

RICHARD B. BELZER

October 14, 2008

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

RE: ICR 0651-00xx

Dear Mr. Fraser:

On October 8, 2008, the U.S. Patent and Trademark Office (PTO) published a notice in the *Federal Register* announcing the submission of an Information Collection Request (ICR) to the Office of Management and Budget (OMB) pursuant to the Paperwork Reduction Act (PRA, or “Paperwork Act”).¹ This submission was entered into OMB’s database as [ICR Reference No: 200809-0651-003](#) on October 10, 2008. The timing of this submission is crucial. PTO is in a hurry because, on the very last date that OMB’s review of the ICR can legally conclude, a regulation hereinafter referred to as the “BPAI Appeals Rule” is scheduled to go into effect.² Without a valid OMB Control Number, PTO’s Board of Patent Appeals and Interferences (BPAI) cannot enforce this rule. Appellants are legally entitled not to follow the new procedures set forth therein.

To the extent that this impending deadline creates a “crisis,” it is one of PTO’s own making. From the outset of this rulemaking, PTO has misled OMB about the scope and scale of the rule, falsely designating it “not significant” to escape review under Executive Order 12866, and violating multiple provisions of the Paperwork Act beginning with false certification that the rule entailed no incremental paperwork burden. Every public act by PTO since it issued the proposed rule on July 30, 2007, has been designed to cover up the initial decision to evade longstanding statutory requirements and executive oversight procedures.

¹ U.S. Patent and Trademark Office, “U.S. Patent and Trademark Office, Board of Patent Appeals and Interferences, “New Collection; Comment Request.” [73 Fed. Reg. 58973](#) (October 8, 2008).

² U.S. Patent and Trademark Office, Board of Patent Appeals and Interferences, “Rules of Practice Before the Board of Patent Appeals and Interferences in *Ex Parte* Appeals; Final Rule,” [73 Fed. Reg. 32937-32977](#) (June 10, 2008).

Fortunately, there is no actual crisis. BPAI already has rules in place governing appeal procedures, and it can proceed quite comfortably under these rules as it has done for many years. Indeed, BPAI has managed quite well considering that during all this time it has lacked a valid OMB Control Number for the paperwork requirements in its current regulations and no one has complained. This may be the largest illegal information collection ever undertaken by a federal agency since the Paperwork Reduction Act was passed by Congress in 1980.³

For the reasons set forth below, PTO's actions violate the PRA⁴ and the Information Collection Rule⁵ several different ways. PTO cannot legally proceed on its current path and comply with the Paperwork Reduction Act. Moreover, there is no way for OMB to approve the information collection burdens in this ICR and uphold its responsibilities to protect the public from abusive paperwork burdens.

It is imperative that OMB designate this ICR as improperly submitted, because it is an attempted end-run around an existing ICR review, or disapprove it on account of any one of at least nine incurable violations of the PRA and OMB's Information Collection Rule. The rule itself is not urgently needed, and its purported *raison d'être* vanished when, in *Tafas v. Dudas*, the District Court for the Eastern District of Virginia vacated a previously promulgated rule that would have flooded BPAI with appeals.⁶ This vacature means the "crisis" in BPAI appeals that PTO had knowingly engineered has vanished.

³ For fiscal year 2007, OMB reports 53 violations in which an agency had imposed an information collection without first securing OMB approval. See Office of Management and Budget, [Information Collection Budget of the United States Government: Fiscal Year 2007](#), pp. 157-168 (Appendix C). In none of these cases was a senior agency official personally responsible for the violation, nor was the illegal burden anything but a small fraction of the burden in this case, which is no less than \$254 million.

⁴ [44 U.S.C. Chapter 35](#).

⁵ [5 C.F.R. Part 1320](#).

⁶ U.S. Patent and Trademark Office, "Changes To Practice for Continued Examination Filings, Patent Applications Containing Patentably Indistinct Claims, and Examination of Claims in Patent Applications," 72 Fed. Reg. 46835 (August 21, 2007). This rule was enjoined in *Tafas v. Dudas*, 541 F.Supp.2d 805 (E.D. Va. Apr. 1, 2008). Because this rule would have sharply restricted inventors' access to a longstanding procedure known as "continuations," inventors would have no other options besides appeal. PTO knew this would happen, and indeed, encouraged it. See 72 Fed. Reg. 46720. The BPAI Appeals Rule cleverly penalizes inventors if they try to exercise this statutory right.

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If the rule of law is the hallmark of good government, then PTO must be directed to withdraw the BPAI Appeals Rule and ordered to comply with the Paperwork Act instead of flouting every significant provision and expecting OMB to cover up its malfeasance. Moreover, this rule should be designated an economically significant regulatory action under Executive Order 12866. OMB should exercise its authority under 5 C.F.R. § 1320.18(b) to “initiate a rulemaking proceeding to determine whether an agency's collection of information is consistent with statutory standards.”

