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Mr. Nicholas Fraser
Desk Officer, U.S. Patent and Trademark Office
Office of information and Regulatory Affairs
Office of Management and Budget
Washington, DC 20503

Subject: Comments to OIRA on ICR 0651-0031 ("Patent Processing (Updating)")

Dear Mr. Fraser,

This Information Collection Request (ICR) consists of 67 listed information collection items (ICs) with an agency estimated $370,725,475 non-burden hour costs and 11,972,191 burden-hours, the latter of which the agency says have a monetized value of $4,441,682,861. To put in perspective its magnitude, approved unchanged this ICR would comprise 29% of the total responses and 44% of the burden-hours for the entire U.S. Patent and Trademark Office (UPSTO), including trademarks. Among all the agencies within the U.S. Department of Commerce, the USPTO is currently responsible for 55% of its 18.3 million burden-hours and 99% of its acknowledged $5,300,000,000 in non-burden hour costs.[1]

Despite these extraordinary burdens, the Office of Information and Regulatory Affairs (OIRA) has historically devoted little staff time to USPTO oversight. This has persisted even though the public has devoted considerable time and effort to providing comments on a succession of 60-day Notices and 30-day Notices.[2]

In Section I, I show that the USPTO has committed multiple *procedural* violations of the Paperwork Reduction Act (PRA, 44 U.S.C. § 3506) and OMB's Information Collection Rule (5 C.F.R. §§ 1320.5-1320.12). Because these violations have been systematic and persistent, they are prima facie evidence of bad faith.

In Section II, I show that the USPTO has committed multiple *substantive* violations of the PRA and OMB's Information Collection Rule. Commenters have identified a number of paperwork burdens in this ICR that appear to be unreasonably duplicative or lack practical utility to the Office. Agencies are required to provide OIRA with "[a] summary of the public comments received…, including actions taken by the agency in response." 5 C.F.R. § 1320.5(a)(1)(iii)(F). The Supporting Statement

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[1] All calculations were derived by the author from data at www.reginfo.gov.

[2] The May 2012 public comment to USPTO from IEEE-USA, referenced in footnote 3, provides a helpful list (in footnote 32) of previous public comments on PRA notices and related matters.

accompanying the USPTO's submission is beneath pro forma. It summarizes comments incompletely, inaccurately characterizes the comments it mentions, dismisses these comments as irrelevant, and identifies no actions it has taken in response.

In Section III, I show that the USPTO has serially violated applicable Information Quality Guidelines. The Office has refused to even acknowledge, much less respond to, multiple error correction requests submitted on the 60-day Notice for this ICR. It responded in bad faith to a 2010 error correction request on ICR 0651-0032. Congress created OIRA to implement the PRA and delegated to it the primary responsibility of enforcing agency compliance. OIRA is responsible for upholding the law.

In Section IV, I show that this ICR submission includes, in well disguised form, prospective cures for several decades-long, unapproved information collections. At least two of these prospective cures are quite large. In particular, the USPTO proposes to add 50,000 annual responses and 500,000 annual burden-hours for affidavits and declarations that applicants have for decades submitted to comply with Rules 1.130, 1.131, and 1.132; plus 960,000 annual responses and 7,680,000 annual burden-hours for amendments and responses that patent applicants have for decades submitted to comply with Rules 1.111, 1.115, 1.116 and 1.312. According to the Supporting Statement, these new burden-hours entail annual financial costs of $3,034,780,000. This is about 70% of the total burden in the ICR.

This ICR also includes an IC that was omitted from the 60-day Notice. The Supporting Statement mischaracterize it as "added to this collection in connection with the Leahy-Smith America Invents Act (AIA) Final Rule entitled "Setting and Adjusting Patent Fees." This IC pertains to the filing of submissions after final rejection under Rule 1.129(a). However, Rule 1.129(a) has nothing to do with the AIA; it was promulgated in April 1995, and it concerns only patent applications submitted before June 8, 1995. The thin connection this IC has to the AIA is that the AIA authorized the USPTO to charge fees for Rule 1.129(a) filings. OIRA has already approved a new ICR that authorizes the collection of these fees. What the USPTO is doing is disguising under cover of the AIA its need to obtain—18 years late—an OMB control number for Rule 1.129(a) filings.

An undisclosed fraction of the burdens in these new ICs, possibly 100%, result from regulations promulgated as long ago as May 29, 1981. That's two months after OIRA was established. There is no institutional memory explaining why the USPTO was allowed to promulgate regulations without complying with the Paperwork Reduction Act of 1980. Every member of the OIRA staff on that date has retired, died, or both.

It is impossible for the public (but easy for the USPTO) to know how many responses to these information collections have been submitted despite the USPTO's legal inability to require compliance. It is likely that there are millions of such responses. For each one in which the USPTO issued an adverse action, the applicant suffered a penalty as defined by 44 U.S.C. § 3502(14) and/or 5 C.F.R. § 1320.3(j). For each such penalty, the applicant has the statutory right under 44 U.S.C. § 3512(b) to demand that the USPTO action resulting in the penalty be reversed.

In Section V, I list eight specific actions that OIRA should take before clearing this ICR:

1. OIRA should direct the USPTO to comply with the procedural and substantive requirements of the PRA and the Information Collection Rule.
2. OIRA should direct the USPTO to undertake a rulemaking to eliminate regulatory requirements identified by commenters that are unreasonably duplicative or otherwise lack practical utility.
3. OIRA should direct the USPTO to accurately distinguish among information collections that are (1) renewals, (2) new information collections resulting from regulations promulgated to implement the Leahy-Smith America Invents Act, and (3) new ICs that are prospective cures for PRA violations.
4. OIRA should direct the USPTO to disclose details about the composition of the new ICs that are corrections of violations of the Paperwork Reduction Act.
5. OIRA should direct the USPTO to revise its Supporting Statement to clearly identify the new items in this ICR included in the 60-day Notice that are prospective cures for past violations of the PRA.
6. OIRA should direct the USPTO to revise its Supporting Statement to clearly identify the new items in this ICR not included in the 60-day Notice that are prospective cures for past violations of the PRA.
7. OIRA should ask OMB's Office of Performance and Personnel Management to establish full compliance with the Paperwork Reduction Act as a new performance goal for the USPTO.
8. OIRA should direct the USPTO to fully and completely respond to the IQA error correction requests related to this ICR, which to date it has ignored.

I. THIS ICR SUBMISSION REFLECTS MULTIPLE PROCEDURAL VIOLATIONS OF THE PRA

The USPTO published the required 60-day Notice for this ICR on March 22, 2012 (77 Fed. Reg. 16813). The Notice states that the USPTO would be seeking from OIRA the approval of 4,777,532 annual responses entailing 11,972,777 burden-hours that it valued at $3,573,910,186. This valuation assumed average hourly costs of $340 for patent attorneys and $122 for paraprofessionals.

As required by the Information Collection Rule, the USPTO invited comment on "(a) [w]hether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility; (b) the accuracy of the agency's estimate of the burden (including hours and cost) of the proposed collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be collected; and (d) ways to minimize the burden of the collection of information on respondents…" The 60-day Notice neglected to invite comments on "the validity of the methodology and assumptions used" to estimate burden," as required by 5 C.F.R. § 1320.8(d)(1(ii).

Characteristic of the USPTO's 60-day Notices, this one provided hardly any useful information concerning the matters about which public comment was invited. For example, the Notice provided no useful information concerning how the USPTO had derived its estimates of the numbers of responses and burden-hours per response. This information normally is essential for the public to provide informed comment.

Despite the USPTO's lack of transparency, seven public comments were submitted.[3]

A. The USPTO disclosed too little information to allow the public to comment on "[w]hether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility"

The 60-day Notice sought comment from the public about the practical utility of these ICs, but it provided almost nothing on which to comment. Members of the public unfamiliar with this term of art in the PRA and Information Collection Rule had no basis for submitting comments. It is likely that they had no clue what the 60-day Notice was about.

Despite this handicap, a few commenters did provide responses germane to this request. Instead of addressing these comments, however, the USPTO simply disregarded them.

