

UNITED STATES PATENT AND TRADEMARK OFFICE

TRADEMARK PUBLIC ADVISORY COMMITTEE MEETING

Alexandria, Virginia

Friday, June 20, 2014

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P R O C E E D I N G S

(9:10 a.m.)

CHAIRMAN TEPPER: Good morning to all, and I apologize for being a few minutes late. We had some technical adjustments that needed to be made, but I would like to call this meeting of the Trademark Public Advisory Committee to order. First of all, let me explain. We are very pleased to be here today in the Global Intellectual Property Academy at the USPTO. So the change of venue necessitated just a few changes. We will I believe catch up on our time as we progress throughout the day.

Let me also explain I do not regard myself as a rock star. I'm Maury Tepper, and I'm very pleased to be chairing the committee. The sunglasses are in honor of all of our new examiners who we understand had a fabulous session at a recent spring training event. And so we just want to let you all know we commiserate with you, so we will be recognizing you as we go through our meeting today.

Let me quickly introduce the members of the Public Advisory Committee, and we will be

underway with our meeting. We have three members who are unable to be here in person today. One of them is on the phone with us participating, so I want to thank her, Anne Chasser. Anne is a strategic advisor for Wolfe Law Group in Cincinnati, Ohio. Deborah Hampton, who is on the phone from New York -- Deborah's a senior trademark paralegal with Direct TV. Linda McLeod, who is with Kelly IP and although she is based in New York and D.C., she currently is at an obligation in Chicago.

And then here with us today we have Dee Ann Weldon-Wilson. She works with a small company called Exxon Mobil. Jody Drake, who is with Sughrue Mion here in D.C.; Ray Thomas, who is with the Law Offices of Ray Thomas also here in D.C.; and Kathryn Barrett Park, the vice chair of our committee and she also works for a small company called General Electric. I have relied on one or two of their products from time to time. And Bill Barber with Pirkey Barber in Texas, and they are I believe Trademark Central. It is registered. You can look it up. Bill is a fabulous attorney because he got that one

registered, so my commendations to him.

And then we also have our ex-officio members today: Howard Friedman is here with us and he represents NTEU -- I will get the number wrong if you don't help me with it, Howard -- 245, thank you. Have I missed anyone? Tamara Kyle, thank you. She is with POPA with the Patent Examiners Union.

That being said, I would like to move on before I dig us too deep of a hole. Before I burrow too deeply into the ground, we will move on with our agenda.

Dana Colarulli is here to provide us a legislative update. Dana represents our interests on Capitol Hill and he's going to let us know what we've been missing out on in the climate here in D.C.

MR. COLARULLI: Thank you very much, Maury. I'll tell you, this has been an interesting week for me because this week I've spent more time talking about trademarks than I've talked about patents, which is a unique and a very good experience for me, but mostly due to the Redskins announcement. As I was waking up

this morning thinking about these remarks, I constantly look for times, opportunities, and announcements that we're making or maybe even just responses to questions from the Hill to educate folks. This has been a good week to educate folks. Not everyone on the Hill certainly has gotten it right, but they've asked the right questions. I think we may talk more about it, about the Redskins announcement today during the meeting, but I for one in the public information space is very happy that a lot of the press wrote very good stories, got the law mostly right. So it's been a very interesting week for me anyway talking about these issues that you all spend a lot of time on.

So I wanted to start there. I also wanted to go through my regular updates on IP issues on the Hill and disclose that I'm starting with copyright issues. It's not because I don't know the difference between copyrights and trademarks, but I'm starting with copyright issues today. I'll give the update on similar activity on patents and trademarks and give a sense of some of the activities my office is

involved in.

Copyright issues: So I had given an update on some of the activities on the copyright side, certainly here at the agency where we continue to talk about a lot of the issues that the Department of Commerce with PTO's help and others raised in the copyright green paper that we released last year. A lot of activity around public forums discussing the issues raised in that report, as well as a more structured, multi-stakeholder approach to address one particular issue. That's the issue of takedown and notice on the copyright side.

So some updates here on where those forums are happening, the East Coast and the West Coast. Nicely we're taking advantage of the fact that at some point we'll be opening up an office in the city of San Jose, so we're hosting bicoastal public events here and a number of them in San Jose this year on these copyright issues.

A number of copyright bills have been discussed and the House Judiciary Committee is continuing their comprehensive review of copyright issues. They're really making their

way through the statute in a very methodical way. There, of course, have been some bills on more narrow issues that have been discussed, some likely to go forward. The second one I list here on the slide, the Satellite Television Access Reauthorization Act, a piece of what we call must-pass legislation by the end of 2014 when the requirements expire, essentially ensuring that local access to your local television stations is provided if you're in an area where you're getting satellite television.