Background

The substance of ICR 0651-00xx is likely to be unfamiliar and confusing. There are three reasons for this. First, this ICR concerns information collection requirements that are part of ICR 0651-0031, which has been under review by OMB since [September 26, 2007](#).⁷ I submitted comments on this ICR on [October 18, 2007](#),⁸ and [January 16, 2008](#).⁹ My October 2007 comments alerted OMB of PTO's July 30, 2007, proposed BPAI Appeals Rule. This alert was important because OMB staff were unaware of it; PTO did not submit the draft proposed rule to OMB for review as required by Executive Order 12866 even though it had to know it would be highly controversial.¹⁰ During this meeting, which PTO officials attended in accordance with the strict procedures of Executive Order 12866, it was agreed by all that any paperwork burdens associated with the BPAI Appeals Rule would be incorporated

⁷ U.S. Patent and Trademark Office, “Submission for OMB Review; Comment Request.” 72 Fed. Reg. 53232 (September 18, 2007). The ICR was entered into OMB's computer system on September 26th. See http://www.reginfo.gov/public/do/PRAViewICR?ref_nbr=200707-0651-005.

⁸ Richard B. Belzer, “Cost of Complying with the Proposed IDS Rule; Meeting at OMB, October 18, 2007.” Online at <http://www.reginfo.gov/public/do/DownloadDocument?documentID=57760&version=1>.

⁹ Richard B. Belzer, “Letter to Susan E. Dudley, Administrator, Office of Information and Regulatory Affairs.” Online at <http://www.reginfo.gov/public/do/DownloadDocument?documentID=57744&version=1>.

¹⁰ PTO published the proposed BPAI Appeals Rule two weeks after OMB had concluded its review of the “Claims and Continuations” rule mentioned in footnote 6. It is entirely plausible, if not likely, that OMB review of the “Claims and Continuations” rule would have been very different if PTO had revealed the proposed BPAI Appeals Rule to OMB.

into ICR 0651-0031.¹¹ My January 2008 comments estimated about 2 million hours of paperwork burden costing about \$850 million per year. This new ICR is an attempt by PTO to circumvent its responsibility to respond to this and other public comments on ICR 0651-0031. In short, through ICR 0651-00xx, PTO is trying to renege on this agreement.

Second, though PTO is not all transparent about it, this ICR also is intended to cure the fact that longstanding BPAI regulations impose millions of hours of paperwork burden costing hundreds of millions of dollars, all without the benefit of a valid OMB Control Number. PTO has disregarded the law in large part because the public protection provisions in the Paperwork Act (44 U.S.C. § 3512) are extremely difficult to exercise. Inventors do not face an enforcement action in which the affirmative defense in § 3512(a) could be offered. Rather, inventors seek a public benefit to which they are statutorily entitled, and the very agency that is imposing the illegal paperwork burden has considerable power to deny this benefit if inventors dare to exercise their legal rights.¹²

Third, PTO evaded the discipline of Executive Order 12866 by deeming the proposed BPAI Appeals Rule as “not significant.” The preambles of both the rules declare:

This rulemaking has been determined to be not significant for the purpose of Executive Order 12866 (Sept. 30, 1993).¹³

¹¹ A formal meeting was held under Executive Order 12866 because ICR 0651-0031 included burdens associated with yet another rulemaking then under review by OMB: “Changes To Information Disclosure Statement Requirements and Other Related Matters,” RIN 0651-AB95.

¹² OMB can enable appellants to protect their rights simply by disapproving the ICR. See 5 C.F.R. § 1320.6(c)(1): “If OMB disapproves the whole of such a collection of information . . . , the agency shall grant the benefit to (or not impose the penalty on) otherwise qualified persons without requesting further proof concerning the condition” (emphasis added).

¹³ See 72 Fed. Reg. 41484 (proposed rule) and 73 Fed. Reg. 32972 (final rule). In addition to tens or hundreds of millions of dollars in paperwork burden, the BPAI Appeals Rule has significant economic costs. The rule (1) raises the cost of filing appeals, so as to reduce their number; and (2) shifts the burden of proof in appeals so that patent applicants are less likely to win. Both of these ostensibly procedural changes destroy intellectual property rights.

PTO's use of passive voice is revealing. PTO does not disclose who made this determination or its factual basis.

Now comes ICR 0651-00xx. In the [Supporting Statement](#), PTO summarizes these burdens as reported in Table 1 below.¹⁴ PTO has suddenly discovered more than \$250 million in annual paperwork burden.

With this background, I will proceed to document the many ways PTO has violated the Paperwork Reduction Act and OMB's Information Collection Rule.