B. The USPTO disclosed too little information to allow the public to comment on "the accuracy of the agency's estimate of the burden (including hours and cost)"

In my first comment on the 60-day Notice, I reported that the absence of any objective basis for the USPTO's burden estimates—most notably, its estimates of the average burden-hours to respond—rendered them not reproducible. IEEE-USA made a similar point, saying it was "generally unable to comment on the accuracy of the PTO's

[3] Public comments listed in the order in which they are memorialized on www.reginfo.gov:

1. Trzyna, Peter
   http://www.reginfo.gov/public/do/DownloadDocument?documentID=375116&version=0
2. Belzer, Richard (#1)
   http://www.reginfo.gov/public/do/DownloadDocument?documentID=375118&version=0
3. Grzelak, Keith (for IEEE-USA)
   http://www.reginfo.gov/public/do/DownloadDocument?documentID=375119&version=0
4. Belzer, Richard (#2)
   http://www.reginfo.gov/public/do/DownloadDocument?documentID=375123&version=0
5. Brinckerhoff, Courtenay (for Foley & Lardner LLP)
   http://www.reginfo.gov/public/do/DownloadDocument?documentID=375124&version=0
6. Green, Reza (for Novo Nordisk)
   http://www.reginfo.gov/public/do/DownloadDocument?documentID=375125&version=0
7. Werking, Kipman
   http://www.reginfo.gov/public/do/DownloadDocument?documentID=375126&version=0

burden estimates or the validity of methodology and assumptions because the PTO has failed to disclose sufficient information to make informed comment possible." Foley & Lardner faulted the Notice for "fall[ing] short of the requirements of the statute and regulations at issue":

> Because the Federal Register Notice does not reveal the "methodology" used to arrive at the stated time and cost estimates, the USPTO has not provided the public with a meaningful opportunity to comment on the methodology used.

OIRA should be concerned when experienced patent prosecutors are unable to provide informed responses to a PRA notice published by the USPTO.

C. The USPTO disclosed too little information to allow the public to comment on "ways to enhance the quality, utility, and clarity of the information to be collected" and "ways to minimize the burden"

The 60-day Notice may have invited comment on these margins, but the USPTO provided no information on which to base these comments. Commenters were left to their own devices.

Despite this agency-imposed handicap, several commenters did provide responses germane to these questions, including very specific recommendations on "ways to enhance the quality, utility, and clarity of the information to be collected" and "ways to minimize the burden." Instead of addressing these comments, as the PRA and Information Collection Rule require, the USPTO deemed them "beyond the scope" of the ICR.

OIRA should be concerned when an agency dutifully invites comments exactly as the Information Collection Rule requires, the public submits highly germane comments despite the agency's best efforts to deter them from doing so, and the agency dismisses highly germane comments as irrelevant. It cannot be consistent with OIRA's mission to allow an agency to treat the PRA and Information Collection Rule as dead letters.

II. THIS ICR SUBMISSION REFLECTS MULTIPLE SUBSTANTIVE VIOLATIONS OF THE PRA

Several of the public comments identified regulatory provisions and Office practices that result in unreasonably duplicative paperwork burdens and lack practical utility.

A. Comments on Information collection requirements that are not "necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility "

IEEE-USA identified numerous paperwork requirements that lack practical utility because they are inconsistent with "the proper performance of the agency's functions to comply with legal requirements." Several examples were provided of duplicative burdens that deter the advancement of applications toward conclusion. In addition, IEEE-USA described internal management practices and supervisor compensation metrics that reward low-quality examiner performance (e.g., Office actions and rejection letters lacking sufficient content to enable effective reply), delay (e.g., examiners who decline to act on fully sufficient information in order to obtain additional compensation), and the imposition of duplicative burdens on applicants (e.g., forcing the submission of unnecessary RCEs). Each results in the imposition of burdens that are not necessary for the proper performance of the functions of the agency.

In a similar vein, Foley & Lardner specifically noted that requiring the submission of redundant Information Disclosure Statements "is ***not*** necessary for the proper performance of the functions of the agency, because the agency already has that information" (emphasis in the original). These views were specifically collaborated by Novo Nordisk, which also cited approvingly a relevant blog post by Foley & Lardner's Courtenay Brinckerhoff.[4]

According to Kipman Werking, procedural unreliability and financial conflicts of interest have rendered USPTO's procedures for addressing petitionable errors so lacking in practical utility that, whenever they have a choice, patent attorneys file appeals rather than petitions even though appeals are more burdensome for everyone concerned. A petitions process that is unreliable, or so ineffective that it increases burdens elsewhere in the system, is inherently incompatible with the proper performance of the functions of the agency.

B. Comments on "the accuracy of the agency's estimate of the burden (including hours and cost) of the proposed collection of information"

Several of the public comments identified inaccuracies in the USPTO's burden estimates.

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[4] Brinckerhoff, Courtenay, "Help The USPTO Reduce The Paperwork Burdens Of Patent Prosecution," PharmaPatents (Foley & Lardner), May 1, 2012. http://www.pharmapatentsblog.com/2012/05/01/help-the-uspto-reduce-the-paperwork-burdens-of-patent-prosecution/.

1. The USPTO discloses no objectively supported basis for its burden estimates.

In my comments, I noted that the absence of any objectively supported basis for the USPTO's burden estimates, as required by 44 U.S.C. § 3506(c)(1)(A)(iv) and 5 C.F.R. § 1320.8(a)(4), render the USPTO's estimates non-reproducible. The USPTO has a credible basis for expertise with respect to estimating the numbers of responses, at least for information collections where there is an historical record. However, there is no obvious reason why the USPTO deserves even minimal deference with respect to its estimates of the average number of burden-hours per response. The USPTO examines patent applications; it does not prosecute them. Moreover, it has not conducted or sponsored surveys or experiments to obtain accurate unit burden estimates. Moreover, the USPTO has a substantial bureaucratic interest in understating burdens on the public, particularly given their magnitude.

Several other commenters made similar observations about the lack of objective basis for the USPTO's burden estimates and the Office's systematic understatement of burden per response.

2. The USPTO estimates only a subset of total burden.

In my second comment, I specifically noted that the USPTO's burden estimation "method" (such as it is) consists of counting only a subset of actual burdens—i.e., burdens borne by patent counsel. This clearly violates both the PRA and OMB's Information Collection Rule: the definition of burden includes the "total time, effort, or financial resources expended by persons to generate, maintain, retain, or disclose or provide information to or for a Federal agency." 5 C.F.R. § 1320.3(b)(1), emphasis added. The USPTO does not even make an effort to estimate burdens on anyone else, such as inventors themselves. The USPTO's methodology can be described as follows: it assumes that inventors' unique knowledge and insight is transmitted magically to patent counsel. A patent on this technology would be extremely valuable.

In its comments, IEEE-USA made similar observations, noting the Office's persistent failure to include all burdens: "[T]he PTO continues to count only attorneys' billable hour burden and ignores hourly burden imposed on their clients (*i.e.*, patent applicants themselves)." Foley & Lardner also observed that the USPTO's estimates "do not appear to take into account the time that may be required to investigate underlying facts or confer with the applicant or inventor(s)."

This apparent discrepancy might be resolved if most USPTO burden estimates are interpreted as including just the *transmittal forms* and not the substance of these submissions. Foley & Lardner observed in comments that "as a general matter … the time estimates set forth in the Federal Register Notice underestimate the time required to submit the information at issue, particularly where the information is substantive." They suggested that perhaps "the estimates may reflect the time required to type up the documents at issue, [but] they do not appear to take into account the full time required 'to gather the necessary information, create the documents, and mail the completed

request,' as indicated." Several examples were provided in the previously cited blog post in support of the allegation that the USPTO's figures are "gross underestimate[s]".[5]

Novo Nordisk commented on the USPTO's burden estimates for terminal disclaimers and RCEs (ICs #6 and #19 in the Supporting Statement). With respect to terminal disclaimers, Novo Nordisk wrote that the "research, including the propriety of any double patenting rejection, analysis of claim scope between the reference application and any application/patent in the rejection, investigating facts, evaluating options, consulting with client, making the decision, filling out the disclaimer form, and filing, **take much longer than 12 minutes**" (emphasis in the original). Novo Nordisk objected to the USPTO's 12-minute average burden estimate for filing RCEs, taking into account "all research, including responding to of any rejection, analysis of claims in relation to the prior art, investigating facts, evaluating options, consulting with client, making the decision, filling out the RCE form, and filing, in concert with any amendment and/or response should be considered in the estimation of the time the applicant takes to prepare and complete an RCE." The USPTO's estimate is 12 minutes.

If these commenters are correct, it is not clear whether the USPTO actually holds valid OMB control numbers for many of these information collections, or would do so if OIRA approved this ICR. In 2009, the USPTO acknowledged that although it held a valid clearance for filing Notices of Appeal—analogous to an RCE transmittal form—it lacked

[5] Courtenay Brinckerhoff, *op cit.* footnote 4:

"The USPTO estimates ***5 minutes*** for a Request for a Corrected Filing Receipt. I find it hard to believe that someone could carefully review the filing date, title, inventor information and priority information listed on a filing receipt, determine the source of any discrepancies, and prepare a request in 5 minutes or less.

"The USPTO estimates ***12 minutes*** for an Express Abandonment. While it might be possible to prepare the paperwork that quickly, it certainly would take more time gathering the necessary information, such as confirming the Applicant's intention and explaining the irrevocability of an express abandonment.