So that will move forward, started to move forward already in the House; interest this week from the Senate Judiciary Committee in moving something forward. Given -- and you'll hear this theme in the rest of the remarks I'm going to give -- given that this is an election year, a mid-term election year, there's a lot of emphasis to try to make some progress on legislative action certainly this month, certainly into July and before the August recess as members start evacuating town, going home, and running their campaigns. It leaves very little time at the end of the year to make progress on

legislation, so that's why you're seeing an uptick in some of that legislative activity.

As I already mentioned, hearings, certainly all of those are the House Judiciary Committee. They got out of town, which was great. They've done a number of hearings here in Washington, D.C. The new ranking member of the subcommittee that has oversight over the Patent and Trademark office, Jerry Nadler from New York, hosted a field hearing on a lot of these issues in New York City. So they were able to get members out of town and get input outside the beltway, which I think we encourage. So that's the hearings.

Continuing activity on implementing two copyright treaties, the Beijing and the Marrakesh Treaty. We're working with the Copyright office and with the State Department and certainly the Hill to ensure that we have implementing legislation that implements those provisions. So activities continuing there and certainly activity about upcoming potential treaties, and I noted the broadcasting treaty there. So that's copyright issues in brief.

Patent issues: Since I last was in front of the Advisory Committee, things have been put on hold a bit on abusive patent litigation. Still considerable interest, but the Senate activity, which was moving apace was halted when Chairman Leahy pulled the bill from the agenda because he didn't see the parties coming together in a consensus. He voiced the need to build more consensus before a bill could move forward. That still certainly is possible, but I think a little unlikely at this point given an election year, given where the party for -- of course, there will likely be an uptick in activity again as we start the next Congress. So there are still opportunities to move forward potentially on comprehensive legislative reform, but that seems unlikely. There still is interest in moving forward on more narrow issues, and that's the issues of demand letters, patent demand letters, and maybe some other issues, bills on ITC reform. Reform at the International Trade Commission has also been introduced. So if not activity, certainly those ideas are still very much alive and still being discussed by House and Senate

staff.

Agency issues: At the agency, we're continuing to do our work to implement a series of executive actions addressing abusive litigation. There are things that we can do outside of the legislative forum, so we're moving forward on those. We're also focused on trying to limit opportunities in the patent context for abusive litigation.

Trademark issues: Congressional activity on trademark issues, continuing interest in ICANN, both in the oversight arenas on the Hill and in the appropriations context. There has been particular language that was introduced in the FY15 CJS appropriations bill prohibiting funding for one of our colleague agencies, the NTIA, for activity around ICAN. This is not an unfamiliar action by the Congress. Oftentimes the tool that they have is to limit funding to pay the salary of individuals for doing particular activities. That's exactly what happened here. This is another area where I think there's still room for education about the role of ICANN, certainly the role of the U.S. But

those issues certainly are still in the minds of congressional staff and congressional members.

Still discussion over appropriate trademark protection for state seals and other local emblems; bills introduced both in the House and the Senate. It's unclear whether those bills will move forward. As I said, it's less likely that legislation's going to move forward this year, but certainly a discussion was started. We're trying to support those discussions and be creative to both identify what problem they're trying to address and also try to offer some solution. At this point our engagement really has just been on a technical level with the staff to help them navigate the discussion they're having with their stakeholders. But certainly both bills have been introduced, so it's an issue we're watching closely to see if something will move forward.

Last, a bill was introduced on the Redskins issue. Unlikely that it will move forward at this point, but certainly more attention on the Redskins issue given the activity of the agency and particularly the TTAB

this week.

So as I said where I started, opportunities for education at least for my staff in explaining certainly the scope of this decision, but the scope of a trademark, what a federal registration provides, and certainly fielding a lot of those questions as folks are interested because it's an issue that is close at home to them, their sports team.

Two last things I'll end with: Trade secret legislation also an uptick in interest on these issues I'll say both from the administration and on the Hill at ensuring that appropriate enforcement mechanisms are there should companies choose to use the trade secret regime. And at least one moving bill in the Senate Judiciary Committee, a second from Senator Whitehouse I've listed there. That's only in draft legislation, both addressing first civil and then criminal remedies. So a bit of active discussion about the appropriate statutory structure there. A hearing on May 13 and another hearing next week on trade secret issues, so we'll be watching that as well. And as I've said,

similar to the seals issue, at this point the engagement of the agency has been on a technical basis in looking at and reviewing the legislation for how it reads in the statute, responding specifically to requests from the staff to help them write the language better.

