Unauthorized Practice of Law -- Conflict of Federal and State Power Over Patent Agents

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NOTES


Two recent decisions determining whether patent agents, not members of their respective state bars, but admitted to practice before the United States Patent Office, can represent clients in patent matters in these states, have added confusion to the already perplexing subject of unauthorized practice before federal administrative agencies. The Supreme Court of Florida in State of Florida, ex rel. The Florida Bar v. Sperry¹ held that the admission of a nonlawyer to practice before the United States Patent Office, does not authorize him to practice “patent law” in Florida. That court by a sweeping injunction held in effect that all the work performed by a patent agent in representing a client constituted the practice of law and could therefore be legally done in Florida only by a licensed attorney, regardless of the fact that the rules of the Patent Office expressly permit nonlawyers to act before it in a representative capacity.

However, in Battelle Memorial Institute v. Green,² the Ohio Court of Appeals declared that admission to practice before the Patent Office precluded Ohio from requiring members of a corporation’s patent section to be admitted to the Ohio bar before they can legally handle patent matters in Ohio for clients of the corporation.

In an attempt to resolve the conflict presented by these cases this Note will examine (1) the procedures involved in the representation of a client before the Patent Office, to determine if such practice does in fact constitute the practice of law; (2) the nature of a state's power to regulate the practice of law, determining whether this power is basically legislative or judicial; (3) the extent of the state regulatory power over nonlawyers admitted to practice before the Patent Office, where that agency expressly reserves authority over admissions.

I. Unauthorized Practice of Law

The practice of law by unqualified persons was historically responsible for the establishment of the bar. From the very beginning of the legal profession it was necessary to exclude from practice those who were unlearned in the ever-expanding body of legal principles. The bar thus arose "from the public demand for the exclusion of those who assumed to practice law without adequate qualification."³ In order to effectuate this purpose, statutes were passed, one of which provided for examination of attorneys to ensure that only those could be qualified to practice as were “good and virtuous, and of good fame, learned and sworn to their duty.”⁴

The limitation of practice to the qualified is based on broad principles of protecting the public from inadequate representation that could well result in the loss of important rights. In Sperry, the court elaborated on these policy considerations inherent in the exclusion of nonlawyers from the practice of law and stated that such exclusion was not done merely to aid members of the legal profession in creating and maintaining a monopoly or closed shop, but rather “to protect the public from being advised and represented in legal matters by unqualified persons over whom the judicial department can exercise little, if any, control in the matter of infractions of the code of conduct which, in the public interest, lawyers are bound to observe.”⁵

In order to protect the public from harm at the hands of an inept practitioner,

³ Rhode Island Bar Ass’n v. Automobile Service Ass’n, 55 R.I. 122, 179 A.139, 144 (1935).
⁵ 140 So.2d at 595.
admission to the bar is "based upon the threefold requirements of ability, character, and responsible supervision." But with the rise of specialized, quasi-judicial\(^6\) administrative agencies, the problem area of unauthorized practice greatly increased\(^8\) and the procedures for excluding nonlawyers from the practice of law became more complicated.\(^9\)

This problem is further accentuated by the extent to which nonlawyers are admitted as representatives before federal administrative agencies. The last survey, taken in 1953,\(^10\) showed that out of the 46 civilian agencies studied, 32 permitted nonlawyers to serve as trial counsel before them, and of the 27 military agencies which conduct adversary proceedings, 19 permitted nonlawyers to appear and act as trial counsel before them.

The United States Patent Office in rule 341 (b) expressly permits nonlawyers to be admitted to practice before it. That rule states:

\[\textit{Agents. Any citizen of the United States not an attorney at law who fulfills the requirements and complies with the provisions of these rules may be admitted to practice before the Patent Office. . . .}^{11}\]


Although it is generally recognized that no comprehensive definition of the practice of law can be made, nor can any limits be prescribed to the scope of that activity,\(^12\) yet the court in *Sperry* attempted to formulate such an all-inclusive definition:

\[\text{It is safe to follow the rule that if the giving of such advice and the performance of such services affect important rights . . . and if the reasonable protection of the rights and property of those advised and served requires that the person giving such advice possess legal skill and the knowledge of law greater than that possessed by the average citizen, then . . . such services . . . constitute the practice of law.}^{13}\]

The Massachusetts court in *Lowell Bar Association v. Loeb*\(^14\) argued against this type of broad definition. There it was stated:

The proposition cannot be maintained, that whenever, for compensation, one person gives to another advice that involves some element of law, or performs for another some service that requires some knowledge of law, or drafts for another some document that has legal effect, he is practicing law.\(^15\)

Based on their definition, the *Sperry* court concluded that Practice before the Patent Office constituted the practice of law, stressing the "legal" knowledge required in the preparation of a patent application.