"The USPTO estimates ***12 minutes*** for a Disclaimer. Again, while it might be possible to prepare the paperwork that quickly, it certainly would take more time gathering the necessary information, such as confirming that a disclaimer is necessary and appropriate and that the Applicant understands its consequences.

"The USPTO estimates ***1 hour*** for a Petition to Revive an unintentionally abandoned application. While there might be some cases where the underlying facts can be ascertained and confirmed in under an hour, I would imagine that for most applications it could take at least one hour just to determine how/why the application became abandoned, as required to support the averment that the abandonment was unintentional.

"The USPTO estimates ***8 hours*** for an Amendment/Response, ***10 hours*** for a Declaration, and ***5 hours*** for a Request for Pre-Appeal Brief Review. These estimates are not completely out of line, but it is difficult to believe that they are true averages, i.e., that enough Responses take only a few hours to balance the Responses that take many more hours. While I could accept that the average response takes 8 hours or less to write, I would think that the time required to "gather the necessary information"—to review the Office Action, study the cited references, consider response strategies, prepare claim amendments and formulate arguments—will take more than 8 hours on average."

a valid OMB control number for appeal briefs and reply briefs submitted by applicants to the Board of Patent Appeals and Interferences.[6] No valid OMB control number ever existed for appeal and reply briefs until December 22, 2009, when OMB approved new ICR 0651-0063.[7]

The absence of a valid OMB control number for applicant submissions of appeal and reply briefs prior to December 22, 2009, means that the USPTO lacked any legal authority to impose a penalty for an applicant's failure to supply information via these papers. The rejection of a patent application, in whole or in part, constitutes a penalty, and 44 U.S.C. § 3512 and 5 C.F.R. §1320.6 forbid an agency from imposing penalties. If the trivial burdens that the USPTO has estimated for numerous ICs in this ICR merely cover transmittal forms, then the USPTO faces a potential disaster in the event that applicants raise and win PRA challenges in Federal court.

3. The USPTO's "estimates" are biased, arbitrary assumptions with no objective basis.

In my comments, I noted that the USPTO's burden estimates were substantively unreliable. Patent counsel and inventors have submitted comments on previous ICRs characterizing many of the Office's estimates as substantial underestimates. The USPTO declined to respond in good faith to these past comments, and because OIRA has tolerated this in the past, the Office continues this practice in the January 2013 Supporting Statement.

This is not to say that the USPTO has made no changes in its burden estimation methods. IEEE-USA raised "concern[] that the PTO has amended its historic practice of basing burden estimates on the non-transparent, non-reproducible, and subjective 'beliefs' of undisclosed PTO staff by choosing to withhold any explanation for how it derived them." The USPTO appears to be responding to complaints about its failure to be sufficiently transparent by being even less transparent.

Figure A presents a histogram of the USPTO's estimated burden-hours per response for the 67 ICs in this ICR. Forty-two (63%) are said to have unit burdens of less than one hour per response; five have unit burdens of five minutes or less. IEEE-USA cited, with obvious incredulity, several of the 22 information collection activities that the USPTO estimated to require, on average, exactly 0.2 hour (12 minutes) to complete.[8]

Among the 42 ICs estimated by the USPTO to require less than one hour, 0.1 and 0.2 hour (6 and 12 minutes, respectively) are the predominant values. Of the 25 ICs estimated by the USPTO to require one hour or more, two figures dominate: 2 hours (i.e., ¼ work day) and 8 hours (i.e., 1 work day). These are not "estimates"; they are merely arbitrary round numbers.

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[6] The AIA renamed this body the Patent Trial and Appeal Board.

[7] ICR Reference No. 200809-0651-003, http://www.reginfo.gov/public/do/PRAViewICR?ref_nbr=200809-0651-003.

[8] The unit burden-hour estimate is 12 minutes for 23 of the 67 (34%) ICs in this ICR.

By their very nature, estimates are uncertain. While OMB could direct agencies to report these uncertainties, it does not do so. Instead, the Information Collection Rule directs agencies to report "objective" (i.e., unbiased) estimates of average or mean burden. Unbiased estimates of the mean have specific statistical properties. In nontechnical terms, a reasonable way to understand an unbiased estimate is that the true but unknown value is equally likely to be more or less than the estimate.

The USPTO's estimates do not conform to this principle. They are neither objectively supported nor unbiased. They are arbitrary values derived from an undisclosed procedure that appears to have as its goal the systematic understatement of actual burden.

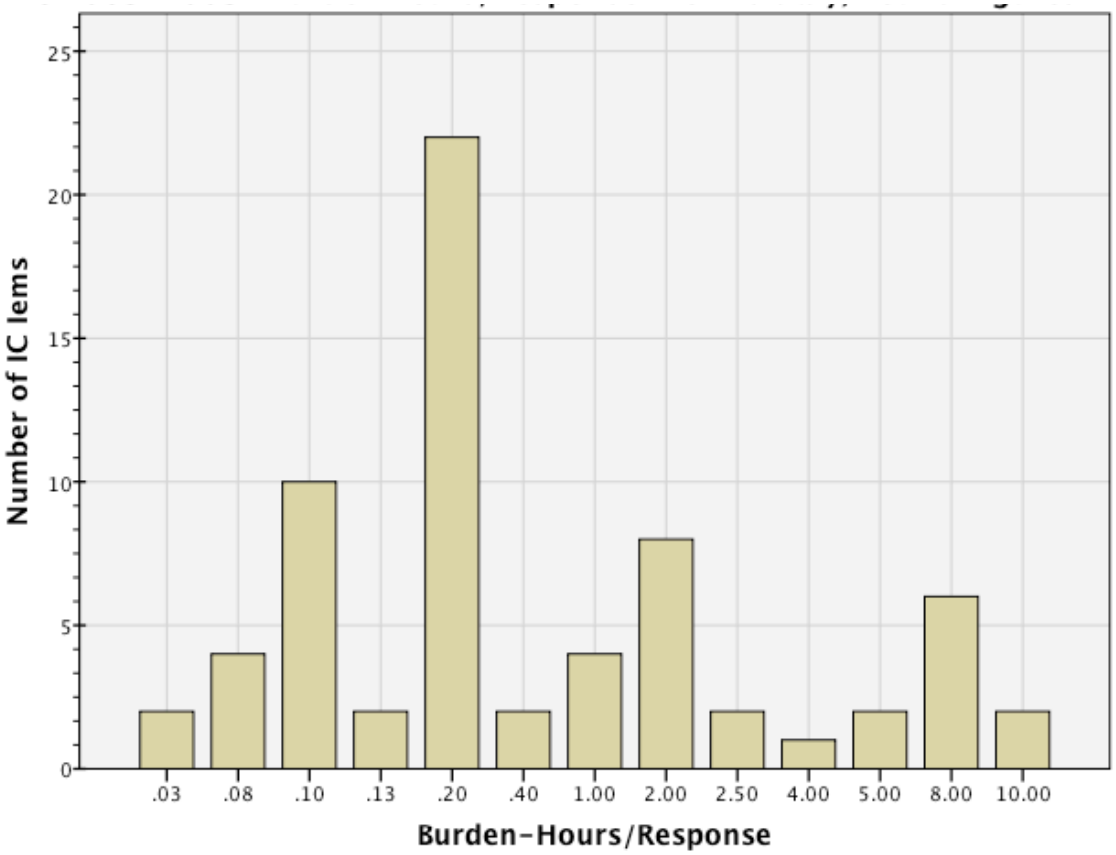
This inference is reasonable and appropriate for at four reasons. First, commenters have repeatedly noted that the USPTO's estimates include only burdens imposed on patent counsel and not burdens imposed on inventors. The USPTO willfully refuses to correct this error. Second, commenters have repeatedly noted that the USPTO's estimates substantially understate actual burdens on patent counsel. The USPTO willfully refuses to correct this error, too. Third, despite repeated requests from the public that it disclose its burden estimation methodology, the USPTO willfully refuses to do so. Finally, the USPTO apparently has abandoned a study launched several years ago that was supposed to provide a credible, independent review of its burden estimation methods.[9] The Office presumably concluded that credible burden estimation were contrary to its bureaucratic interests.

For these reasons, a reasonable default assumption is that the USPTO's figures understate actual burden by a factor of three. What the USPTO claims to be 12 million burden-hours valued at $3.9 billion per year are more like 30 million burden-hours valued at $10 billion per year.[10]

[9] ICF International. 2010. *Methodology for Conducting an Independent Study of the Burden of Patents-Related Paperwork*, Submitted to United States Patent and Trademark Office, Contract No. Gs23f8182h/Doc44papt0809009.