One of the more exciting things, and I'll wrap up, for us here at the agency is at the end of this month we're opening up a second permanent satellite office of the PTO certainly to house patent examining staff and judges, but also an opportunity for outreach and education on patents, trademarks, trade secrets, inventor resources, and a number of other issues. So a number of -- the PTO executive team are headed out there. We just announced a regional director for the Rocky Mountain Regional Area, so Colorado and the surrounding states, so a lot of excitement around that. Continuing to do, as I said, our outreach to the Hill staff for education.

The last thing I wanted to end with, and those of you who were able to see my colleague Judy Grundy's presentation in front of the Trademark core recently, this is one of her service slides.

I asked her if I could use it just to give you a perspective of bills introduced in the Congress, and there are a lot of them, and those actually enacted. It is a small ratio, a large difference between those introduced and enacted, and a lot of those bills that are enacted tend to be those that are less controversial. Sometimes they're namings of post offices and other very important local actions. But it is a commentary on legislative activity these days on what can actually get done, and it tends to be those things that really do face a lot of consensus. I will give an updated set here. So far in the 113th Congress -- we're not over yet -- it will end on December 31st. The new Congress will start the following year, the 114th Congress, but this year we've had 7,392 bills introduced so far. There will be more, of course, but I think the enacted number probably won't go up much. That's about 121. So again, staying on course with the numbers -- see on the screen -- and to give you a sense. Oftentimes when members introduce bills, they're to be recognized with an issue, to start a discussion, and oftentimes those bills

don't go anywhere. So I hear myself saying multiple times during the week that the legislative process is just that; it's a process. So as we see bills introduced, we normally don't get excited, but we certainly get engaged and make sure that they're legislating appropriately.

So I wanted to end -- I started with our public information role. I ended with a real snapshot of what actually happens up on the Hill. I feel like I've done maybe a different job than I've done before, Maury, for you, so I wanted to provide that information and that's all I have for you today.

CHAIRMAN TEPPER: Thank you, Dana. That is a tour de force and we appreciate that. I do want to point out that this statistic is marvelous, but you know the image I have if you've ever sat in front of one of those tennis machines that will shoot the balls at you. Dana needs to be prepared to return all of these and the numbers of bills that are introduced, many of them need not to pass. I think we heard Dana mention opportunities for education. So all those statistics may be low as to what actually finds

its way through, but Dana needs to be prepared to respond to all of those. We deeply appreciate your keeping on top of this, your being engaged and letting us know the ones that look like they are going to regret and when. So I'm glad we get -- it's sort of like getting the CliffsNotes version, right? Dana's the guy who got to look at all of these. I'm glad we can get the highlights today.

Having said that are there questions for Dana? Any questions from the committee? Well, you have our thanks, and I suppose you got off light today.

MR. COLARULLI: Thank you, Maury, and I should say I have a good staff also that helps me out, including Judy Grundy.

CHAIRMAN TEPPER: Thank you for that. We will move on in that case. I appreciate your helping me dig back out of the hole that I had begun to burrow for myself, and we're going to also -- I want remind you all now as we move on to an update from the office of the Chief Financial Officer, you need to also step back. Government accounting -- I don't think Lewis

Carroll could keep up with this. It does take a special type of person. I think this is probably the pinnacle of accounting if you're able to sort of keep up with all of the constraints and requirements and changes that come from being a part of the government. So we are grateful for this update. You need to be ready to think. We know that it's 2014, but whenever we talk with our CFO's office, you'll see we're going to be thinking about three years at a time. So these are some busy folks.

They are so busy I know that your agenda has Tony Scardino, our CFO, listed. Tony has an obligation this morning, so we're very grateful to have our deputy CFO, Frank Murphy. You can take your pen out and note that. I think that the slides are actually correct. And Frank's going to provide us kind of an update and a reminder of everything that's going on the financial side right now.

MR. MURPHY: Well, thank you, Maury. The very first thing to note is that Tony does have a conflicting engagement, but he so much wants to be part of this that he's on the phone, so he's

dialed in. And Tony, I don't know if you have any comments you want to make before I get into the presentation? Hearing none, we shall move forward.

What we're going to cover today are just a couple of things, taking a look, as Maury mentioned, anytime you talk budget we really do talk two or three years. So I'm going to give an outlook for where we're at in this current year, take a look at '15, and we'll also touch on '16.