Such applications they state require "extensive knowledge of the law, statute and case, in a field of the law that is as technical and involved as any known

\[\begin{align*}
6 & \text{Gardner v. Conway, 234 Minn. 468, 48 N.W.2d 788, 795 (1951).} \\
7 & \text{See, e.g., Morgan v. United States, 304 U.S. 1 (1938).} \\
8 & \text{von Baur, supra note 4, at 104.} \\
9 & \text{Id. at 106. Mr. von Baur states:} \\
10 & \text{von Baur, STANDARDS OF ADMISSION FOR PRACTICE BEFORE FEDERAL ADMINISTRATIVE AGENCIES (1953).} \\
11 & \text{Patent Office Rules of Practice, 37 C.F.R. § 1.341 (b) (1960).} \\
12 & \text{See West Virginia State Bar v. Earley, 144 W.V. 504, 109 S.E.2d 420 (1959).} \\
13 & \text{Supra note 1, at 591. See, e.g., Land Title Abstract & Trust Co. v. Dworken, 129 Ohio St. 23, 193 N.E. 650, 652 (1934). There the court states:} \\
14 & \text{315 Mass. 176, 52 N.E.2d 27 (1943).} \\
15 & \text{Id. at 31.}
\end{align*}\]
Furthermore, "the preparation of applications for patents, and the amendments thereto, involves the preparation of the terms of an involved contract and proof of the right to have same issued by the government, requiring legal knowledge and skill far in excess of that possessed by the layman."\(^6\)

The *Battelle* court however stressed the fact that technical acumen is a very important part of the specialized knowledge required for a competent representation in patent matters. "[R]equirements for admission to practice before the United States Patent Office make it clear that skill in engineering and scientific matters is as necessary as skill in legal matters, and persons who are attorneys may qualify for admission as agents."\(^7\)

To resolve this conflict, it is necessary to examine in detail exactly what the patent agent or attorney does. These actions can be divided into three main areas; (1) rendering opinions as to patentability after instigating a patent search; (2) working before the Patent Office, mainly preparing patent applications and amendments to these applications; (3) protecting the rights of the patentee by representing him in infringement actions or by dealing with the patent as a property right.

In this first area, a patent agent or attorney to whom an invention disclosure has been submitted will usually recommend a preliminary search before filing a patent application. He submits this disclosure to a private searcher in Washington who searches the prior art, picking out those patents which most closely approximate the salient features of the submitted disclosure. Depending on the prior art the patent attorney or agent will conclude as to the patentability of the submitted invention. This conclusion will form the basis for his recommendation as to whether or not the inventive features in the submitted disclosure warrant the filing of a patent application with the Patent Office.

If an application is filed it will include a specification describing the invention in appropriate technical terms and, where the nature of the case requires it, a drawing. The "claims" form the operative part of the application. The language of these claims is all important to the patentee, for the patent may be invalid if they are drawn too broadly and easily avoided as to be practically worthless if they recite unnecessary details. The claims must be formal and set forth the invention, and at the same time must define the invention with adequate breadth of language.\(^9\)

If the application is rejected by the patent examiner, the patent attorney or agent must prepare an amendment to the application. If the rejection is on the basis of the prior art, the amendment may include the addition of new claims or the amendment of rejected claims, and will include the preparation of a brief presenting factual and legal arguments.\(^20\) If these amendments do not result in the allowance of the application, and the examiner makes his rejection final, the patent attorney or agent may take an appeal to the Patent Office Board of Appeals, a procedure which requires the filing of a brief\(^21\) and which may involve oral arguments.\(^22\)

Another procedure may develop in the Patent Office where an "interference" is declared, that is where two or more pending applications contain claims for

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\(^6\) 140 So.2d at 592.
\(^7\) Ibid. The court concludes here that the preparation of such documents is unquestionably the practice of law and the fact that the preparation and procedures are not done in a court but rather before an administrative agency does not change the character of the acts from legal to non-legal.
\(^8\) Supra note 2 at 9.
\(^10\) See Marshall v. New Inventor's Club, 117 N.E.2d 737, 739 (Ohio Ct. Com. Pl. 1953). The court also points out that this brief, because it requires citing authority on points of law which might be applicable to a particular fact in issue requires a greater knowledge of Patent Law than the preparation of the original application.
\(^22\) Id. at § 1.194.
substantially the same invention. The "interference" is decided by the Board of Patent Interferences upon briefs and oral arguments.

If the Board of Appeals or the Board of Patent Interferences rules adversely to the applicant he may take an appeal to the Court of Customs and Patent Appeals, or he may bring a civil action in the Federal District Courts. Once the prosecution of the application goes to the courts, the nonlawyer patent agent is bound to step aside since the Court of Customs and Patent Appeals and the District Courts permit parties to be represented only by attorneys.

The last area of this division involves the steps taken by a practitioner in furthering the rights of a patentee, mainly by assignment of that right, or giving the required notice to an infringer, or even bringing an action against such infringement.

In order to determine which of these actions a patent agent should be allowed to perform without violating state laws or policies against the unauthorized practice of law a more general division of Patent Office procedures will be made, grouping them according to the areas of law involved. A proposed division would be: (1) The purely statutory law that governs the creation of the property right, that is, covers the requirements and procedures incident to securing the grant of the patent; (2) The general substantive law of persons and property including the law of court procedures as it relates to use, conveyance and enforcement of rights in patent property.

This twofold classification is the basis for allowing nonlawyers to practice before the Patent Office, because corresponding to the two general areas of law, two types of practitioners could be utilized.