[10] This default relies on a method that estimates uncertain values based on orders of magnitude and their square roots. Thus, because 12 million burden-hours per year is clearly too low, the question is whether 100 million (10 x 10 million) or 30 million (3 x 10 million) burden-hours per year is more plausible. Using 3x yields 30 million. Similarly, because $3.9 billion per year is clearly too low, the question is whether $100 billion (10 x $10 billion) or $30 billion (3 x $10 billion) is more plausible. Using 3x yields $30 billion per year. Given the USPTO's burden estimation methods, any greater precision is imaginary.

Figure A: Burden-Hours per Response Are Arbitrary Numbers with No Objective Support



C. *Unreasonably duplicative paperwork burdens*

Public commenters identified numerous examples of unreasonably duplicative paperwork burden. Peter Trzyna identified such burdens in Rules 1.52(e) and 1.96, plus at least one other provision that lacks practical utility to the Office because it impedes effective patent examination. IEEE-USA identified several phenomena that cause unreasonably duplicative paperwork burdens, including examination procedures and reward metrics that incentivize low-quality work, management failure to properly and effectively supervise examiners, the USPTO's routine noncompliance with the Administrative Procedure Act (APA), and the 2009 redocketing of Requests for Continued Examination (RCEs). Foley & Lardner said (and Novo Nordisk explicitly concurred) that existing Information Disclosure Statement rules impose unreasonably duplicative paperwork burdens, including a requirement that applicants provide the same documents at least three times. Werking focused on the unreliability of the USPTO's procedures for addressing petitionable errors financial conflicts of interest among those to whom the USPTO Director has delegated the authority to respond to Rule 1.181 petitions, thus resulting in unreasonably duplicative paperwork burdens.

There are tens of thousands of registered patent attorneys and agents, in addition to the handful who devoted the time and effort to provide comments on this 60-day Notice. If the USPTO were seriously interested in discovering unreasonably duplicative paperwork burdens, it could conduct or sponsor an inexpensive survey that would reveal a much longer list.

D. *Comments on "ways to enhance the quality, utility, and clarity of the information to be collected" and "ways to minimize the burden of the collection of information on respondents"*

Commenters proposed specific, constructive remedies that would reduce or eliminate paperwork burdens that are unreasonably duplicative or lack practical utility, answers to the very questions set forth by the USPTO in its 60-day Notice.

Trzyna suggested eliminating the requirement in Rule 1.52(e) that all computer files be in ASCII format, and numerous other "pointless" requirements that add unreasonably duplicative burden. As Trzyna noted, limiting the submission of computer data to ASCII files (i.e., forbidding the submission of graphic files, acoustic files, and the like) has the perverse effect of undermining the USPTO's ability to examine applications because it disables the very inventions that are subject to examination. "A Rule that requires disabling an otherwise enabling disclosure is ridiculous."

Trzyna also recommended the rescission of other regulatory requirements that are unreasonably burdensome or otherwise have no practical utility. This includes (1) the requirement to list all file names, sizes in bytes, and dates of creation; (2) the requirement that tables provided in landscape orientation be elsewhere identified as being in landscape orientation; and (3) the requirement to require disclosure of operating system compatibility. He characterized the USPTO's fixation on ASCII as "Byzantine." He noted that while these particular burdens might seem trivial, applicants who stray face suspension of examination. Trzyna also noted that the USPTO

does not impose this burden on international parties who file under the Patent Cooperation Treaty (PCT)l the burden is confined to applicants who file directly in the United States. As Trzyna reasonably noted, that which is permitted for foreign applicants under PCT rules should be sufficient for American applicants as well.

IEEE-USA recommended that the USPTO reform its internal compensation metrics. Even though the USPTO imposes higher fees on complex applications, examiners are rewarded the same credit ("counts") for reviewing a complex application as they are for a simple one. This incentivizes examiners to avoid complex applications and delay the conclusion of examination in order to generate more counts, both of which inevitably result in unreasonably duplicative paperwork burdens. Supervisors also are rewarded the same when the examiners under their control perform poorly as when they perform well. IEEE-USA recommended the seemingly obvious (and presumably uncontroversial) remedy of scaling examiner rewards by application complexity.

To solve the problem that unreasonably duplicative paperwork burdens result from how examiners and supervisors are compensated, IEEE-USA recommended that compensation should be heavily weighted on the conclusion of an examination, whether by allowance, appeal decision by the Board, or abandonment, and that compensation be based less on the achievement of minor milestones that do not lead to the conclusion of examination. It should be obvious that the USPTO ought to be compensating supervisors based on outcomes, not repeatedly circling the same intermediate milestones. "It is essential to break the chain that now rewards examiners for producing low quality and supervisors for tolerating it."

Werking noted that petitions practice is unreliable in large part because Technology Center directors, who have been delegated the authority to supervise examiners through the petition process, have a financial interest in denying petitions. Whereas the administrative patent judges who serve on the Patent Trial and Appeal Board earn the same reward for affirming or reversing an examiner, TC director compensation is aligned with the examiners they supervise. Thus, the same perverse incentives that examiners have to avoid complex applications, not to correct errors, and to generally produce low-quality Office actions also apply to their supervisors.

Having identified the 2009 redocketing of RCEs as a source of unreasonably duplicative paperwork burdens, it should not be surprising that IEEE-USA recommended that this "reform" be rescinded. By shortening the deadlines for examiners to take intermediate actions, this change incentivized examiners to generate intermediate actions of lower quality. Low-quality actions that do not take full account of the information that applicants submit cannot help but produce unreasonably duplicative paperwork burdens. Indeed, when examiners fail to take account of information provided to them, the practical utility of the requirement to supply the information is undermined.

Foley & Lardner recommended several regulatory changes that would simultaneously reduce unreasonably duplicative paperwork burdens and improve USPTO performance. These included extending Rules 1.97 and 1.98 and MPEP § 2001.06(b) to co-pending U.S. applications, using the new Common Citation Document

Application (CCD) tool, modifying IDS rules by extending MPEP § 2001.06(b) to all information available on the CCD, and eliminating requirements that applicants submit copies of documents freely available online. Novo Nordisk concurred with Foley & Lardner's recommendations.

Werking recommended that the USPTO reduce unreasonably duplicative paperwork burden by reforming its petition practices based on practices already established for appeals. Among other things, this includes imposing reasonable deadlines for the Office to respond to petitions and tolling examination of applications while petitions are pending. "A ten month wait period for deciding petitions is simply too long to reliably enforce PTO regulations—regulations that ensure information quality and minimize paperwork burden."

E. The Supporting Statement is unresponsive to public comments

In the Supporting Statement, the USPTO summarized few of these comments, dismissed all substantive comments without reason, and made no changes in response.

- In response to commenters objecting to its specific burden estimates, the USPTO sought to shift to the public the Office's statutory responsibility for burden estimation, rather than comply with the law: "[T]hese comments did not provide a basis for or propose any other alternative time estimate burden."
- In response to commenters objecting to its failure to account for burdens on inventors, the USPTO implicitly acknowledged the error but refused to make corrections: "Although the USPTO appreciates that respondents utilize time and effort for many matters related to and during the course of the patent examination process, these estimates necessarily focus on the estimated time to complete the specific information collection responses."
- In response to commenters who identified unreasonably duplicative paperwork burdens resulting from regulatory requirements that lack practical utility, the USPTO replied that these comments "go beyond the scope of the instant ICR clearance." In fact, these comments were not "beyond the scope" of the public comment request; they were squarely in the middle of it.

Previous public comments to OIRA have raised the same concern: the USPTO does not take seriously its obligations under the PRA and Information Collection Rule. With respect to one ICR submitted in October 2008,[11] OIRA did hold the USPTO accountable. It should do so again, this time by disapproving and continuing the existing OMB control number and, among other things, directing the USPTO to initiate

[11] ICR Reference No: 200809-0651-003 (http://www.reginfo.gov/public/do/PRAViewICR?ref_nbr=200809-0651-003, approved in part Dec. 22, 2009). Although OIRA's December 2009 approval prospectively cured a longstanding PRA violation discovered in 2008, OIRA did not list it as such in its 2008, 2009, or 2010 reports to Congress.

rulemaking to eliminate regulatory requirements that impose paperwork burdens that are unreasonably duplicative or otherwise lack practical utility.

III. THIS ICR SUBMISSION VIOLATES THE INFORMATION QUALITY ACT

The Supporting Statement certifies that the information contained in the submission is covered by the Information Quality Act (IQA) and that the ICR adheres to OMB's and USPTO's Information Quality Guidelines. This certification is knowingly false. The ICR's lack of transparency and reproducibility alone is sufficient to conclude that it does not comply. The USPTO's response to a different IQA error correction request, discussed below, is sufficient to infer that its violations are willful.