1. **ICR 0651-00xx is improperly submitted.**

This ICR concerns paperwork burdens that are part of ICR 0651-0031, which is currently under OMB review and regarding which OMB has received significant public comment contesting PTO's burden estimates. It is neither appropriate nor legal for PTO to submit a new ICR in order to escape its obligation to respond to public comment on an existing ICR. The right course of action is for OMB to designate ICR 0651-00xx improperly submitted and direct PTO to respond to public comments it has already received on ICR 0651-0031. If PTO can make a good case for splitting ICR 0651-0031 into multiple ICRs, OMB can manage that transition at a future date when the substance of the ICR is not actively contested.

2. **ICR 0651-00xx is an illicit attempt to cure the false certification of no burden PTO made in the proposed BPAI Appeals Rule.**

Pro forma compliance with 5 C.F.R § 1320.11 is sufficient when agency heads certify that a proposed rule contains no new burden. However, any such certification is reasonably assumed to be true, and certainly not knowingly false. That this certification was knowingly false requires only the inference that Jon W. Dudas, Under Secretary of Commerce and Director of the U.S. Patent and Trademark Office, can distinguish between \$0 and \$250 million.

¹⁴ PTO's burden estimates are contested. That dispute need not be addressed to appreciate the magnitude of the burdens that are not disputed.

Table 1: Paperwork Burden Estimates for the BPAI Appeals Rule Provided by PTO, October 10, 2008.

	Responses	Burden-hours	Total Cost
BPAI Actions ¹	31,828	773,895	\$239,907,450
Oral Hearings ²	28,595	5,719	\$1,772,890
Non-hour Burdens ³	15,983	---	\$263,721
Filing Fees ⁴	31,828	---	\$12,645,340
<u>Total Burdens</u>	<u>108,234</u>	<u>779,614</u>	<u>\$254,589,401</u>

Sources:

¹ Supporting Statement, Table 5.

² Supporting Statement, Table 6.

³ Supporting Statement, Table 7.

⁴ Supporting Statement, Table 8.

3. PTO failed to provide timely notice of impending paperwork burden and a request for public comment.

The Paperwork Act and 5 C.F.R. § 1320.11 are clear: the legally prescribed time at which public notice and request for comment on practical utility and burden must be provided is at the same time as a proposed rule is published. PTO did not comply. PTO published what it called a “60-day notice” on June 9, 2008.¹⁵ This notice was more than 10 months late; PTO published the notice of proposed rulemaking on July 30, 2007.

4. PTO’s failure to provide timely notice deprived OMB of its legal right to review and comment on the practical utility and burden of the proposed collection.

Like the public, PTO also kept OMB in the dark. PTO’s decision to evade Executive Order 12866 may have made its cover-up of paperwork burden a necessary tactic. PTO would have been hard pressed to explain to OMB how its policy officials could designate a rule as “not significant” when it was responsible for tens or hundreds of millions of dollars in paperwork burden.

¹⁵ U.S. Patent and Trademark Office, Board of Patent Appeals and Interferences Actions, “New collection; comment request.” 73 Fed. Reg. 32559 (June 9, 2008).

5. **PTO’s “60-day notice” is illegal.**

PTO published its so-called “60-day notice” on June 9, 2008.¹⁶ In doing so, PTO has misused a legal provision that concerns nonregulatory ICRs (44 U.S.C. § 3507(c); 5 C.F.R. § 1320.10) and applied it to a regulatory ICR covered by different authorities (44 U.S.C. § 3507(d); 5 C.F.R. § 1320.11). These provisions are not different by accident; the law requires simultaneous notice with the notice of proposed rulemaking to ensure that the public has a timely opportunity for public comment on both practical utility and burden. PTO cannot mix and match provisions of the Paperwork Act and the Information Collection Rule based on what it finds convenient.

6. **PTO’s illegal “60-day notice” did not distinguish between the burdens associated with the BPAI Appeals Rule and the pre-existing burdens for which PTO does not have a valid OMB Control Number.**

There are two categories of paperwork burden that ought to be contained in this notice: (1) burdens associated with information collection requirements imposed by current regulations; and (2) burdens associated with the BPAI Appeals Rule. PTO’s notice discusses only the first category and whitewashes the second. The request for comment explicitly notes that public commenters on the proposed rule identified paperwork burden and that the Paperwork Act requires PTO to seek public comment on such burdens. However, the notice fails to distinguish between baseline burdens that the Patent Office has never before acknowledged and the new burdens imposed by the BPAI Appeals Rule.

7. **PTO’s illegal “60-day notice” did not provide a genuine opportunity for public comment on the incremental burdens associated with the BPAI Appeals Rule.**

PTO promulgated the final BPAI Appeals Rule on June 10, 2008.¹⁷ This is one day after publishing its illegal “60-day notice.”¹⁸ It is comical to imagine that PTO believes that a “60-day notice” related to a proposed rule could be published one day before promulgating a final rule that makes public notice superfluous. It is hard to find a more craven disregard for the law than this.

¹⁶ See footnote 15.