1. Those who work within the narrow confines of the Patent Statutes and Patent Office rules to create the property that is a patent.
2. Those who cover the field of use, conveyancing and enjoyment of the patent as a species of the general law of persons and property, and the conduct of litigation arising thereunder.

Under such a classification, it is readily apparent that the last division outlined above, that is, protecting the patent right by dealing with it as a property right, clearly falls within the second broad area and is generally considered outside the permissible limits of the nonlawyer practitioner's authority. Up to this point the Patent Office considers the agent useful, with a well-recognized function and an official status. But once the agent has caused the invention to become a property right, the agent "must according to law step aside and yield to a member of the Bar for the performance of so simple a service as drawing an assignment."

Thus, the step which the Patent Office considers critical regarding the limit of the agent's authority is after the creation of the property right in the inventor and before "any dealings with or exercise of the rights in the patent as property or the relation of persons thereto, . . ." However, in the matter of interferences, involving a hearing to determine priority between two or more applications, there appears to be a conflict with the above division for which the Patent Office allows agents to represent clients in this area, the fact that the hearing is adversary in

26 Id. at § 145.
27 C.C.P.A. R. 2.
29 Id. at 832-33.
30 Ibid. See, e.g., Chicago Bar Ass'n v. Kellogg, 338 Ill. App. 618, 88 N.E.2d 519 (1949). The court here says that the preparation of assignments, leases and licenses of patents regardless of the fact that forms are used rather than original documents, constitutes the practice of law and is prohibited to nonlawyers.
31 Dienner, supra note 28, at 833.
character requiring the admission of evidence and the cross-examination of witnesses on deposition would seem to require its classification in the second area of law, even though it is prior to the creation of the property right.\(32\)

Skills Involved in Drawing Patent Application: Legal or Technical?

In reaching its conclusion that the preparation of documents for the procurement of a patent does in fact constitute the practice of law, the \(Sperry\) court did not concern itself with the efficacy of the above division of functions, but relied on the broader concept that a patent is a contract between the inventor and the government\(33\) and therefore is subject to the general rules for interpretation of contracts—a viewpoint stressing the legal nature of the procedure involved. The court accentuated its view by considering the documents creating the patent to "constitute one of the most difficult legal instruments to draw with accuracy, . . ." 34

\(Marshall\ v. New Inventor's Club\)\(35\) is another case emphasizing the nature of the acts performed. There the court enjoined a corporation from rendering opinions as to patentability, preparing patent applications and preparing amendments to such applications on the grounds that such actions constituted the practice of law, prohibited by law to corporations.

[The rendering of an opinion as to patentability requires a knowledge of the patent statutes and of the decisions interpreting them. A knowledge of the decisions would be particularly essential in determining questions concerning patentable inventions. Clearly the rendering of such opinions constitutes the giving of legal advice.]

* * *

Because of the knowledge of statutes and decisions required to prepare applications in such a way that valuable rights would not be lost, it is the opinion of the Court that the preparing of patent applications constitutes the practice of law. . . .\(36\)

With regard to the preparation of the amendments to these applications, the court stated that even a greater knowledge of the law is required "and the reasoning is therefore stronger that this activity, . . . constitutes the practice of law."\(37\)

Both \(Marshall\) and \(Sperry\) argue further that the procedures preliminary to the creation of the patent right—search, application, and amendment—must constitute the practice of law since they have far-reaching legal effects. Recognizing the possibility of an appeal, the \(Sperry\) court explained that "if these documents do not adequately reflect and present the applicant's right, as required by law and the decisions of the courts, valuable legal rights, which if properly presented to the Patent Office might be saved on review, will be lost."\(38\) The court concluded: "[a]ll that is done in the proceedings before the Patent Office must therefore be done with the view that what is done will or may ultimately be interpreted as to meaning and measured as to sufficiency by a court or courts."\(39\)

32 For interferences generally see 37 C.F.R. § 1.201-12 (1960). Section 208 uses the phrase "attorney or agent." See also Hood and Emhardt, \(What the General Lawyer Should Know About the Patent Lawyer's Specialty,\) 38 NEB. L.R. 576 (1959). The authors, while stating that interference proceedings are so complicated that only a lawyer should attempt to handle them, nevertheless, point out that in the overwhelming majority of cases interferences are settled and do not even reach the point of filing evidence.

33 See, e.g., National Hollow Brake Beam Co. v. Interchangeable Brake Beam Co., 106 Fed. 693 (8th Cir. 1901). There the court stated:

A patent is a contract by which the government secures to the patentee the exclusive right to vend and use his invention for a few years, in consideration of the fact that he has perfected and described it and has granted its use to the public forever after. The general rules for the interpretation of grants and contracts govern its construction. \(Id.\) at 701.

34 140 So.2d at 592. (Emphasis added.)


36 \(Id.\) at 739.

37 \(Ibid.\)

38 140 So.2d at 593.