If you take a look at the fee forecast for FY14, in the President's Budget we updated the estimate of our fee collections to \$278 million. It's about a 5.6 percent increase over where we were last year. And if you take a look at our point-in-time estimate, where we're at through May, you'll see that we're roughly 4-percent above the same point in time last year. And the chart at the bottom right of that graphic will show you just how that looks and what our projections are going forward.

A little bit more detail for the '14 end-of-year funding, and this is also a good opportunity in this chart to talk some of that

"accounting-ese", that "budget-eae", or that "government-ese" that Maury referred to and I'll get to that in just a second. But our year-end fee collections I mentioned were \$278 -million. We started the year out with our operating reserve or our carryover of \$155 -million. You'll see some additional income and some transfers that go out, looking at the income available of about \$440 -million. And then you look at the projected spending with our commitments and obligations and the projections for the rest of the year of \$286 -million, leaving us with an estimated carryover or operating reserve of \$153 -million.

This is the point where we start to try and translate government terminology into every day speak. So when we talk commitments and obligations, I was told it's really not a term of art outside of the government, something that many folks would not necessarily embrace. So I try to put that into what I'll call layman's terms. When you look for a contracting action, before the Patent and Trademark organization could order goods or services, they need to commit funds. They need to set aside funding so that the

contract action can begin. And when that contract is awarded, that money is now gone. It's obligated. It cannot be used for something else. And then obviously when the goods and services are delivered, we make the payment, there's your expenditure. Now, if you tried to translate that into your own home budget, if you were going to do a kitchen renovation and you decided that the estimated cost is \$25,000 to do this, well you're going to look at your budget. You're going to set aside money from your own checking account and you're going to commit -- I'm going to put this \$25,000 off to the side because that's money I'm going to use for my kitchen renovation. When you enter into that contract with the vendor, with that renovator, and you write the check, you've obligated your money. You can now no longer use that \$25,000 for any other purpose because you've already written the check; very similar terminology. So if you try and put that personal context around commitments and obligations, I think that takes away some of the mystery that we have.

When you look at the spending plan that

we have for FY14, the Trademark business line has decreased about \$5.1 -million and the income has remained relatively constant. That decrease has largely been the shared IT investment spending changes as well as some hiring lapses that we've had. Currently, we have 26 vacancies with seven additional projected attritions through the end of the year. We have hired 30 trademark attorneys since the beginning of the year, and we're projected to fill another ten vacancies by the end of the year.

Looking ahead to FY15, the spending priorities include an increase of 16 FTEs, full-time equivalent -- that's additional staff -- to align the application examination capacity to our workload estimates. Now, we also have plans for an additional four hires or full-time equivalents for the Trademark Trial and Appeals Board to address workload increases. There's also an offsetting reduction of about \$12.5 -million that's still a reflection of the investment in the Trademark Next Generation system, but it's at a lower rate of investment that was done in FY14.

If you look at FY16 in the out years, we've started to work on the budget. This goes back to Maury's introductory point that in any given year, we're talking three budget years. So we're already working and, in fact, have issued our internal guidance in April for the FY16 budget. The PACs will see this draft budget in the August time period so we'll get your input into that process, your advice and counsel, and the final document will be completed in early September and sent to the Office of Management and Budget and the Department.

There's one other topic of interest and that's the Federal Register notice that was issued on May 9th for a trademark fee reduction. Those comments are due very soon actually, on Monday, with a final rule expected to be published in the October time period and implemented in January.

And that is the update for the financial posture. Do we have any questions, any further clarifications that I might offer?

CHAIRMAN TEPPER: Thank you very much for that update, Frank. Are there questions?

MR. THOMAS: Yes. Going back to the slide for 2014 as far as projecting how many positions will be filled by year-end. How many of those, if any, are trademark examining attorneys? It notes that 30 have been hired this year. Were any of the ten positions you're talking about for year-end for examining attorneys

MR. MURPHY: You know, I don't have that info, but Debbie, perhaps you have?

MS. COHN: I certainly do. No, none of those positions are examining attorneys. We're finished for FY14.

MR. THOMAS: Okay, and then before you shut your light off -- but you can keep yours on, too, Frank -- for the next year where you talk about an increase of 16 FTEs to align trademark application examination capacity with estimates, is that for other than trademark examining attorneys?

MS. COHN: Yes, it is.

MR. THOMAS: Okay, and then for the four FTEs to allow the TTAB to handle workload increases, are those judge positions?