¹⁷ See footnote 2.

¹⁸ See footnote 16.

8. Some of the substantive contents of ICR 0651-00xx are arguably illegal.

The BPAI Appeals Rule makes subtle but substantive changes in patent law, most notably by reversing the burden of proof to the disadvantage of appellants and in favor of PTO. The purpose of this change is to reduce the number of appeals that inventors win, and thereby discourage future appeals from being filed. If subjected to legal challenge, PTO is likely to lose. It has recently lost litigation, *Tafas v. Dudas*, 541 F.Supp.2d 805 (E.D. Va. Apr. 1, 2008), in which the Court vacated rules because the Patent Office lacks the authority to promulgate substantive regulations, particularly those that shift burdens of proof (541 F.Supp.2d at 817). PTO has appealed the District Court decision to the Court of Appeals for the Federal Circuit. Unless and until it prevails on appeal, and the remaining issues raised at District Court but not decided are resolved in the Patent Office's favor, PTO lacks any authority to promulgate substantive regulations that make it more difficult to obtain and secure statutorily authorized patent rights.

9. Some of the substantive contents of ICR 0651-00xx are flagrantly and abusively duplicative.

Among other things, the BPAI Appeals Rule requires appellants to provide exactly the same information that they previously submitted to PTO, but in a different format solely for the convenience of the BPAI. The ICR claims that these provisions are "not unnecessarily" duplicative, but the only arguments the Patent Office can muster are that duplication "saves agency resources" and, what is the same thing, it "promotes judicial economy" (Supporting Statement, p. 13). PTO clearly does not understand that the purpose of the Paperwork Reduction Act is to protect the public from government inefficiency and abuse, and that duplicative burden cannot be justified on the ground of agency convenience.

10. PTO did not publish the required notice and explanations in the final rule.

PTO published its so-called "60-day notice" and request for comment on June 9, 2008, one day before promulgating the final rule. In the June 9th notice, PTO implies that this satisfies the requirements of § 1320.11(a) that pertain to proposed rules. Even if the law could be stretched to accommodate this bizarre claim, the same notice cannot be used to provide the § 1320.11(h) notice and explanations required to accompany final rules.

PRA Violation #1: 0651-00xx is improperly submitted.

The PTO's October 10th submission that ICR 06510-00xx is a "new" information collection. It is not. This ICR concerns paperwork burdens associated with certain elements in ICR 0651-0031, the most recent renewal submission being [ICR 200707-0651-005](#) on September 26, 2007.¹⁹ PTO's existing clearance for matters related to BPAI appeals accounts for only the 12-minute clerical burden of submitting a form, not the burden of preparing documents to which the form applies. In the September 2007 renewal submission, PTO for the first time acknowledged that appeal briefs themselves require on average an additional 5 hours to prepare at a cost of \$2,205 each. Multiplying by the 16,500 annual responses the Patent Office forecast, the total cost of burden was said to be about \$7.3 million.

I submitted public comments on ICR 0651-0031 to OMB on [October 18, 2007](#), and on [January 16, 2007](#). OMB also received a public comment from Dr. Ron Katznelson on [November 2, 2007](#). These public comments, individually and collectively, demonstrate that ICR 0651-0031 entails new paperwork burdens easily exceeding \$10 billion per year, mostly due to recent rulemaking activities. My second public comment included burden estimates specifically related to BPAI appeals. I estimated a total of 1.8 to 1.9 million burden-hours costing \$820 to \$860 million per year.

Obviously, my estimates are a far cry from PTO's 3,300 burden-hour and \$7.3 million cost estimate. However, PTO is slowly coming around to agreeing with me. In the Supporting Statement for ICR 0651-00xx, PTO now says appeal briefs require an average of 30 hours to prepare (not 5) and that there will be 23,145 of them per year (not 16,500), for a total cost of \$215 million.²⁰

To date, PTO has not responded to my January 2008 public comment, and ICR 0651-0031 has languished without any progress toward resolution for more than 12 months. OMB has been negligent, too, preferring instead to issue a series of temporary extensions that prevent ICR 0651-0031 from lapsing but doing nothing to ensure that accurate burden estimates are booked in the Information Collection Budget and charged to PTO and its parent Department of Commerce.

¹⁹ See, e.g., the row labeled Notice of Appeal, referencing Form PTO/SB/31.

²⁰ ICR 0651-00xx Supporting Statement, p. 20 (Table 5). There are numerous other specific paperwork burdens besides this one. I use it for illustrative purposes.