39 \(Ibid.\)
The "legal effect" was not considered to control the question as to whether or not the act of preparing the documents is the practice of law in Loeb. There the court stated that "the drafting of documents, when merely incidental to the work of a distinct occupation, is not the practice of law, although the documents have legal consequences."\(^{40}\)

This question then presents itself: Conceding that the preliminary procedures performed by a patent agent will have legal effects, are they so inherently legal in nature as to require that only one with legal training could handle them adequately? Referring to government agencies generally, the attempted pre-emption by lawyers has been challenged:

\[\text{[T]hose who are fully familiar with the particular field of governmental activity may well be more effective guides to affected private interests than might a counsellor at law. Then when administrative matters go to hearing, the proceedings are not inevitably of so complicated a nature as to require representation by one learned in the law.}^{41}\]

With regard to Patent Office procedure, for a patent practitioner to be fully familiar with his specialty he must enjoy a certain amount of technical or scientific competence. Mr. John Dienner, former president of the American Patent Law Association, argues that legal skill is secondary to this technical skill in patent procedures.

Practitioners skilled in the phase of the Patent Law which has to do with the preparation and prosecution of applications before the . . . Patent Office . . . need not be members of the Bar to be of great value to inventors who wish to secure patents. Since the patent is entirely a creature of statute, the branch of the Law relating to the preparation and prosecution of applications before the Patent Office is largely self-contained. * * * But it requires, on the other hand, a knowledge of the technical aspects of invention, . . . This necessitates a high degree of technical specialization. Hence, a person educated in the particular branch of art in which his practice . . . occurs, with fair knowledge of the statutory patent law and familiarity with the Rules of Practice of the Patent Office is frequently of far greater service to an industry working in that art than would be the foremost member of the Bar. In many such situations admission to the Bar adds very little if anything to the value of the man's services to the client in that limited capacity.\(^{42}\)

Mr. Dienner's conclusions are augmented by the Hoover Commission Report which concluded:

The privilege of representation before Federal agencies cannot be confined to one profession or any group within a profession. The Federal Government cannot perform its functions efficiently without the assistance of thousands of skilled persons serving as intermediaries. . . . Nonlawyer representatives perform valuable services in supplementing the primary responsibility of the Bar. * * *

Our task force considered problems of nonlawyer representation before various agencies in special fields, such as patents and trade marks. . . . In

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\(^{40}\) 52 N.E.2d at 31. The court said further:

All these things are done in the usual course of the work of occupations that are universally recognized as distinct from the practice of law. * * * There are instruments that no one but a well trained lawyer should ever undertake to draw. But there are others, common in the commercial world, and fraught with substantial legal consequences, that lawyers seldom are employed to draw, and that in the course of recognized occupations other than the practice of law are often drawn by laymen for other laymen. . . .


\(^{42}\) Dienner, *supra* note 28 at 830. Also emphasizing this technical skill is rule 341 (c) of the Patent Office Rules of Practice which states:

No person will be admitted . . . unless he shall . . . establish to the satisfaction of the Commissioner that he is of good moral character and of good repute and possessed of the legal and scientific and technical qualifications necessary to enable him to render applicants for patents valuable service. (Emphasis added.)
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general it found a proper place for nonlawyer representatives in certain aspects of each of these subjects.43

Restriction of Patent Agents: Examination

An additional argument for the proposition that nonlawyer practitioners before the patent office are capable of performing valuable services—in the limited areas of search, application and amendment—is the fact that one of the requirements for admission to practice is the passing of a rigorous examination.44 The Patent Office, conscious of the harm that could accrue to private interests by the inadequate representation of rights, is the only federal administration agency that has found it necessary to subject attorneys, as well as agents to these examinations45 in order to establish their qualifications to render competent service to those who might retain them.

Contrast this with the Sperry court’s position that the public suffers, as does the public image of the legal profession and the judicial system, when those “not qualified” to do so are “permitted to hold themselves out as qualified to practice law and as worthy of the trust and confidence of those who have legal problems the solution of which require trained advice and counsel.”46

On the contrary, the fact that patent agents are subjected to a rigid examination in the very area in which they will specialize vitiates the court’s conclusion that these agents are unqualified. Since these agents are tested on matters of patent law and procedure as well as on their ability to draft patent claims, the feared harm to the public is not in fact likely to occur.47

Restriction of Patent Agents: Ethical restraints

The Florida court further contends that a patent agent is not subject to the safeguards which assure a true fiduciary bond in the lawyer-client relationship since he is not governed by the same ethical restraints as are members of the legal profession. The court fears that the agent, having no restraints, will be free to act in a manner unbecoming his profession to the detriment of clients, without danger of any censure. The court could not reach this conclusion without a complete disregard of the rules of practice of the Patent Office which provide penalties, and ultimately discharge, from practice for “failure to conform to the standards of ethical and professional conduct generally applicable to attorneys before the courts of the United States.”48