A. Procedural violations

My pair of public comments on the 60-day Notice were expressly styled as IQA error correction requests. To ensure that the USPTO did not inadvertently miss this, I submitted them as error correction requests as well as public comments on the 60-day Notice. The USPTO is obligated to have responded to these error correction requests no later than via the Supporting Statement accompanying the ICR submission.

The Supporting Statement includes no such response. Therefore, the USPTO is unambiguously in violation of the IQA's procedural requirements and the USPTO's certification to the contrary is knowingly false.

B. Substantive violations

Having failed to respond to error correction requests in the Supporting Statement as required, it should go without saying that the USPTO also failed to address the substantive errors I identified in my second comment and error correction request.

The USPTO's conduct is not an isolated phenomenon. The Office responded to a 2010 error correction request in bad faith. That request identified a series of technical errors in ICR 0651-0032 ("Initial Patent Applications").[12] I found similar errors.

In its astoundingly cynical response to this 2010 error correction request,[13] the USPTO said that burden estimates are not "information," and therefore they are not covered by the IQA:

> Under the IQA, certain influential information must be reproducible under certain circumstances. The burden "estimates" of which you complain do not

[12] Katznelson, Ron D. 2010. "Request for Correction under the Information Quality Act [ICR 0651-0032]." Available at: http://ocio.os.doc.gov/s/groups/public/@doc/@os/@ocio/@oitpp/documents/content/prod01_009471.pdf.

[13] U.S. Patent and Trademark Office. 2011. Response to Katznelson 2010 Request for Correction (Ticket No. 1-178950 16). Available at http://ocio.os.doc.gov/s/groups/public/@doc/@os/@ocio/@oitpp/documents/content/prod01_009511.pdf.

> qualify as "information" within the meaning of the IQA. "Information" is defined as "any communication or representation of knowledge such as facts or data, in any medium or form, including textual, numerical, graphic, cartographic, narrative, or audiovisual forms." By definition, estimates do not represent knowledge such as facts or data. "Information," not estimation, is subject to certain reproducibility requirements. No correction is warranted for matters not involving "information" (internal references omitted).

The PRA and the Information Collection Rule do not exempt "estimates" from the definition of "information." Indeed, if estimates were exempt, every statistical product of the Department of Commerce would also be exempt—and not just from the IQA, but from OIRA review. OIRA's Statistical & Science Policy Branch, which devotes most of its resources to the oversight of statistical agencies such as the Commerce Department's Census Bureau, would have no statutory authority for its operations. It could be summarily disbanded.

Finally, the timing of the USPTO response and OIRA's approval of ICR 0651-0032—the subject of the 2010 error correction request—is more than curious. OIRA approved the ICR on January 18, 2011, exactly three days before the date of the USPTO response to the error correction request. The best spin that can be conjured is that OIRA insisted that the USPTO respond before concluding review but paid no attention at all to the contents of the response. That also would mean that OIRA paid no attention to the public comments it received on ICR 0651-0032.

IV. THIS ICR SEEKS TO SURREPTITIOUSLY CURE SEVERAL DECADES-LONG UNAPPROVED COLLECTIONS OF INFORMATION, AT LEAST TWO OF WHICH ARE TRULY MASSIVE

At the time I and others commented on the 60-day Notice, it was not clear what the large new ICs were about. Since then, and particularly after a careful reading of the Supporting Statement, it has become obvious that through this submission the USPTO seeks to surreptitiously cure unapproved information collections that have persisted for decades.

A. In the 60-day Notice, the USPTO withheld crucial information about certain elements of the ICR and did not even mention others

The 60-day Notice identifies at least six new ICs for which the USPTO does not appear to have ever obtained an OMB control number. They are listed in Table 1 below. Taking at face value the USPTO's burden estimates, these new collections total over 1 million new responses and more than 8 million new burden-hours valued by the USPTO at more than $3 billion per year.

The 60-day Notice describes these ICs obscurely so that few affected parties would have had a clue what they were about:

Table 1: Previously Unapproved ICs in the January 2013 ICR Submission and Supporting Statement in the January 2013 Supporting Statement

IC No.	*IC Title*	*Burden-Hours/ Response*	*Responses/ Year*	*Burden-Hours/ Year*	*Annual Value of Burden/Hours*
32	Electronic Rule 1.130, 1.131 and 1.132 Affidavits or Declarations	10	46,500	465,000	$172,515,000
32	Rule 1.130, 1.131 and 1.132 Affidavits or Declarations	10	3,500	35,000	$12,985,000
33	Electronic Amendments and Responses	8	893,000	7,144,000	$2,650,424,000
33	Amendments and Responses	8	67,000	536,000	$198,856,000
34	Electronic Filing a submission after final rejection (see 37 CFR 1.129(a))	8	86	688	$255,248
34	Filing a submission after final rejection (see 37 CFR 1.129(a))	8	7	56	$20,776
	Totals		*1,010,093*	*8,180,744*	*$3,035,056,024*

The two items being separately accounted for in this collection are (i) Rule 1.130, 1.131, and 1.132 Affidavits or Declarations and (ii) Amendments and Responses.

Further research made possible only by the limited new information in the Supporting Statement indicates that the USPTO is surreptitiously attempting to prospectively cure multiple, longstanding violations of the PRA.

B. After expiration of the public comment period on the 60-day Notice, the USPTO proposed changes to Rules 1.30 and 1.31, denied that these changes caused new paperwork burden, and falsely characterized the relevant information collections as previously approved by OIRA

Subsequent to both publication of the 60-day Notice on Mar. 22, 2012, and the conclusion of the public comment period on May 21, 2012, the USPTO proposed changes to Rules 1.130 and 1.131 (77 Fed. Reg. 43742, Jul. 26, 2012). The PRA section of the Final Rule Notice claims that Rule 1.131-1.132 affidavits and declarations were "previously approved and currently being reviewed under OMB control number 0651–0031."

This statement was false, and almost certainly knowingly so. ICR 0651-0031 was not under review by OIRA on Jul. 26, 2012, and OIRA had never previously approved information collections related to Rule 1.130, 1.131, or 1.132 affidavits and declarations. OIRA had concluded its most recent substantive review of this ICR on Jul. 1, 2009.[14] When ICR Reference No. 200707-0651-005 was approved on that date, the collection did not include information related to these Rules.[15]

According to the eCFR (current as of Mar. 25, 2013), these Rules were first promulgated as long ago as September 20, 2000. Thus, for the collections of information contained in these Rules, the USPTO has lacked a valid OMB control number for as much as 23 years.

C. Public commenters specifically inquired about these new collections of information, and the USPTO declined to respond

In my first public comment and error correction request, I observed that the 60-day Notice lacked transparency and reproducibility on virtually every front. In my second public comment and error correction request, I highlighted several of the paperwork burdens listed in Table 1 above: "Given the multi-billion dollar scale of the burdens" involved, "one would expect the USPTO to describe them with considerably greater cogency and detail." One would be wrong to have harbored such expectations.

I was not alone. IEEE-USA also said it could not discern from the 60-day Notice what the USPTO intended the scope of these line items to include, "not[ing] with foreboding that the [US]PTO reports that it expects 50,000 (!) 'Rule 1.130, 1.131, and 1.132 Affidavits or Declarations' and 960,000 (!) 'Amendments and Responses.'" IEEE-USA estimated the financial cost of these information collections at about $3.7 billion per year. "Obviously, an information collection imposing several billions of dollars in burden deserves far more explanation than this," IEEE-USA wrote. "There is no

[14] See http://www.reginfo.gov/public/do/PRAOMBHistory?ombControlNumber=0651-0031.

[15] See http://www.reginfo.gov/public/do/PRAViewICR?ref_nbr=200707-0651-005.

question that the public cannot provide informed comment on such an empty disclosure."

D. The ICR submission includes an information collection not included in the 60-day Notice that is falsely described as related to the Leahy-Smith America Invents Act

The Supporting Statement identifies changes made since the publication of the 60-day Notice, none of which were in response to public comment. These changes add an estimated 50,048 more burden-hours per year, and they are dominated by new IC #34, defined by the USPTO as "Filing a Submission After Final Rejection (See 37 CFR 1.129(a)) from the Leahy-Smith America Invents Act (AIA) Final Rule entitled 'Setting and Adjusting Patent Fees'(RIN 0651-AC54))."

IC #34 has nothing to do with the AIA. According to the eCFR (current as of Mar. 25, 2013), Rule 1.129(a) was last revised on April 25, 1995 (60 Fed. Reg. 20226). It concerns applications filed on or before June 8, 1995, prior to the effective date of the Uruguay Round Agreements Act.[16] Nothing in the AIA altered the rights of those who submitted applications before that date, so it cannot be the case that the USPTO needs an OMB control number for this information collection in order to implement the AIA.