I provided my October 18, 2007, public comment to OMB in person. Because one of the draft rules responsible for these burdens was then under OMB review pursuant to Executive Order 12866,²¹ that meeting was held with PTO officials present in accordance with the strict rules that govern ex parte meetings under the Executive Order. During this meeting, it was agreed that ICR 0651-0031 would cover any paperwork burdens associated with PTO's then-proposed BPAI Appeals Rule. This was entirely logical; actions that change burdens associated with the examination part of patent processing have spillover effects on the burdens of the appeals part, and vice versa. There is a serious risk that splitting the appeals-related IC elements from the examination-related IC elements could require both ICR 0651-0031 and 0651-00xx to be reopened each time a change is made in either one.²²

PTO now wants to renege on that agreement and circumvent the normal requirements of the Paperwork Reduction Act and OMB's Information Collection Rule. PTO is required to respond to the public comments OMB received and seek to reconcile its burden estimates with those provided by the public. If my estimates are erroneous, PTO is obligated to show why. PTO is not permitted to ignore public comments and submit a "new" ICR and pretend that previously submitted public comments do not exist.

OMB should not knowingly permit PTO to violate the law, and OMB should not be party to PTO's lawbreaking by violating its own rules and public commitments. New ICR 0651-00xx was improperly submitted. OMB must exercise the authority delegated by Congress to enforce the law or cause its administration of the Paperwork Reduction Act to fall into disrepute.

PRA Violation #2: ICR 0651-00xx is an illicit attempt to cure the false certification of no burden PTO made in the proposed BPAI Appeals Rule.

An authorized agency official can comply pro forma with § 1320.11 by certifying that a proposed rule contains no new paperwork burdens. In the notice of proposed rulemaking for the BPAI Appeals Rule, Under Secretary of Commerce for Intellectual Property Jon W. Dudas makes such a certification:

²¹ See footnote 11.

²² Because of these known interactions, it is not at all clear why separating appeals-related and examination-related ICs is consistent with the Paperwork Act's standards for good information policy.

This proposed rule involves information collection requirements which are subject to review by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 et seq.). The collection of information involved in this proposed rule has been reviewed and previously approved by OMB under control number 0651-0031. The United States Patent and Trademark Office is not resubmitting an information collection package to OMB for its review and approval because the changes in this proposed rule would not affect the information collection requirements associated with the information collection under OMB control number 0651-0031 (emphasis added).

On June 9, 2008, PTO implicitly acknowledged that this certification was false when it published a notice and request for comment on burden estimates totaling thousands of burden-hours and hundreds of millions of dollars.²³

Separate and distinct from the first legal violation, OMB should disapprove ICR 0651-00xx solely because of Under Secretary Dudas' unambiguously false certification that the proposed rule entailed no new burden. Failing to do so would reward an agency head for his flagrant disregard of the law and the Information Collection Rule.

PRA Violation #3: PTO failed to provide timely notice of impending paperwork burden and a request for public comment.

Section 1320.11 of the Information Collection Rule establishes a special provision for "60-day notices" in the case of proposed rules: notice must accompany the proposed rule. PTO did not comply with § 1320.11 in any respect. There was nothing for the public to comment upon, as required by § 1320.11(a) -- except for a knowingly false certification of no burden.

Separate and distinct from the first two legal violations, OMB has explicit authority to disapprove ICR 0651-00xx because of the PTO's failure to provide the statutorily required notice and opportunity for timely public comment on the paperwork requirements in a notice of proposed rulemaking.²⁴

²³ See footnote 1.

²⁴ See 5 C.F.R. § 1320.11(d): "If an agency submission is not in compliance with paragraph (b) of this section, OMB may, subject to paragraph (e) of this section, disapprove

PRA Violation #4: PTO's failure to provide timely notice deprived OMB of its legal right to review and comment on the practical utility and burden of the proposed collection

Section 1320.11 of the Information Collection Rule also provides an opportunity for OMB to review a proposed ICR and file public comments (§§ 1320.11(b)-(c)). By falsely certifying the absence of paperwork burden, and failing to prepare and publish objectively-based burden estimates and evidence of practical utility, PTO evaded the statutorily required OMB review process. OMB was further disadvantaged because PTO designated the proposed BPAI Appeals Rule as “not significant” for purposes of Executive Order 12866 review:

This rulemaking has been determined to be not significant for the purpose of Executive Order 12866 (Sept. 30, 1993).²⁵

On June 9, 2008, PTO sought public comment on an illegal “60-day notice” that implicitly acknowledges the BPAI Appeals Rule entailed paperwork burdens costing millions of dollars. Nonetheless, on June 10, 2008, PTO promulgated the rule and still maintained that it was “not significant.”²⁶

PTO has carefully hidden the BPAI Appeals Rule from OMB scrutiny. The October 10, 2008, ICR submission represents the first time PTO has been willing to subject any part of it to executive oversight.²⁷ PTO makes the public work awfully

the collection of information in the proposed rule within 60 days of receipt of the submission. If an agency fails to submit a collection of information subject to this section, OMB may, subject to paragraph (e) of this section, disapprove it at any time” (emphasis added).

²⁵ See footnote 13.