44 Rule 341 (c) states:
   In order that the Commissioner may determine whether a person seeking to have his name placed upon either of the registers has the qualifications specified, satisfactory proof of good moral character and repute, and of sufficient basic training in scientific and technical matters must be submitted and an examination which is held from time to time must be taken and passed.
45 Gellhorn, note 41 supra at 199 states that while agencies in the main sharply differentiate between attorneys and others in a representative capacity by requiring of the latter that they furnish somewhat special evidences of their training and skill, members of the bar are as a rule accepted on faith. “Only the Patent Office has felt it necessary to subject attorneys to examinations in order to establish their qualifications. . . .”
46 140 So.2d at 595. The court says further:
   It is the effort to reduce this loss by the members of the public that primarily justifies the control of admissions to the practice of law, discipline of those who are admitted, and the prohibition of the practice to those who have not proved their qualifications and been admitted.
47 This conclusion is corroborated by the Hoover Commission Report, supra note 43, at 42. The Report states that “[i]n none of these areas was there a serious problem with respect to nonlawyers holding themselves out as general practitioners in matters which clearly constitute the practice of law.”
Professor Walter Gellhorn, of Columbia University Law School, speaking on the subject of ethical restraints states that "[T]he profession's code of ethics... is not so esoteric that it cannot be adapted to the conditions of administrative practice, and there made applicable to nonlawyer as well as the legal practitioner." 49

In the case of Kingsland v. Dorsey 50 the Supreme Court sustained the authority of the Commissioner of Patents to disbar a lawyer for gross misconduct, recognizing that practice before the Patent Office is professional in character and is subject to such regulation. The court discussed the statute under which the Commissioner acted as it relates to the character and conduct of persons in the field of patents and stated that "[i]t was the Commissioner, not the courts, that Congress made primarily responsible for protecting the public from the evil consequences that might result if practitioners should betray their high trust." 51 Significantly this case concerned breaches of trust by a lawyer in the prosecution of a patent application, a demonstration that the standards imposed by the Patent Office apply equally to both lawyer and nonlawyer practitioners.

Thus, the advocacy of a standard of ethics made applicable to nonlawyer as well as the legal practitioner appears to have become a reality in the patent field, thereby diminishing the validity of the Florida court's conclusion that nonlawyers be excluded because they lack supervision comparable to the bar's supervision of attorneys. In the patent area, an agent and attorney are governed by the same standards of conduct — the rules of practice of the Patent Office, 52 which are similar to the Canons of Professional Ethics of the American Bar Association. 53

**Breadth of Florida Court's Injunction:**

The provisions of the injunction in Sperry which prohibit the respondent from rendering opinions as to patentability, prohibit him from holding himself out as qualified to prepare and prosecute patent applications and amendments thereto, and prohibit him from actually preparing and prosecuting such applications and amendments, are too broad. The scope of this injunction is inconsistent with the division of function and classification of the areas of law involved in patent practice, in which the patent agent deals with a self-contained body of statutory law and not with the general law as it regards persons or property, and with the fact that patent agents are subjected to examinations to determine their qualifications and are governed by ethical restraints administered by the Commissioner.

The Florida Court relied on the case of Chicago Bar Association v. Kellogg 54 but did not limit the injunction as did the Illinois court in that case. Kellogg also involved a nonlawyer, registered patent agent. He was enjoined from performing a series of acts which the court held constituted the practice of law in Illinois, such as the preparation of legal documents, the giving of legal advice, and the participation in court proceedings within the state. However, the court recognized the right of Kellogg to "advise and assist applicants for patents in the presentation and prosecution of their applications before the United States Patent Office,..." 55

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49 Gellhorn, supra note 41, at 203.
50 338 U.S. 318 (1949).
51 Id. at 319-20.
52 See note 44 supra.
53 Comptar, Rule 345 of the Patent Office Rules of Practice which defines as unprofessional conduct the use of advertising, circulars, letters, cards, and similar material to solicit patent business, directly or indirectly with Canons of Professional Ethics of the A.B.A. which provides: It is unprofessional to solicit professional employment by circulars [or] advertisements. Indirect advertisements... such as furnishing or inspiring newspaper comment, and all other like self-laudation, offend the traditions and lower the tone of our profession and are reprehensible.
55 Comment on the Kellogg case by von Baur, Practice Before Administrative Agencies And the Unauthorized Practice of Law, 15 Fed. B.J. 103, 109 (1955). Mr. von Baur is pointing out that the injunction in Kellogg did not go to these preliminary actions of a patent agent. It
Although enjoining the respondent from practicing law, the court excluded from the scope of the injunction the preliminary actions of search, application and amendment taken by a patent agent, evidently inferring that those procedures do not constitute the practice of law. The court in Sperry failed to make this distinction. By the scope of its injunction, the Florida court is claiming a certain field for the lawyer, to the exclusion of others. Such a pre-emption is not without challenge, even among lawyers:

[It] would be tilting at a mill to seek to make exclusively ours those functions which though properly ours are enjoyed by us as tenants in common with others. Yet it seems that this overlapping of legitimate fields of endeavor is often ignored. Lawyers search for protective barriers without realizing that they may be attempting to enclose common ground... Legal knowledge is involved in many a business transaction.\(^{56}\)

**Proposed Solution**

A barrier against the inept and unscrupulous can be erected without the total exclusion of nonlawyer practice before the Patent Office—the logical result of a widespread adoption of the decision in Sperry. Such generalized proscription of lay representation in patent matters would not be justified in the face of evidence such as the Hoover Report, that within this limited area nonlawyers have effectively and honorably served their principals. In the light of this experience, “attempted monopolization of administrative practice by the legal profession would be difficult to defend.”\(^{57}\)

Patent agents perform valuable and needed services in an area, limited by a tight statutory framework, and emphasizing technical skill. These services, while legal in effect are not shown to be so inherently legal as to constitute the practice of law. The real problem in this area is to restrain the agent who has prosecuted the application from assisting his client in gaining advantage from the patent by drawing instruments of conveyance, rendering opinions on infringement, or even threatening others with suits for infringement—work properly and exclusively belonging to the legal profession.