In the PRA section of the preamble to the 1995 Final Rule (60 Fed. Reg. 20195), the USPTO asserted that the rule "does not contain any information collection requirements that require approval by OMB under the Paperwork Reduction Act." This is impossible, for Rule 1.129(a) is chock full of information collection requirements. Rather, when it promulgated Rule 1.129(a) the USPTO simply ignored the PRA. In the process of upwardly revising its fees, the Office apparently discovered this longstanding PRA violation and decided to prospectively cure it without the public or OIRA noticing. (The Supporting Statement characterizes it as a "program change," not a prospective cure for a PRA violation.)

Still, showing that the USPTO misrepresented a new information collection covering Rule 1.129(a) filings does not explain <u>why</u> it would be motivated to do so. After all, the only applications that are covered by Rule 1.129(a) were submitted prior to June 8, 1995.

The most plausible answer is both straightforward and shocking: <u>there are patent applications 18 or more years old still pending at the USPTO</u>. Data submitted by the USPTO along with the ICR suggest that there may be quite a few of them, too. In FY 2012 there were 11 submissions covered by Rule 1.129(a).[17] The Supporting Statement estimates that the USPTO will receive 93 filings per year during the 3-year period for

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[16] The Uruguay Round Agreements Act of 1995 changed patent term from 17 yeas after *allowance* to 17 years after *filing*. Similar to what happened prior to the March 16, 2013 effective date of the AIA's first-to-file rule, the USPTO received a huge bolus of applications prior to June 8, 1995, in order to take advantage of the pre-GATT law governing patent term.

[17] "0031 Filings Attachment," http://www.reginfo.gov/public/do/DownloadDocument?documentID=375113&version=0.

which it seeks OIRA approval, a nearly tenfold increase. There may be hundreds of patent applications that were submitted before June 8, 1995, and languishing in examination purgatory. OIRA might want to find out just how many of these ancient applications the USPTO has squirreled away and investigate why the USPTO has failed to complete their examination almost two decades later.

The public cannot know why the USPTO waited until now to seek approval of this information collection. The most charitable explanation is that, in mid-2012 when it prepared new ICR 0651-0072 ("America Invents Act Section 10 Patent Fee Adjustments"),[18] USPTO personnel discovered that Rule 1.129(a) filings lacked an OMB control number. The new ICR would be sufficient to authorize the collection of fees on Rule 1.129(a) filings, but it would not be enough to allow the Office to require them to be filed in the first place.

E. The USPTO has had numerous opportunities to prospectively cure these unlawful information collections, but not done so until now

Table 2 lists when each of the rules containing an unlawful information collection in this ICR was first promulgated. It also lists when each rule was amended. (Rule 1.130 used to be numbered 1.131.)

The USPTO could have prospectively cured the absence of a valid OMB control number at any of the times it revised or renewed ICR 0651-0031. There are 33 such revisions and renewals since the ICR was first established in 1993. On none of these occasions did the USPTO revise the ICR to include any of these information collections.

[18] This new ICR contains 127 separate ICs, each of which involves a fee that the AIA authorized the USPTO to reset. *See* ICR Reference No. 201205-0651-001 (http://www.reginfo.gov/public/do/PRAViewICR?ref_nbr=201205-0651-001#, pre-approved October 25, 2012, expiration date Oct. 31, 2015); ICR Reference No. 201212-0651-001 (http://www.reginfo.gov/public/do/PRAViewICR?ref_nbr=201212-0651-001, pre-approved Jan. 11, 2013, expiration date Jan. 31, 2016); and ICR Reference No: 201301-0651-003 (http://www.reginfo.gov/public/do/PRAViewICR?ref_nbr=201301-0651-003#section0_anchor, approved Jan. 18, 2013, expiration date Jan. 31, 2016).

Table 2: Regulatory Actions for Information Collections in this ICR Lacking OMB Control Numbers

IC#	*Rule*	*Title*	*Date*	*FR Citation*
32	Rule 1.130, 1.131, and 1.132 Affidavits and Declarations			
	Rule 1.130	Affidavit or declaration of attribution or prior public disclosure under the Leahy-Smith America Invents Act	Feb. 14, 2013	78 FR 11058
	Old 1.131	*Affidavit or declaration of prior invention*	*June 23, 1988* *May 1, 1995;,* *Aug. 19, 1996* *Sept. 8, 2000* *Sept. 20, 2000* *Aug. 12, 2004* *Sept. 21, 2004*	*53 FR 23734* *60 FR 21044* *61 FR 42806* *65 FR 54673* *65 FR 57057* *69 FR 49999* *69 FR 56543*
	Rule 1.131	Affidavit or declaration of prior invention or to disqualify commonly owned patent or published application as prior art	Feb. 14, 2013	78 FR 11058
	old 1.130		*Aug. 19, 1996* *Sept. 20, 2000* *Jan. 11, 2005*	*61 FR 42805* *65 FR 57056* *70 FR 1824*
	Rule 1.132	Affidavits or declarations traversing rejections or objections	Sept. 20, 2000	65 FR 57057
33	Amendments and Responses			
	Rule 1.111	Reply by applicant or patent owner to a non-final Office action	May 29, 1981 Oct. 10, 1997 Sept. 8, 2000 Sept. 21, 2004 Jan. 27, 2005	46 FR 29182 62 FR 53192 65 FR 54672 69 FR 56542 70 FR 3891
	Rule 1.115	Preliminary amendments	Sept. 21, 2004	69 FR 56543
	Rule 1.116	Amendments and affidavits or other evidence after final action and prior to appeal	Aug. 12, 2004	69 FR 49999
34	Filing a Submission After Final Rejection			
	Rule 1.129(a)	Transitional procedures for limited examination after final rejection and restriction practice	Apr. 25, 1995	60 FR 20226

V. SPECIFIC REQUESTS FOR ACTION BY OIRA

The list below represents my best effort to provide constructive suggestions to OIRA.

The purposes of the PRA cannot be achieved if agencies refuse to comply and OIRA looks the other way. Allowing the USPTO to continue along its present path will have adverse effects throughout the government. Systematic, serial violations show contempt for both the PRA and OIRA, and it makes fools of agencies that comply in good faith. Whenever OIRA tolerates this, it lowers the bar for other agencies and encourages a perverse race to the bottom.

Since its founding in 1981, OIRA has had to balance its statutory mission to implement the PRA with important and growing executive responsibilities, most notably regulatory review under Executive Orders 12291, 12498, 12866, and 13563. It is therefore easy to imagine that OIRA now perceives executive regulatory review to be more important than statutory implementation and enforcement of the PRA. Yet there are important co-benefits to regulatory review that OIRA can obtain by taking seriously its PRA responsibilities. Frequently, problems identified during regulatory review could have been reduced or prevented had OIRA and the agency been more diligent at the information collection stage of the regulatory development process. From my own OIRA experience, I know of many instances in which draft regulations lacked cost-effectiveness because the information needed to regulate intelligently had not been obtained when there was still time to do so. Similarly, many draft regulations that OIRA reviews consist of little more than the addition of more sedimentary layers of new regulatory language to overcome errors and defects in previous rounds of regulation.

Yet another reason OIRA should take seriously its PRA responsibilities in this case is that it has been unable to improve the quality of USPTO regulation through regulatory oversight. When the USPTO writes regulations, it systematically misclassifies them as "significant" or "nonsignificant" in order to evade the requirement to prepare a Regulatory Impact Analysis. In 2012, OIRA reviewed 17 draft proposed or final USPTO rules, each of which by any reasonably reckoning had paperwork burdens alone that were "likely to result in an annual effect on the economy of $100 million or more or adversely affect in a material way the economy, a sector of the economy, productivity, competition, [or] jobs…" Executive Order 12866, § 3(f)(1). Only one of these rules—0651-AC54, "Setting and Adjusting Patent Fees"—was designated economically significant, and the Regulatory Impact Analysis accompanying it was predictably substandard.[19]

[19] In 2012, the USPTO also promulgated six regulations that it deemed "not significant," which presumably were not reviewed by OIRA. The USPTO has in the past designated regulations as "not significant" and not submitted them to OIRA for review even though they had paperwork

Enforcing the PRA and the Information Collection Rule provide a useful pathway to effective regulatory oversight. OIRA should work with the public to identify regulations that impose unreasonably duplicative burdens, or lack practical utility for other reasons. This would enable OIRA to achieve important regulatory reforms in ways that end-of-process regulatory review cannot. Though comments on this ICR were few, they reveal systematic regulatory problems that suppress America's technological innovation and economic growth. One can only imagine what a concerted effort to obtain information from the public would reveal.

A. OIRA should direct the USPTO to comply with the procedural and substantive requirements of the PRA and the Information Collection Rule

OIRA should disapprove and continue the existing OMB control number, and direct the USPTO to embark on a crash program to end its systematic procedural and substantive violations. Procedural violations consist primarily of insufficient information disclosure, making it difficult for even the most informed members of the public to provide useful comments, and impossible for the vast majority to do so. Substantive violations consist primarily of burden estimates that are unreliable and generally believed by the public to be gross underestimates, and the absence of evidence of actual practical utility.