MR. MURPHY: At this point I'm turning over to Gerry if you've got some specifics?

CHIEF JUDGE ROGERS: They are budgeted as judge positions, but it's not unusual for the Board to or other parts of the agency for that matter to repurpose FTEs as necessary depending on workload requirements. For example, we have one FTE for a judge position that we've repurposed this year for a deputy chief judge. We repurposed a position a couple of years ago to get an administrative officer onboard when we didn't have one. So it's possible they could be judges or attorneys, and we won't really know until we have a better assessment later in the year of motion, inventory, and final decision inventory.

MR. THOMAS: Thanks.

CHAIRMAN TEPPER: Okay, thank you to all our -- do we have other questions regarding our finances? Well, Frank, my thanks to you as well as Chief Judge Rogers and Commissioner Cohn for getting us updated today.

All right. We will continue on and I think we're still just a little bit behind our original timeframe, but getting closer. So I'd

like to turn to an update from our Commissioner for Trademarks, Debbie Cohn.

MS. COHN: Thank you very much, Maury. Good morning, everyone. I'll try to pick up the speed a little bit, but not too quick so that I think we'll be just fine on time hopefully by the time I finish.

Let me start with something that is always I think interesting for folks to hear about and that is an update on our performance metrics and how we're doing. And you have in your materials the statistics and it's on the screen and I hope people can see it online. The first area that I'm going to speak about is quality and the statistics we have in front of us are as of the end of May, so they're very current. And you can see that we are on target or ahead of target on all of our quality measures. We have three.

The first two of the quality measures indicate the legal compliance by the examining attorneys in the office actions in making refusals or not making refusals. And we measure first actions as you can see up top and then we measure final compliance, which includes final

refusals and approvals for publication. Then we have our exceptional office action measure, which goes beyond the legal compliance and measures the actual comprehensive excellence of the office action to include not only the legal decision, but the search, the writing, and the quality of the evidence. So it's a much more stringent measure, and you can see that our goal, our target, is somewhat lower, but that's to be expected because in order to meet that measure or that requirement, the office action has to meet all of those areas. In other words it has to be excellent in all four of those areas, not just one.

Then moving down to e-government where we're looking to increase the use of electronic filing and processing. And when I talk in a few minutes about our notice of proposal we're making on fee reductions, you'll hear more about that. But right now we're ahead of our target, which is 78 percent. We're at 81 percent and that means that 81 percent of our filings are completely electronic. They're processed completely electronically from beginning to end, not only filed electronically, but there is no paper

communication. Now, I will say because I've gotten questions on this, telephone communication does not take one off the electronic track. So the official communication still has to be electronic, but certainly contacting an examining attorney by phone is just fine.

Let me move down now to application filings. We are on target to have approximately a 4.9 percent increase in FY14 over what we did last year. So right now as of the end of May we're at 4.1 percent higher than last year. That's right on track to see that almost 5 percent increase in filings.

I will skip the examiner production. You can look at those numbers and see that we're ahead of target.

Examining hires, as Frank mentioned, we did hire this year so we have 433 examining attorneys currently onboard. We expect our filings to go up next year, and we expect to hire somewhere around 30 to 35 examining attorneys next year. And, of course, that number is always adjustable depending on actual filings,

depending on pendency, depending on inventory. We monitor things continually so that we make the right decisions at that time.

So moving on to the next page, I'll go right to pendency to first action. You can see that as of the end of May, we're at 2.7 months to first action, which is definitely within our target range of 2.5 to 3.5 months and probably the lowest we've been in a while. We expect to end the year a little bit higher just the way filings have been and just the natural cycles of productions in the summer, et cetera.

Pendency to disposal, which means from the date of filing to issuing the notice of allowance, registration, or abandonment, we have actually two numbers for you look at. The first includes cases that had been suspended or subject to inter partes proceedings and that number is just short of a year. So if you include those cases, you can expect the average disposal time is about a year. However, if you take those cases out of the mix, you're looking at disposal pendency of around 10.5 months; so two ways to look at it depending on what kind of statistic

you're interested in.

And then our efficiency number you can see is on target. We're actually ahead of target; the lower the number the better. This number measures the average cost of a trademark disposal compared to direct and indirect costs. So it's not only the costs within the Trademark organization, but it's the total agency costs, including facilities, including IT, all of the costs that go into running the organization and producing the trademark disposal.