²⁶ The illegality of this notice is explained in PRA Violation #4 below. Public commenters complained that PTO had incorrectly designated the rule as “not significant” for purposes of Executive Order 12866. PTO acknowledged having received these comments, then chose not to respond to them.

²⁷ PTO’s tolerance of public review and OMB oversight is very limited. After refusing to respond to public commenters who raised questions about the substance of the rule because such questions “fell outside the scope of the requested subject matter (information collection under the Paperwork Reduction Act)” (see Supporting Statement, p. 7), PTO then launches into an extended, one-sided explanation and defense of the substance of the rule (see Supporting Statement, pp. 7-11). Apparently, PTO believes it is permitted to promote what it is doing and refuse to respond to those who dare to disagree.

hard to learn what it is up to and provide comments to OMB. The Supporting Statement acknowledges hundreds of millions of dollars in burden, but the public won't find these estimates in the *Federal Register* notice.

Separate and distinct from the first three legal violations, OMB has explicit authority to disapprove ICR 0651-00xx because of the PTO's failure to make required submissions to OMB.²⁸

PRA Violation #5: PTO's "60-day notice" is illegal.

The Paperwork Act and OMB's Information Collection Rule provide for "60-day notices" for information collections not associated with rulemaking (44 U.S.C. § 3507(c); 5 C.F.R. § 1320.10). Different statutory and regulatory provisions apply for information collections related to existing rules (44 U.S.C. § 3507(h); 5 C.F.R. § 1320.12) and proposed rules (44 U.S.C. § 3507(d); 5 C.F.R. § 1320.11). Neither the Paperwork Reduction Act nor the Information Collection Rule permits agencies to "mix and match" provisions across these subsections. However, that's exactly what PTO has done.

On June 9, 2008, PTO published a notice seeking public comment on the information collection requirements contained in the July 2007 proposed BPAI Appeals Rule.²⁹ This was about 10 months late; by law and regulation, PTO was required to publish this notice on or before July 30, 2007 – the date it published the notice of proposed rulemaking.

PTO is seeking to avail itself of the separate and distinct provision in 5 C.F.R. § 1320.10, which applies to ICRs that are not part of a proposed rule. By its express language, OMB cannot use this section to somehow qualify the June 9th notice because this section does not apply to ICRs that are related to regulations.³⁰

Separate and distinct from the first four legal violations, OMB has explicit authority to disapprove ICR 0651-00xx because PTO's failure to provide the

²⁸ See footnote 24.

²⁹ See footnote 23.

³⁰ If OMB were to look the other way and pretend that the June 9th notice was somehow equivalent to notice accompanying a proposed rule, it would have to confront an ugly complication: PTO promulgated the final BPAI Appeals Rule on June 10th. That would make OMB a party to PTO's lawbreaking.

statutorily required notice and opportunity for timely public comment on the paperwork requirements in a notice of proposed rulemaking.³¹

PRA Violation #6: PTO's illegal "60-day notice" did not distinguish between the burdens associated with the BPAI Appeals Rule and the pre-existing burdens for which PTO does not have a valid OMB Control Number.

In the notice and request for comment published on June 9th, PTO says the notice was motivated by the July 2007 proposed BPAI Appeals Rule. However, PTO's discussion of practical utility and burden is entirely generic. It does not refer specifically to any of the provisions in the proposed rule that give rise to paperwork burdens. Rather, PTO carefully avoids any admission that the proposed BPAI Appeals Rule would create any new burden. Apparently this is necessary to avoid admitting that Under Secretary Dudas's certification of no burden for the proposed rule was knowingly false. This fiction is especially difficult to sustain because PTO acknowledges that it received a dozen public comments on the proposed rule, all in opposition, and that many commenters explicitly opposed it because of its unjustified paperwork burden and Dudas' false certification that these burdens did not exist.

The text of the June 9th notice (73 Fed. Reg. 32559) reveals PTO's chicanery:

The agency received comments from the public concerning the burden of these rules on the public, in particular the new requirements that allow the agency to structure the information being received. In order to ensure that the public has opportunity to comment on the burden impact of the proposed rule making, the USPTO is submitting a new information collection request to the OMB to review these changes as subject to the PRA and to incorporate the new information collection into the agency's information collection inventory.

In this single paragraph, the Patent Office (a) acknowledges that it received public comments on the proposed rule; (b) acknowledges that these comments identified significant paperwork burdens associated with the proposed rule; and (c) states that the purpose of the notice is to "ensure that the public has opportunity to comment on the burden impact of the proposed rule making." The problem is that the notice itself

³¹ See footnote 24.

(d) provides no estimates of burden or claims of practical utility specifically related to the proposed rule. This notice would not have complied with § 1320.11(a) even if it had been published on time.

It is certainly true that existing BPAI rules impose thousands of burden-hours costing millions of dollars per year, and that PTO lacks a valid OMB Control Number for these burdens. That is because until now, PTO has never deigned to submit an ICR. The public deserves a genuine opportunity to comment on PTO's estimates of burden and practical utility.