OIRA should direct the USPTO to prepare a revised 60-day Notice that procedurally and substantively complies with the PRA and the Information Collection Rule. Specifically, OIRA should direct the USPTO to:

1. disclose an objectively supported, reproducible methodology for estimating the number of responses that can be used for all patent-related ICRs;
2. promptly compile a comprehensive inventory of every collection of information contained in its rules and guidance;
3. sponsor a rigorously designed and independently conducted survey of registered patent attorneys, agents, and patent applicants to obtain objectively supported burden-hour estimates;
4. publish all work products for public comment, and respond in good faith to the comments received.

It would cause no meaningful hardship to the USPTO to undertake these tasks. The President's FY 2013 budget for the USPTO was $2,822,000,000. Reforming paperwork burdens would easily reduce its operating costs by more than 1% ($28,220,000). Even if the analyses I propose were to cost $1 million, they would provide a return on investment to the USPTO of more than $28 for every dollar spent. Undertaking these tasks also would improve the USPTO's ability to effectively and efficiently implement the AIA.

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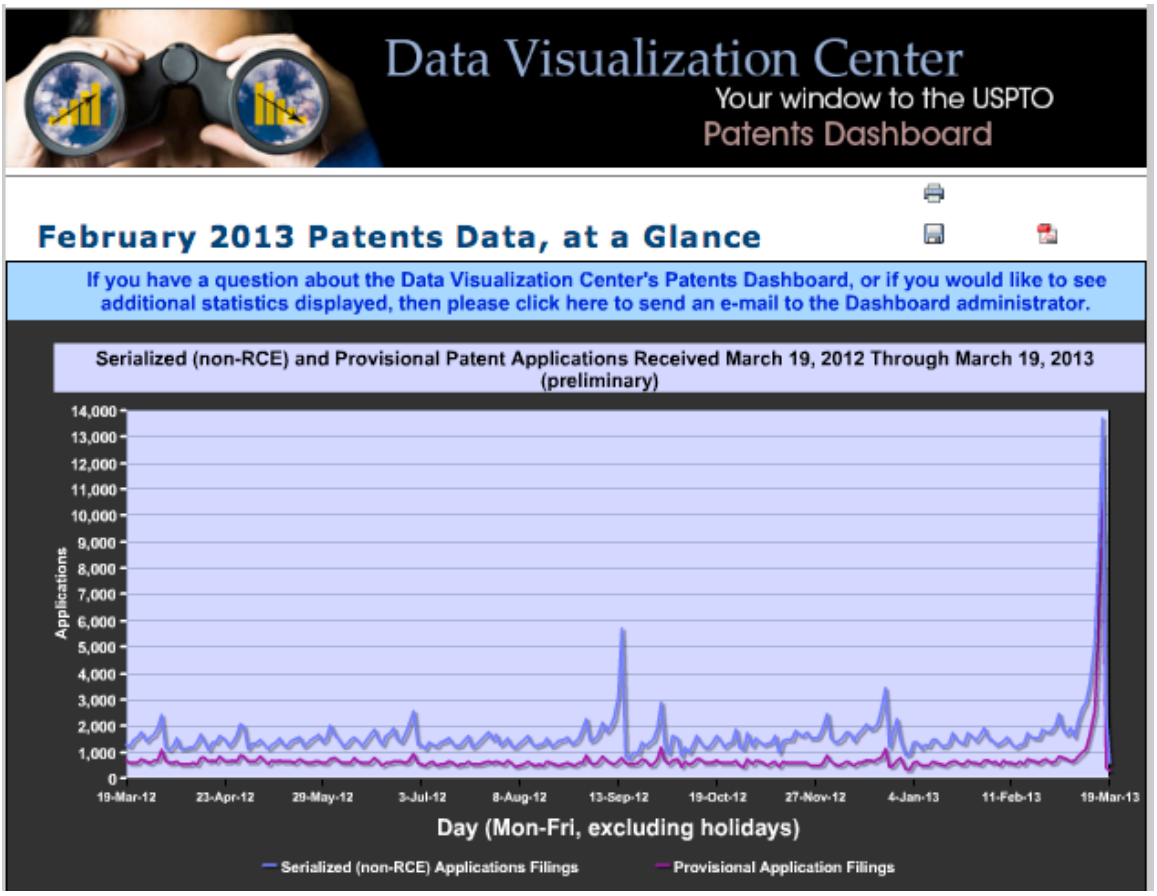
burdens alone well in excess of the $100 million threshold. Unsurprisingly, the Office's practice has been to deny that these paperwork burdens exist.

The USPTO might balk, claiming that some provisions in this ICR must be approved to implement the AIA. We can easily dismiss this line of argument by noting that the paperwork burdens associated with patent prosecution (as opposed to application) under the AIA will not arise for many months at the earliest, and possibly for years. Inventors responded predictably to the March 16, 2013 effective date for first-to-file by swamping the Patent Office with applications that must be examined under pre-AIA rules and procedures. This is shown in Figure B, which is a screenshot of the USPTO's Patent Dashboard taken on March 25, 2013, showing the spike that occurred in mid-March.

Figure B: A Rush to File Under the Old Patent Law to Beat the March 16, 2013 Deadline



B. OIRA should direct the USPTO to undertake a rulemaking to eliminate regulatory requirements identified by commenters that are unreasonably duplicative or otherwise lack practical utility

Several commenters on the 60-day Notice identified specific regulatory requirements that they said were unreasonably duplicative or otherwise lacked practical utility to the USPTO. In the Supporting Statement accompanying the ICR submission, the USPTO declined to rebut commenters' claims or even treat their comments respectfully. The Office went so far as to incorrectly assert that comments identifying unreasonably duplicative paperwork burdens "go beyond the scope" of the comment request. If OIRA does nothing in response, it rewards an agency for acting in bad faith and brings disrespect upon itself.

Fortunately, OIRA has explicit authority to do the right thing. Pursuant to 5 C.F.R. § 1320.12(f), it can direct the USPTO to undertake rulemaking sufficient to eliminate the unreasonably duplicative burdens commenters identified. While a comprehensive list of such regulations should be obtained, as I recommend in subsection A above, OIRA can ensure a good start by directing the USPTO to address the specific examples of unreasonably duplicative and burdensome regulations identified by commenters on the 60-day Notice for this ICR.

C. OIRA should direct the USPTO to accurately distinguish among information collections that are (1) renewals, (2) new information collections resulting from regulations promulgated to implement the Leahy-Smith America Invents Act, and (3) new ICs that are prospective cures for PRA violations

This ICR is a mysterious stew. Many of the ICs are simply renewals of OIRA's 2009 approval, with updated estimates of the numbers of responses only, and a few are revised to account for AIA-related changes. But the largest ICs are not mere renewals but prospective cures for longstanding PRA violations. They comprise 70% of the paperwork burden.

Before approving this ICR, OIRA should direct the USPTO to develop and publicly disclose how the burdens of this ICR are allocated across these three types of information collection.

D. OIRA should direct the USPTO to disclose details about the composition of the new ICs that are corrections of violations of the Paperwork Reduction Act

For the new items are prospective cures for longstanding PRA violations, and which comprise 70% of the total paperwork burden, OIRA should direct the USPTO to explain in detail what paperwork the Office intends to be included and a credible, transparent, and reproducible estimate for the burden of each item. This ICR gives no detail at all. In contrast, the USPTO itemizes five ICs with estimated total burdens across all respondents under 10 hours per year. Half of all ICs in this ICR have total

burden-hours below 1,000 per year. Postage costs are estimated to the nearest penny. Meanwhile, "Amendments and Responses" stands out at 7,680,000 total burden-hours per year, differentiated only by whether the information, whatever it is, is provided electronically or on paper.

Gross ambiguity about "Amendments and Responses" inexorably leads to a reasonable concern that the aggregate burdens of this ICR have been grossly underestimated. Commenters with patent prosecution experience have said that the USPTO's unit burden estimates are unrealistically low, often because the Office counts only the burden of transmitting information to the USPTO, not the "total time, effort, or financial resources expended by persons to generate, maintain, retain, or disclose or provide information," as 5 C.F.R. § 1320.3(b)(1) requires. It is not difficult to imagine that the USPTO's unit burden estimate—exactly 8 hours, or conveniently, exactly 1 work-day—understates average unit burden by, say, a factor of three. In that case, "Amendments and Responses" alone would be 23 million burden-hours per year—about as large as ICs usually found in Internal Revenue Service, Medicare, and Medicaid ICRs. Few of these comparable information collections have burden-hour rates on the order of $400 per hour.