The solution therefore is not to bar all nonlawyers by such a sweeping interdict of nonlawyer practice, but to recognize their usefulness in this limited area and fortify the machinery defining the boundary between the two areas.

**II. State Regulatory Power over Practice of Law**

The greatest area of conflict between Battelle and Sperry is the contrary conclusions reached as to the power of a state to prevent a patent agent, licensed to practice before the Patent Office, from performing actions which, in the court's opinion, amount to the practice of law. Thus, the question narrows to the power of the state courts to regulate practice of law and the extent to which that power can be allowed to interfere with an act of Congress which places a similar power in the Commissioner of Patents. The Supreme Court of Florida, in Sperry, stated:

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\(^{56}\) Ashley, *The Unauthorized Practice Of Law*, 16 A.B.A.J. 558, 559 (1930).

\(^{57}\) Gellhorn, *supra* note 41, at 208.
While we agree that each...of those federal agencies which are authorized by Congress to do so may determine who shall be permitted to practice before them, we do not agree that such authority in any way gives those bodies the authority also to determine that those licensed by it have the right to practice law, in the particular field involved, within the borders of this state.\textsuperscript{58}

Contrast with this the Battelle court's determination:

[We] conclude that control of practice before the U.S. Patent Office is a superior right vested exclusively by the United States Constitution and by act of Congress in the Commissioner of Patents, subject to appeal to the federal courts, and the state courts, by virtue of article VI of the United States Constitution, are bound thereby and precluded from interfering.\textsuperscript{59}

As a general proposition it can be stated that a state acting under its police power has the right to define the practice of law and to determine who is qualified to practice within its borders.\textsuperscript{60} In the Kellogg case, the Illinois court stated:

The police power and the procedure [under Illinois law]...covering the enrollment and disbarment of lawyers and the punishment of unauthorized practitioners subject to its jurisdiction is a matter reserved for determination by the Judicial Department of the state of Illinois.\textsuperscript{61}

And, the court adds, Congress never intended the patent laws to displace the police power of the States.

The court in Richmond Ass'n of Credit Men v. Bar Ass'n\textsuperscript{62} came to a similar conclusion, emphasizing the inherent power of courts, apart from statute, to inquire into the conduct of any person to determine whether he is usurping the function of an officer of the court and illegally engaging in the practice of law, "and to put an end to such unauthorized practice where found to exist."\textsuperscript{63} The West Virginia court found that, with regard to regulation of the practice of law, "courts act judicially in the exercise of an inherent power, and not in a mere administrative or ministerial capacity, ..."\textsuperscript{64} And, according to a Nebraska court, the practice of law is so intimately connected with the exercise of judicial power "that the right to define and regulate its practice naturally and logically belongs to the judicial department of our state government."\textsuperscript{65}

Thus, it is evident that this inherent power is exercised as a dominant and exclusive power by the courts. Some will even hold any legislation concerning the practice of law to be invalid unless it is "in aid of the judiciary."\textsuperscript{66} Furthermore, the West Virginia court, relying on the separation of powers clause in the state constitution, specifically rejected the defendant's contention that the judiciary did not have an exclusive power to define the practice of law: "[T]he judicial department...has the inherent power to define, supervise, regulate and control practice of law and...the legislature cannot restrict or impair this power of the courts or permit or authorize laymen to engage in the practice of law."\textsuperscript{67}

\textsuperscript{58} 140 So.2d at 594.
\textsuperscript{60} See, e.g., Bradwell v. the State, 83 U.S. (16 Wall.) 131 (1872).
\textsuperscript{61} Chicago Bar Association v. Kellogg, supra note 54 at 523.
\textsuperscript{62} 167 Va. 327, 189 S.E. 153 (1937).
\textsuperscript{63} Id. at 157.
\textsuperscript{65} In re Integration of Nebraska State Bar Ass'n, 133 Neb. 283, 275 N.W. 265 (1937).
\textsuperscript{66} See, e.g., Application of Sedille, 66 N.M. 267, 347 P.2d 162 (1959). For a definition of this phrase see Bennett, Non-Lawyers and the Practice of Law Before State and Federal Agencies, 46 A.B.A.J. 705, 706 (1960). Professor Bennett states:

The majority of courts have taken the position that a legislature may enact reasonable provisions relating to admission to the Bar and regulation of illegal practice. However, this is usually done on the theory that at most this is a concurrent exercise, valid under the police power only so long as it does not involve interference with or frustration of the courts in the performance of their duties; or, such statutes are permitted on the rationale that they implement the exclusive prerogative of the court.

\textsuperscript{67} 144 W.V. 504, 109 S.E.2d at 436.
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Scope of inherent judicial power

It is important then to delineate the scope of this inherent judicial power, broadly announced as giving the judiciary the final say in all matters relating to the practice of law. The doctrine has been widely reiterated that members of the bar are officers of the court and amenable to it as their superior. Being such, the court has an immediate interest in the character of the bar for its own sake. Since the usefulness of courts depends to a large extent on the maintaining of the dignity which should attach to them, this power extends to the regulation of the practice of law insofar as it has a bearing on the dignity of the court.