Nevertheless, an ICR that concerns paperwork burdens in a proposed rule needs to include estimates of burden and evidence of practical utility related to that rule. The June 9th so-called "60-day notice" did not include this information. Instead, PTO provided only generic practical utility defenses for the appeals process itself (not the information collections) and burden estimates for existing BPAI rules and procedures (but not the proposed rule).

Separate and distinct from the first five legal violations, OMB has explicit authority to disapprove ICR 0651-00xx because PTO's alleged "60-day notice" was inherently defective even if it had been published on time because it failed to provide statutorily required content.³²

PRA Violation #7: PTO's illegal "60-day notice" did not provide a genuine opportunity for public comment on the incremental burdens associated with the BPAI Appeals Rule.

The public also was entitled to a genuine opportunity to comment on the burden and practical utility associated with the proposed BPAI Appeals Rule. PTO denied the public that right in this so-called "60-day notice" – by promulgating the rule the very next day. PTO set up its "60-day notice" to be a pointless exercise. Despite PTO's craven malfeasance, it is truly remarkable that the Patent Office received a dozen [public comments](#), many of them explicitly contesting PTO's persistent refusal to comply with the Paperwork Act.

Separate and distinct from the first six legal violations, OMB has explicit authority to disapprove ICR 0651-00xx because of PTO's "notice" did not include a genuine opportunity for public comment.³³

³² See footnote 24.

³³ See footnote 24.

PRA Violation #8: Some of the substantive contents of ICR 0651-00xx are arguably illegal.

In both the June 9th and October 8th notices, PTO acknowledges that it proposed (and now promulgated) the BPAI Appeals Rule in response to an unexpected rise in the number of appeals. It is logical to infer that the purpose of the rule is to reduce the number of appeals by making them more burdensome to submit. In that sense, the greater the paperwork burden, the fewer appeals will be filed, the smaller will be the BPAI's docket.³⁴

The BPAI Appeals Rule also deters inventors from exercising their statutory rights by making it harder for them to win the cases they file. Several specific features of the rule reduce appellants' likelihood of success, including:

- Formatting requirements that restrict the number of examiner errors they can contest. By limiting the number of pages and prescribing unusually large fonts (14-point), PTO reduces the quantity of information appellants can submit by about a factor of two. Appellants will have to decide which examiner errors to challenge and which to let go. Errors they do not challenge result in the abandonment of intellectual property rights.³⁵
- Requiring extensive analysis of issues that are irrelevant to the appeal. Much of the information PTO demands from appellants is not germane to the appeal. This information demand lacks practical utility on its face, and it is abusive when combined with page restrictions and other formatting requirements that restrict what issues appellants can raise.

³⁴ But see footnote 6. In a contemporaneous final rulemaking that would have (if the courts had not vacated it) sharply limited continuation practice, PTO encouraged inventors to appeal examiner errors to BPAI. There are two plausible explanations for this obvious inconsistency: (1) The authors of the now-enjoined rule limiting continuations were working at cross purposes with the authors of the BPAI Appeals Rule, or (2) the "encouragement" given applicants to appeal examiner errors was a ruse.

³⁵ PTO claims that "less than three percent (3%) of all [appeal briefs], under the amended rules, require a petition to increase the page limit" (Supporting Statement, p. 18). This estimate is based on the "old" rules (73 Fed.Reg. 32966 col.1), which typically utilize 12-point font and 1-½ line spacing. Commenters on the illegal "60-day notice" have said this creates a two-fold error in the PTO's estimate of page counts. The distribution of page counts in appeals may be log-linear, in which case the number of briefs that would require petitions would be a percentage tenfold or more greater.

- Permitting examiners to raise new grounds for rejection but disallowing appellants the opportunity to reply. In the final rule, PTO says examiners cannot raise a “new ground for rejection” in their answers to appeal briefs – a welcome provision on due process grounds. But the Patent Office then takes it away by defining the term “new ground of rejection” so narrowly that the net effect of the two changes benefits PTO examiners over appellants.

Other provisions in the BPAI Appeals Rule subtly shift the burden of proof in favor of the examiner. For over a century, PTO proceedings have applied a “preponderance of evidence” standard, or “rule of doubt” that favors the inventor. The BPAI Appeal Rule radically changes this evidentiary standard: Appellants must support every fact by citation to the record, while examiners are allowed to establish facts by mere argument.

Separate and distinct from the first seven legal violations, OMB has implied authority to disapprove ICR 0651-00xx because of PTO’s failure to assure that information collections be the “least burdensome necessary for the proper performance of the agency’s functions,”³⁶ and that mandatory information collections be supported by reference to valid statutory authority.³⁷

PRA Violation #9: Some of the substantive contents of ICR 0651-00xx are flagrantly and abusively duplicative.