Before approving this ICR, OIRA should direct the USPTO to provide details concerning exactly what paperwork submissions are covered within these new, amorphously defined ICs. The USPTO also should produce objectively supported, detailed estimates for each type of submission, and a transparent, reproducible methodology showing how these burden estimates were derived.

E. OIRA should direct the USPTO to revise its Supporting Statement to clearly identify the new items in this ICR included in the 60-day Notice that are prospective cures for past violations of the PRA

As I noted earlier, the 60-day Notice was particularly unrevealing with respect to Rule 1.130, 1.131 and 1.132 affidavits or declarations (50,000 responses totaling 500,000 burden-hours valued by the USPTO in 2012 at $170,000,000) and unspecified "Amendments and Responses" (960,000 responses totaling 7,680,000 burden-hours valued by the USPTO in 2012 at $2,611,200,000).

In my comments, I asked the USPTO to clarify what these new ICs were about. In response, the Supporting Statement says almost nothing. Yet it did provide enough information to conclude that the USPTO is seeking to prospectively cure longstanding PRA violations, but doing so as surreptitiously as possible. Indeed, the USPTO's desire to avoid acknowledging these PRA violations has led it to make even more false statements. For example, the Supporting Statement mischaracterizes prospective cures for these PRA violations as mere "program changes."

Section 15 of the Supporting Statement ("Summary of Changes in Burden Since Previous Renewal") should be rewritten to be factual. n particular, the changes listed in Table 3 below are required and should be separately grouped under a new second-order subhead titled "Corrections of Violations of the Paperwork Reduction Act," placed within the subhead "Changes in Response and Burden Hours."

Table 3: Necessary Changes to the Supporting Statement to Correctly Identify Past PRA Violations (~~deletions~~, additions)

IC No.	*Corrected Text*
32	The USPTO is ~~separately~~ for the first time accounting for the requirement Rule 1.130, 1.131, and 1.132 Affidavits or Declarations that was separated out from the Transmittal Form. The USPTO estimates that it will take 10 hours to complete this item and it will receive 50,000 responses per year. **Therefore, this submission takes a burden increase of 500,000 hours as a ~~program change~~ correction for a violation of the Paperwork Reduction Act.**
33	The USPTO is ~~separately~~ for the first time accounting for the requirement Amendments and Responses~~ that was separated out from the Transmittal Form~~. The USPTO estimates that it will take 8 hours to complete this item and it will receive 960,000 responses per year. **Therefore, this submission takes a burden increase of 7,680,000 hours as a ~~program change~~ correction for a violation of the Paperwork Reduction Act.**

F. OIRA should direct the USPTO to revise its Supporting Statement to clearly identify the new items in this ICR not included in the 60-day Notice that are prospective cures for past violations of the PRA

The major new information collection item added to the submission but not disclosed for public review and comment in the 60-day Notice concerns Rule 1.129(a) filings. The USPTO describes it as made necessary by the AIA. This explanation is false. Rule 1.129 has been on the books since April 1995 and it only concerns applications filed before June 8, 1995. According to data submitted by the USPTO along with the submission, there were 11 responses submitted in FY 2012 governed by Rule 1.129(a).

Based on my review of the USPTO ICR inventory, it appears that the USPTO has never before obtained an OMB control number for Rule 1.129(a) filings made after final rejection. That is, the USPTO is seeking to prospectively cure an unapproved collection of information that has languished for almost 18 years.

That means the Supporting Statement needs be revised along the lines of Table 4 below. This would acknowledge that the purpose of adding this new information collection is to prospectively cure a longstanding violation of the PRA.

Section 15 of the Supporting Statement ("Summary of Changes in Burden Since Previous Renewal") should be rewritten to be factual, including the change listed in

Table 4. This change should be added to the new second order subhead titled "Corrections of violations of the Paperwork Reduction Act," placed within the subhead "Changes in Response and Burden Hours."

Table 4: Necessary Changes to the Supporting Statement to Correctly Identify Information Collection Elements Added After Publication of the 60-day Notice (~~deletions~~, additions)

IC No.	*Corrected Text*
34	A new requirement is being added into the collection entitled "Filing a Submission After Final Rejection (See 37 CFR 1.129(a))" ~~in connection with the Leahy-Smith America Invents Act (AIA) Section 10 Patent Fee Adjustments Rule, RIN 0651-0054~~. The USPTO estimates that it will take 8 hours to complete this requirement and that it will receive 93 responses per year. **Therefore, this submission takes a burden increase of 744 hours as a ~~program change~~ correction for a violation of the Paperwork Reduction Act.**

G. OIRA should ask OMB's Office of Performance and Personnel Management to establish full compliance with the Paperwork Reduction Act as a new performance goal for the USPTO

Improving government management is a long neglected part of OMB's mission. Under the direction of OMB's Office of Performance and Personnel Management (OPPM), the USPTO has established three strategic goals, one of which is to optimize patent quality and timeliness.[20] Several performance measures have been chosen, but most of them concern inputs (e.g., patent applications filed electronically) and intermediate outputs (e.g., average first action pendency). These performance measures are poor proxies for patent quality.

The USPTO's 2012 Performance and Accountability Report (PAR) specifically mentions a program called Clearing Our Oldest Patent Applications 2.0 (COPA 2.0). What the USPTO apparently means by "old" does not, however reach back to the pre-1995 applications covered by Rule 1.129. Rather, "old" means something that is actually quite young by comparison, and the program's goal is much more modest than either completing examination (an output measure) or patent quality (an outcome measure):

[20] U.S. Patent and Trademark Office. 2012. Performance and Accountability Report, Fiscal Year 2012. Alexandria, Va. http://www.uspto.gov/about/stratplan/ar/USPTOFY2012PAR.pdf.

> For COPA 2.0, the "tail" is applications that were 13 months and older as of October 1, 2011, and had not received a first office action.

The USPTO compliments itself for meeting its goal of completing first office actions on 260,000 applications. But pre-1995 application have languished for least 198 months, not 13. To characterize the mere issuance of first Office actions as "clearing our oldest patent applications" is equivalent to establishing a goal of providing effective elder care by improving middle school education.

A management truism is that one cares about that which one measures. This suggests that the USPTO cares more about issuing first office actions than it does about completing their examination. If it had a more worthy goal—e.g., completing the examination of old applications—OPPM would have a better guide to the USPTO's actual mission performance.

Similarly, we do not know how widespread and deep is the USPTO's PRA noncompliance problem. Every time an ICR comes up for renewal we discover yet more unapproved information collections with thousands or millions of unapproved burden-hours. OIRA should seek OPPM's assistance by defining PRA compliance as a specific performance goal. This would at least (and at last) raise the visibility of the PRA with the USPTO's senior management and its new director.

H. OIRA should direct the USPTO to fully and completely respond to the IQA error correction requests related to this ICR, which to date it has ignored

OIRA is responsible for enforcing the Information Quality Act. It was OIRA that authored government-wide information quality guidelines and pre-reviewed each agency's implementing guidelines in 2002. It was OIRA that decided to issue guidelines instead of binding regulations, presumably on the ground that guidelines would be more flexible. Had OIRA promulgated regulations, there would be little doubt that affected parties dissatisfied with agency responses could, as the statute says, "seek and obtain correction of information maintained and disseminated by the agency that does not comply" (emphasis added). Because OIRA issued guidelines instead, it is OIRA's responsibility to ensure that agencies comply.

To date, the USPTO has adhered to neither OIRA's nor its own information quality guidelines. Its response to the 2010 request for correction, which concerned ICR 0651-0032, was particularly disturbing to any fair-minded observer. Not only did this response make a hash of the IQA, it grossly distorted the text and meaning of the PRA and Information Collection Rule. If OIRA will not defend the PRA, who will?

Before approving this ICR, OIRA should direct the USPTO to respond in good faith to all previously submitted requests for correction that concern this ICR. OIRA also should review the USPTO's response to the 2012 Katznelson request for correction and direct the USPTO to correct the errors of law and logic that it contains.

VI. FINAL COMMENTS

As I indicated in my email to you dated Feb. 23, 2013, I wish to meet with you and Messrs. Hunt and Mancini to discuss this ICR and ensure that OIRA staff fully understand the issues involved and why they are important, both to the public and to OIRA. As this letter makes clear, I remain concerned about the USPTO's serial and persistent noncompliance with the PRA and Information Collection Rule.

Perhaps more importantly, it also should be obvious that, through this ICR, the USPTO is continuing its longstanding pattern of misleading OIRA concerning the substance of its regulatory and paperwork actions. The USPTO's conduct on both margins will not improve until OIRA supervises it with appropriate intensity.

Respectfully submitted,

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cc: Alex Hunt, Branch Chief
Dominic Mancini, Deputy Administrator