Now, I've got some information for you, which I'm not going to go over in great detail just in the interest of time, but you can take a look. We've got our other metrics, which are more internal metrics, but I think it's important that these be transparent and available for your review. And that shows within our support operations and our Trademark Assistance Center how we're doing, and we do have targets in all of those areas. We measure anything that can be measured so we can always have an accurate assessment of how we're doing. You can see on the page in front of you that we are right where we

need to be in terms of pendency.

Now, just to let you know that the top box, ESU, is the examination support units, for those of you who may not be familiar with all the acronyms and initials that we use, and that includes legal instrument examiners who process amendments and publications and do the technical support work on those. And then, of course, their quality is indicated in the box below. Our Trademark Assistance Center, of course, is our first line of information for the public and we measure their calls. If you look towards the bottom, you'll see the call volume is quite heavy and so is the email volume and that's year to date. We've got more than 12,000 emails that they've received and more than 68,000 telephone calls. And they are on target with answering them quickly and efficiently.

And the next page you can see our other support units, including our Madrid Processing Unit, were currently at one day. I don't think we can do much better than that, but maybe we'll start measuring them in hours, I don't know. Our Pre-examination Unit and our Post-registration

Unit will work on getting their pendency down by the end of the fiscal year. They're currently working very hard on that. And our Petitions office is just below their target of four days at 3.5, and again, I don't know how much better they can get on that unless they work 24 hours a day, which, of course, we don't want them to do.

So that's it for the performance metrics and statistics, and I'd be happy to take some questions right now if anybody has any.

CHAIRMAN TEPPER: Do we have questions at this point? And I would like to let everyone know, I think it's exceptionally helpful for us to have the target ranges right out in front of us. We can see where there are variances. And I have for a while now tried to find a variance or a question that Commissioner Cohn did not already have an answer to. I issued a challenge to the Advisory Committee members yesterday to help me that. I was going to give out a prize for the first person who can come up with a question. So, I would like to lay it out, is there one?

MS. COHN: Can I get a prize, too?

CHAIRMAN TEPPER: You guys do deserve

a prize, and this is probably as good a point as any to point out that one of the things that makes our jobs easy -- and it is a reflection of the work of many, many folks and I know some of you are listening in today -- but it's a wonderful thing that we do have all of our examining attorneys. Some of you I get to speak with on the phone and I appreciate the help we get. Lots of our instrument examiners, lots of folks that work together to kind of keep us on top here.

I do want to pause just to thank everyone. The statistics you see, the consistent, excellent performance, do not come about by accident. It takes a lot of folks working very hard, and we're grateful for that. And it's nice to be able to look over and see good news. And I hope that that's a close enough prize for you, Deb. Oh, Bill's got a question.

MR. BARBER: You know, these numbers are wonderful and I realize this is nitpicking at best. I was just curious on the post-registration numbers, those are exceeding the target; like for the affidavits 15 days for the target and 24 days is the current pendency.

So I was just wondering what the issue is there and are those numbers trending up or down and what's being done to bring those numbers to target?

MS. COHN: Well, those numbers are actually reflecting some extra training that's been going on in the Post-registration Unit. We're focusing on quality issues and training issues, so we expected to have a little bit of a slide, such as you see, and by the end of the year we're hoping to get that back to where it should be. It takes a little time, but we felt that it was worthwhile to have a little bit of time slippage to make sure that we do everything we can to keep quality at the highest level.

CHAIRMAN TEPPER: Thank you, and Bill, that was an excellent try. I'm afraid I can't give you a prize because there was an answer to your question, but let's do keep focusing on this.

MS. COHN: Well, thank you, Maury. And I just wanted to mention in context with your comment about the hardworking employees that we have that the Trademark organization has very recently, in fact last week, received an award

from the Bar Association of the District of Columbia on our quality of work life. And so we were one of two legal employers in the D.C. area to receive this award reflecting the efforts that we've made over the years to create an excellent quality of work life for our employees. And I think the tie-in is reflected in the work that the employees do for the public and for our stakeholders.

So, let me move on. And the next item is the fee reduction proposal. And this is the first meeting we've had since the Notice of Proposed Rulemaking went out proposing to reduce fees for many new trademark applications, and I'm going to give you a rundown. You can take a look at the Notice of Proposed Rulemaking and actually you can still comment on it because comments are due by Monday, June 23. So you can spend your weekend doing something fun, commenting on our fee reduction proposal.