Advocates of a limited judicial dominance argue that the power of the court to uphold its own dignity is the basis of the power to regulate admissions to and discipline members of the bar, and that courts may properly consider their power dominant only when their primary concern is the protection of the dignity of the judicial process. "[I]t is not however, a proper basis for the regulation of all activities which the courts choose to label the 'practice of law.'" Proponents of this view attack those cases in which the courts consider primarily the protection of the public rather than the dignity of the judicial process in determining what activity is the practice of law.

In asserting their duty to protect the public from lay practice before administrative agencies, the courts should recognize that they are acting in an area in which the legislative policy determination should be dominant. Thus, according to this view of the current legislative-judicial balance in the area of practice of law, the judicial dominance announced in Earley and in Sperry would be too broad.

For decades, if not for centuries, control over practice and procedure has been the subject of a concurrent jurisdiction. There were the courts with an alleged inherent power to engage in rule-making, and there were the legislatures which in fact exercised and were, with but rare dissent, conceded ultimate authority over virtually the entire procedural area.

The limited view then, stands for the proposition that if the test for dominant judicial power is the relation of the area regulated to the judicial process, the assertion of a dominant judicial power over all practice of law would be inconsistent with the recognition of a dominant legislative power over rule making.

On the other hand, the argument is expressed that the scope of the inherent judicial power over practice of law should not be limited to merely protecting the dignity of the judiciary, but should extend to encompass the entire area of practice of law. Whether the judicial power over the practice of law be characterized as exclusive, allowing only for legislation in aid of the courts, or as concurrent providing the legislative action is not inimical to the functioning of the courts, or even if the power is deemed to be legislative subject to a test of reasonableness "which takes account of effects on the general administration of justice and due process, the judiciary is asserting final authority." Advocates of this view stress that given

68 In re Integration of Nebraska State Bar Ass'n, 133 Neb. 283, 275 N.W. at 267 (1937).
69 Id. at 268. The court states:
[A]side from the mere intellectual aid to be rendered the court by a competent bar, there is the inherent right of the court to surround itself with honest assistants who are sympathetic and will unite with it in the proper administration of justice and in maintaining that administration on a high plane. That is the main business of the court; and whatever obstructs or embarrasses its chief function, must be under its control; it cannot practically reside anywhere else.
70 Note, 28 U.Chr. L.R. 162, 165 (1960).
71 Id. at 166.
73 Supra note 70, at 167.
74 Bennett, supra note 66, at 707.
the present framework of divided subject matter jurisdiction between courts and agencies, "the preservation of an effective system would seem to require over-all judicial responsibility..." 75

This argument for a broad judicial power over practice of law is summed up in the Rhode Island case of Creditors Service Corporation v. Cummings.76

Although the Legislature may not subvert the power of the judiciary, yet it may, in the exercise of the police power, pass laws which are in aid of the judicial power that it deems necessary or expedient. In the exercise of this power, the Legislature may properly enact a statute designed to protect the public, but it has no power to pass a law granting the right to anyone to practice law. The former type of enactment tends to strengthen the judicial authority to regulate the practice of law and so assists the court in protecting the public... while the latter is an encroachment upon the judicial power and invalid because it is in derogation of the inherent and exclusive prerogative of the court.77

The Supreme Court has never expressed the view, held by some state courts, that prescribing qualifications for administrative practice is an inherent judicial power,78 but on the contrary, has held that an administrative tribunal, even in the absence of explicit statutory authority to do so, may properly establish standards of admission to practice before it.79

The judicial attitude engendered by the assumption of a dominant judicial power illustrates a lack of appreciation by the courts of the importance of non-legal skills. A legislature freed from these restrictions might be better able to establish and define more clearly the requirements for particular areas of practice by making more realistic and helpful distinctions than that between attorneys and nonattorneys.80 Just as a court has the inherent power to determine who should be licensed to appear in court in a representative capacity, an agency should have the final power to determine what qualifications are suitable for its own "bar."81 It may be that only particular limited legal skills are necessary, and where such is the case, the commission or agency itself would seem to be best able to ascertain the necessary qualifications.

State Judicial Power v. Federal Legislative Power

Whether or not the scope of the inherent supremacy of the judiciary with regard to a state legislative enactment in the area of practice of law is broad or limited, the crucial question to be considered with respect to patent agents is whether this state power extends to a federal legislative enactment allowing non-lawyers to practice before the Patent Office.