The BPAI Rule includes numerous provisions that require appellants to provide the Board exactly the same information they have already given to the PTO examination corps. Simply attaching an existing electronic file is not a problem, of course. But the rule requires this information to be repackaged and reformatted, solely for the convenience of BPAI.

The Paperwork Act and OMB’s implementing regulation severely discourage agencies from imposing duplicative paperwork burdens. The law requires designated agency officials to, among other things:

certify (and provide a record supporting such certification, including public comments received by the agency) that each collection of information ... is not unnecessarily duplicative of information

³⁶ See 5 C.F.R. § 1320.5(d)(1)(i).

³⁷ See 5 C.F.R. § 1320.8(b)(3)(iv).

otherwise reasonably accessible to the agency... (44 U.S.C. § 3506(c)(3)(B)).

PTO cannot credibly certify, if for no other reason than none of the public comments support duplicative information collection. In the Supporting Statement, PTO acknowledges that the ICR “solicit[s] data already available at the USPTO” but asserts that “[t]he duplication of effort is limited ... and the agency considers it necessary.” (p. 5, emphasis added). No supporting evidence is offered, and PTO considers its judgment supreme and final – the purposes of the Paperwork Reduction Act be damned.

Several public commenters specifically complained about duplication, and PTO responds to them in the Supporting Statement. PTO claims that, although the ICR is indeed duplicative, it “is not ‘unnecessarily duplicative’ (pp. 13-14, emphasis added).” The Patent Office then gives two reasons, both of which reduce to agency convenience, and agency convenience is never a statutorily permissible justification.

The prohibition against duplicative information collection has been federal policy since 1942:

It is hereby declared to be the policy of the Congress that information which may be needed by the various Federal agencies should be obtained with a minimum burden upon business enterprises (especially small business enterprises) and other persons required to furnish such information, and at a minimum cost to the Government, that all unnecessary duplication of efforts in obtaining such information through the use of reports, questionnaires, and other such methods should be eliminated as rapidly as practicable; and that information collected and tabulated by any Federal agency should insofar as is expedient be tabulated in a manner to maximize the usefulness of the information to other Federal agencies and the public.³⁸

“Unnecessary” duplication exists if the need for the proposed collection can be served by information already collected for another purpose. In this case, the duplicative information is available to the agency for exactly the same purpose. BPAI simply doesn’t want to be bothered to have to access this information even though it is available electronically from their desktops.

³⁸ Section 2 of the “Federal Reports Act of 1942,” P.L. 77-831, 56 Stat. 1078.

Separate and distinct from the first eight legal violations, OMB has explicit authority to disapprove ICR 0651-00xx because of PTO's failure to demonstrate that its information collection is not unnecessarily duplicative and has practical utility.³⁹

PRA Violation #10: PTO did not publish the required notice and explanations in the final rule.

Section 1320.11(h) of the Information Collection Rule requires PTO to have submitted the ICR associated with the final BPAI Appeals Rule to OMB on or before the date of publication. PTO did not do this. PTO's illegal "60-day notice" was published at the right time, but it cannot be both a "60-day notice" for a proposed rule and a notice accompanying a final rule.

Section 1320.11(f) requires PTO to publish certain explanations about paperwork burdens within the preamble to a final rule, notably "how any collection of information contained in the final rule responds to any comments received from OMB or the public." PTO did not do this either, meaning that there is no way for the June 9th notice to comply with § 1320.11(f).

Separate and distinct from the first nine legal violations, OMB has explicit authority to disapprove ICR 0651-00xx because of PTO's failure to provide statutorily required notice and explanations for the paperwork burdens associated with a notice of final rulemaking.

Conclusion

PTO has violated every important procedural requirement and public protection safeguard in the Paperwork Act and OMB's Information Collection Rule. The Patent Office has chosen to serially violate the PRA rather than admit to millions of burden-hours costing billions of dollars. The 2007 Information Collection Budget for the entire Department of Commerce, which includes both PTO and the Census Bureau, was 28.35 million hours and \$2,063 million.⁴⁰ The paperwork burdens in this ICR alone increase the Department's total cost by 12% to 42%, depending on whether PTO's or my burden estimates are closer to the truth.

³⁹ See 5 C.F.R. §§ 1320.5(d)(1)(ii)-(iii).

⁴⁰ Office of Management and Budget, [Information Collection Budget of the United States Government: Fiscal Year 2007](#), p. 57 (Table 4).

What is astounding is that the Patent Office believes that it is exempt from the Paperwork Reduction Act and that it is entitled to have its submissions rubber-stamped. OMB must take effective action to enforce the law and protect the public from this renegade agency behavior. It must ensure that its administration of the Paperwork Reduction Act does not fall into disrepute.

Sincerely,

A handwritten signature in black ink, appearing to read "R. B. Belzer". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

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