Here's basically how it shakes out: The paper filing fee will stay the same at \$375. The regular TEAS application fee, regular electronic filing, will stay at \$325 per class

unless the applicant authorizes electronic communication. And remember a few minutes ago I said we're working hard to increase our electronic processing and the reason I think is obvious, it's cheaper, it's faster, and it's less prone to error. It's just a much better way to process applications in the office, and I think it's better for the public and for applicants. And so the TEAS fee will, again, stay the same at \$325 unless the applicant authorizes electronic communication, in which case you get a discount to \$275. So a \$50 discount -- this is new -- if you authorize electronic communication in the new -- and that's a new fee -- in the TEAS form. Everything else about the TEAS form stays the same as it is today; it's just the authorizing electronic communication. Now, some people already do, so lucky for you that you won't have to change anything and you'll get a \$50 discount per class. And that is going to be called TEAS reduced fee or TEAS RF.

The next fee that we're lowering is our TEAS Plus fee, which is our favorite form of application filing. It gives us everything we

need. We are able to examine the substance with very little procedural requirements because the applicant has provided just about all of the information and authorized electronic communication. So we are lowering the TEAS Plus fee to \$225 per class. So there will be a bigger difference between TEAS Plus, the best way to file, at \$225 per class, and paper, the worst way to file, at \$375 per class. In addition we are lowering the renewal fees from \$400 per class to \$300 per class with electronic filing and communication.

So that's in a nutshell where we're going on this. The final rule will be put out probably sometime in October. We are going to look closely at our comments. Thus far we've gotten only positive comments, but certainly we will be receptive to any comments we receive on this issue. If all goes well and the IT changes are made, we expect to put this into play in January of 2015. So that's where we are on the Notice of Proposed Rulemaking for fees. Does anybody have any questions on this?

CHAIRMAN TEPPER: I do just want to

underscore Debbie's comment. You have until Monday to submit comments, so please do take part in the process. If fees were going up, we would have to hear from you and hold a hearing and take your comments, but I'm really, really glad you can just send those into the PTO for this Notice of Proposed Rulemaking and do take that opportunity. If you don't want to pay less, we want to hear from you. But in all seriousness, there have been a couple of requests for clarifications, and I think it's always helpful for the PTO to get your feedback. I know this isn't a surprise to many people. You heard about this at our last meeting. They've done a great job of putting out the word, and I certainly don't have a problem with paying a little bit less for trademark applications. I think the thinking and reasoning are in there, but absolutely take part in the process and make sure that you get your views on record. I think we'll continue.

MS. COHN: Great, thank you. So the next item is the TMEP update and many of you already know about this because you've looked at the TMEP that was issued in April. It contains

some updates, not a lot of changes, but it's worthwhile to mention that we have a section on trade dress that is a lot more comprehensive so you can take a look at that. It's Section 1202.02(b) and includes three-dimensional marks and the filing requirements and drawing requirements and so forth on that.

We also have information or we have sections on GTLD marks on use of the mark, use of a GTLD as a mark for domain name registry services. This is incorporating our recently issued examination guide on the topic, which was issued after receiving public comment. We had posted it on our collaboration tool, which is IdeaScale, received public comment, finalized the guide, issued it, and now it's incorporated into the TMEP.

We also have sections on descriptions of marks, disclaimers, partial abandonment, and a few more items, so I encourage you to take a look at the TMEP and the highlights are posted as well.

We have also posted a new draft examination guide on specimens for service marks, and this focuses on technology services. We are

right at the beginning of the comment period; it ends on July 16, so please take a look. We really would love to get your comments. This is your opportunity to provide input on policy issues, and we consider that input when we make the examination guides final. So take advantage of that, please.

The next item is our Trademark Next Generation. We talk about this at each meeting and our OCIO does a more comprehensive presentation later on so you can look forward to that, but just basically letting you know we're working on new and better software products to benefit both our internal users and our external users. There are a number of things in the works for both and you'll hear about them in a little while. We were wanting to stabilize and virtualize everything. I think we have already done that. We've separated our servers from the rest of the agency, which will increase reliability and give us a more stable environment.

I want to give you a couple of pieces of information that may be new to you. In April

we actually increased the timeout period for using the trademark electronic search system, which is TESS. It was 15 minutes. It was increased to 20 minutes. So we have to balance the ability to give you as long a timeout period as possible with the danger of having too many users trying to access and not having availability of TESS. So we work on that balance. We're constantly looking to see how much we can increase it. We were able to increase it to 20 minutes, and we're looking at the issue further to try to make some improvements on that in the future.