The court in Battelle dismisses the contention that such regulatory power extends to a federal enactment. The court bases its argument primarily on Article VI of the United States Constitution which states that laws of the United States made in pursuance to the constitution "shall be the supreme Law of the land; and the judges in every State shall be bound thereby, anything in the Constitution or laws of any State to the contrary notwithstanding." By the power specifically

75 Ibid.
76 57 R.I. 122, 190 A.2 (1937).
77 Id. at 8. See, e.g., West Virginia State Bar v. Earley, 109 S.E.2d at 439. The court states that the rule empowering the State Compensation Commissioner to make rules does not authorize him to promulgate a rule authorizing a layman to practice law before the Commission. "But even if the statute authorized the commissioner to promulgate a rule of that character such provision of the statute would be void as a legislative encroachment upon the inherent power of the judicial power of the government."
78 Gellhorn, supra note 41, at 197.
80 See Ashley, supra note 56.
81 Gellhorn, supra note 41, at 207.
NOTES delegate in the Constitution, under which the Commissioner of Patents is given authority to make regulations concerning admission of agents and attorneys. The Commissioner has exercised this statutory power, enacting the rule that "applicants may be represented by an attorney or agent." Although Battelle found that the judiciary has exclusive control over the practice of law it recognized an exception with regard to patent agents.

persons admitted to the practice of law by Ohio courts are not thereby qualified to practice in patent matters before the U. S. Patent Office. This power has been reserved by the United States Constitution to Congress, and in turn by Congress it has been granted only to the Commissioner of Patents. This leaves the Ohio Courts in the position of being unable to exercise control over that which they do not have the power to authorize in the first instance.

In accord with the decision in Battelle is the case of De Pas v. B. Harris Wool Co., where the court had to reconcile a Missouri statute outlawing practice before administrative boards by laymen and the rules of the Interstate Commerce Commission which allow persons other than attorneys to be admitted to practice before it. The court concluded that the ICC rule took precedence over both the state statute and state policy and said:

Defendant seems to argue that the right to define the practice of law and to regulate persons engaging in such practice falls within the police power of the state. So it does, except in so far as that right does not run contra to an Act "made in pursuance" to the Federal constitution.

The reasoning in Battelle is further substantiated by In re Lyon, a proceeding to restrain unauthorized persons from practicing law in the area of representing creditors in bankruptcy proceedings. The Supreme Court of Massachusetts implied that regulation of professions, such as law, is primarily a matter of state concern and that the police power does not end merely because such matters may become in some way federal in nature. The court stated however that "our policy and our statute must yield to any valid rule, order, or established practice of the Federal courts controlling the practice of law in respect to matters within their jurisdiction.

Since federal law permitted a layman to make a business of representing creditors to some extent in bankruptcy, the court had no power to interfere with the exercise of that privilege.

Conclusion

Since Congress has expressly given the Patent Office the power to enact rules for its conduct, and since any rules so enacted, if within the powers of the office...
and reasonable, are just as authoritative as the laws of Congress itself,91 the state is powerless to interfere.

The fact that this conclusion has been reached in cases where the authorized actions more closely approximate the practice of law tends to substantiate the Battelle decision. In De Pass, for example, the plaintiff was employed to represent persons in rate reduction cases before the Interstate Commerce Commission—adversary proceedings clearly more of the nature of practice of law than those actions performed by a patent agent. Nevertheless, the court allowed the administrative regulation authorizing lay admission to practice to override state statutes and policies. In the Lyon case, members of a collection agency advised others as to whether a lawsuit should be commenced. The court held that such actions require special knowledge of the legal elements constituting a cause of action, and while it restrained some of the activities it nevertheless bowed to federal supremacy by stating that its order “shall not affect the exercise by the respondents of any privilege which they now possess or may acquire under any statute, rule, order or established practice of the Federal government . . . controlling methods of practice. . .”92

However, the dividing line for determining whether state courts can regulate practice authorized by a federal statute is generally agreed to be when that practice clearly constitutes the practice of law.93 While Battelle, carried to its logical conclusion would hold that even if a patent agent’s actions clearly constituted the practice of law the supremacy clause of the Constitution would preclude a state court from interfering, the more reasonable rule appears to be that if the actions are clearly the practice of law, the state can exercise its power. Agran v. Shapiro94 stands for the proposition that the state power might well be dominant in this area, even where the agency explicitly intended to authorize nonlawyers to engage in the practice of law.

As was pointed out, the actions performed by patent agents in their limited area are not clearly the practice of law. In fact, the evidence of the division in the Patent Office and the recognition of the technical competence required for such practice requires the conclusion that such actions are clearly not the practice of law. Thus, the decision in Petition of Kearney95 which states that “those who hold themselves out to practice in any field or phase of law must be members of the Florida Bar, amenable to the rules and regulations of Florida Courts,” cannot be treated as dispositive of the Sperry case. Even in a jurisdiction which reserves some power to regulate practice of law before federal administrative agencies, the exercise of this power should be based only on a clear demonstration that what is being regulated is “the practice of law.”

The injunction in Sperry is too broad because the court attempts to remove from the patent agent any right to act before the Patent Office even in a limited capacity, without a clear showing that these actions constitute the practice of law. Without such a showing, the power they attempted to exercise vis-à-vis this federal regulation must fail.96

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91 Koechlin v. Marble, 2 Mackey 12, 13 D.C. 12 (1883).
92 301 Mass. 60, 16 N.E.2d at 77.
93 von Baur, supra note 55 at 122.
95 63 So. 2d 630, 631 (Fla. 1953).
96 The Supreme Court overruled the decision of the Supreme Court of Florida in the Sperry case relying on the Supremacy Clause. Sperry v. Florida Bar, 31 Law W. 4531 (1963).