reviews under § 311*, [https://www.uspto.gov/sites/default/files/documents/signed\\_aapa\\_guidance\\_memo.pdf](https://www.uspto.gov/sites/default/files/documents/signed_aapa_guidance_memo.pdf).

<sup>39</sup> The claim for power to bind at the top of page 2 of this memo reflects truly profound misunderstanding of the law—rules *against agency staff* are procedurally entirely different than rules *against parties* before the agency.

<sup>40</sup> *Qualcomm Inc. v. Apple Inc.*, 24 F. 4th 1367 (Fed. Cir. 2022).

<sup>41</sup> [31 U.S.C. § 5115](#).

<sup>42</sup> [Facebook, Inc. v. Windy City Innovations, LLC](#), 973 F.3d 1321, 1347-54 (Fed. Cir. 2020) (panel’s unanimous additional views); compare my two briefs (<https://ssrn.com/abstract=3836861> and <https://ssrn.com/abstract=3687493>).

<sup>43</sup> *Wyman-Gordon*, note 15 *supra*, 394 US at 764-65.

<sup>44</sup> Patent Trial and Appeal Board, [Standard Operating Procedure 2, Precedential Opinion Panel to Decide Issues of Exceptional Importance Involving Policy or Procedure, Publication Of Decisions And Designation Or De-Designation Of Decisions As Precedential Or Informative](#), rev. 10 (Sept. 20, 2018).

- The PTO’s “Director review” web pages<sup>45</sup>—the legal infirmities in “rule by web page” are discussed in a two part article at IPWatchdog.<sup>46</sup>
- The PTO has a secret memo (“Internal Use ONLY”) that states irrational standards for Powers of Attorney.<sup>47</sup> The simplest law on the books is that an agency must publish its rules, procedures, and “the general course and method by which its functions are channeled and determined” in the Federal Register, so the public knows what the rules are.<sup>48</sup> How can the public possibly comply with a guidance rule that the PTO keeps completely secret? If the rule is irrational, how can the public seek correction if the public is never let in on the secret?
- In 2007 and 2010, the PTO issued two memoranda to examiners changing the restriction form paragraphs. It’s easy to see why the PTO kept the first one entirely secret from the public for years (in violation of § 552(a)): the 2007 memorandum<sup>49</sup> allowed examiners to restrict based on “non-prior art issues under 35 U.S.C. 101 and/or 35 U.S.C. 112, first paragraph”—which has *nothing* to do with the statutory authorization, “independent and distinct.” The 2010

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<sup>45</sup> U.S. Patent and Trademark Office, *Interim process for Director review*, <https://www.uspto.gov/patents/patent-trial-and-appeal-board/interim-process-director-review>

<sup>46</sup> David Hoyle, *USPTO Implementation of Arthrex: Questions from Administrative Law, Part I—Dismissal and Subregulatory Rulemaking*, <https://ipwatchdog.com/2021/07/22/uspto-implementation-arthrex-questions-answers-administrative-law-part-dismissal-subregulatory-rulemaking/id=135896> (Jul. 22, 2021) and *Part II—the Bigger Picture for Reform*, <https://ipwatchdog.com/2021/07/26/uspto-implementation-arthrex-questions-administrative-law-part-ii-bigger-picture-reform/id=135965> (Jul. 26, 2021).

<sup>47</sup> David Boundy, *A Study in Scarlet’—Powers of Attorney and USPTO Rulemaking, Part I: A Hidden Guidance Document* (Jul. 13, 2022) and *Part II: The USPTO Fails to Take the Paperwork Reduction Act Seriously* (Jul. 19, 2022).

<sup>48</sup> [5 U.S.C. § 552\(a\)](#).

<sup>49</sup> John Love, Deputy Commissioner for Patent Examination Policy, *Changes to Restriction Form Paragraphs* (Apr. 25, 2007), archived at [https://web.archive.org/web/20090511001005/http://www.uspto.gov/web/office/s/pac/dapp/opla/documents/20070425\\_restriction.pdf](https://web.archive.org/web/20090511001005/http://www.uspto.gov/web/office/s/pac/dapp/opla/documents/20070425_restriction.pdf).

memorandum by Robert Bahr<sup>50</sup> is no better. It purports to allow examiners to restrict by just pasting boilerplate language into an action, without making fact-based showings. The law doesn't permit agencies to make decisions based on boilerplate without considering facts. Likewise, the law doesn't permit agencies to change rules that govern paperwork without the rulemaking procedure of the Paperwork Reduction Act.<sup>51</sup> If an agency acts in secrecy or near-secrecy, without the required notice in the Federal Register, how is the public to comply, let alone complain about or seek correction of illegal conduct by the agency?

- Other examples of the PTO's misuse of guidance may be found in comment letters to the PTO and articles.<sup>52</sup>

President Biden, on his first day in office, reinstated the *Good Guidance Bulletin* which directed agencies to clean up their use of guidance. The Department of Commerce issued similar directives,<sup>53</sup> and the Administrative Conference of the United States issued recommendations.<sup>54</sup> The PTO has never (observably) implemented any of these. The President directed agencies to train their staff in the law of guidance—requirements for promulgation, what can be enforced, what can't. The PTO has never done so.

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<sup>50</sup> Robert Bahr, Deputy Commissioner for Patent Examination Policy, *Changes to Restriction Form Paragraphs*, [http://www.uspto.gov/patents/law/exam/20100121\\_rstrctn\\_fp\\_chngs.pdf](http://www.uspto.gov/patents/law/exam/20100121_rstrctn_fp_chngs.pdf) (Jan. 21, 2010)

<sup>51</sup> See note 33 *supra*.

<sup>52</sup> Dr. Richard Belzer, *Comments on "Improving Regulation and Regulatory Review; Request for information"* <https://www.uspto.gov/sites/default/files/patents/law/comments/belzer14apr2011.pdf> (Apr. 14, 2011); IEEE-USA, *comment letter Patent Processing (Updating) 0651-0031*, [https://www.uspto.gov/sites/default/files/news/fedreg/comments/0651-0031\\_IEEE\\_Comment.pdf](https://www.uspto.gov/sites/default/files/news/fedreg/comments/0651-0031_IEEE_Comment.pdf) (May 29, 2012); David Boundy, Comment Letter to Department of Commerce, *Promoting the Rule of Law Through Improved Agency Guidance Documents*, 85 Fed. Reg. 60694, Docket No. 200819-0223 (Oct. 28, 2020), available at <https://ssrn.com/abstract=4311291>; Boundy, *Bad Guidance Practices*, note 34, *supra*.

<sup>53</sup> [15 C.F.R. Part 29](#).

<sup>54</sup> ACUS recommendations for guidance, note 20, *supra*.

**The practical advice is:**

- When you are trying to figure out *your* procedural obligations, start by reading the **regulations**. Don't start with the MPEP—it will just confuse you. Only if you find a “genuine **ambiguity**” in a regulation does the PTO's interpretation of that ambiguity carry any weight.
- When you are trying to figure out an *examiner's* obligations, start with the MPEP (that's why it's titled the “Manual of Patent **Examining** Procedure”).
- When the PTO asserts guidance against you as if it were “law,” you need to know when the PTO has something to stand on, and when it's just unlawful bloviation. I hope this article gets you started thinking about that, instead of needlessly compromising your client's rights.

**Yeah, right.** That's what the law says. Unfortunately, some of the PTO's senior-most lawyers and career staff have compensation metrics (obtained by Freedom of Information Act) that direct them to conduct PTO rulemaking solely for benefit of the PTO's fee revenues; their compensation agreements are entirely silent on compliance with the law or meeting the public interest. Far too many of the PTO's senior lawyers and career staff operate under those metrics. The PTO has never implemented either the President's [Good Guidance Bulletin](#)<sup>55</sup> or Commerce's [guidance regulations](#). These problems await a Director and General Counsel who are willing to crack down on a pattern of shortcutting by their lawyers and senior staff. When you encounter a block that impairs your client's rights, sometimes it's best to just roll over. Hopefully, this article sensitizes you to situations in which it's in the client's interest to push back, and starts to give you tools to do so.

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<sup>55</sup> *Good Guidance Bulletin*, note 12.