We also have plans to improve our ID manual and to make some updates, some further updates, in TEAS. Notably we have a notification textbox that we're working on, which I think is a very interesting and innovative development. The forms will be enhanced to include a notification box on the first page for the purpose of providing TEAS updates, announcements, and systems outage information when there's something to report. So we're very excited about that and looking forward to it.

We're also expanding our ability to upload sound and multimedia files. We can currently do that; it's a little clunky to do that, and we're trying to make that process much more efficient and easy.

We've got a few more things in the works. We're changing our owner email address form to allow for updating or removing owner email addresses, so that will be something that will be a big improvement I think for users.

And finally we're working on post-registration filing reminders, which is something brand new for us and something that people have asked for over the years. We're working on having the Section 8 and Section 71 reminders go out on the first day of the fifth year so that registrants and attorneys of record will get those reminders and be able to more fully comply, or not forget to comply, with those deadlines. Now, these will be courtesy reminders only. There will not be any legal obligation attached with them on the part of the USPTO and that will be made clear, but we think it will be very helpful nonetheless to have some

reminders go out to folks and especially pro se applicants. So you'll hear more as I said from Raj Dolas and I think John Owens later on about our work on Trademark Next Generation.

So let me move on to the specimen pilot, which is the next item. As many of you probably know, we have been over the past two years conducting a pilot to allow additional specimens to be requested for 500 -- a very small group -- of randomly selected cases at the post-registration stage at Section 8 and Section 71 filing. Now, only 500 cases, which is a relatively small group, but if you were one of the lucky recipients of a letter, if you were part of that pilot, you'd know that we were asking for additional specimens. If you were unable to provide those specimens for particular goods, those goods would have to be deleted. So the reason for the pilot is to have some way to test and determine the accuracy of the register. We do have a use- space register as you all know, and even for foreign filings that are not registered based on use, there is a use requirement and that has to be fulfilled at the post- registration stage. So our pilot

consisted of cases that went across all registration bases. We're nearing the end of the two-year period. Most of the results are in and we have found -- and you'll be able to see a report on this when we issue it in the next few months -- but we have found that a surprising number of registrants were not using the mark for the goods that they were questioned about. And, again, these were not necessarily the goods that they had initially submitted their Section 8 affidavit for, but then they were questioned later as was the procedure under the pilot.

So we are going to consider what measures, if any, we and the public and stakeholders want to take to address this issue. We will be holding roundtables to discuss the topic and getting comments. We are not going to move forward with any changes in procedures without having a full discussion on the issues, but I wanted to let you know that these are the unofficial results of the pilot. We do see that a large percentage of registrants are deleting goods and services because they are unable to provide specimens of use for them. So stay tuned

on that -- and by the way, if you have not gotten a letter as part of the pilot, you can breathe easy because that part of it is over. All 500 letters have been issued and now we're working on just getting the last few responses in. So that's the specimen pilot.

Next item is changes to identifications due to technology evolution. This refers to the changes, as the topic says, changes in technology evolution. So, for example, you have a registration that issued years ago for eight-track tapes and now your client or you are still using the mark, but you've now starting using it on CDs or DVDs or downloadable music or something because you know that there's not a big market for eight-track tapes, so no reason to produce them anymore. And the question is whether the office will allow a change after registration to your identifications of goods or services in order to reflect that change in technology evolution and the change in the marketplace.

We issued a request for comments on this topic. The comment period ended last December.

We got quite a number of comments on it from all of our major user groups and from other individuals and attorneys. Most of the comments were in favor of making some changes to our practice. We then had a roundtable where we discussed the issue with representatives from stakeholder groups. That roundtable was in April. Again, the discussion made it clear that stakeholders were interested in having some kind of a change to accommodate those changes in technology.

Now, we are going to take those comments and come up with a proposal that will likely make small changes, but not drastic changes because we have to balance those interests in making the changes against the public notice provision of your registration and what the public can expect from looking at your identifications of goods and services. And so the USPTO will come up with a draft proposal to be further discussed with stakeholders and get further comments on as we move forward. And I can tell you that we expect any changes to be on the very conservative side because it's important to not go overboard and

create a situation that goes against the public notice and the ability of the public to rely on the register when doing searches and looking for and trying to clear marks, et cetera. So stay tuned for that. Any questions?

CHAIRMAN TEPPER: Thank you. Do we have any questions at this point? Yes, Kathryn?

MS. PARK: Debbie, I wanted to follow up on two things that you've talked about, one on the fee reduction proposal. And I'm sorry I didn't ask the question at the time that you were talking about it, but I was checking with my office because GE's goal is to file 100 percent TEAS Plus, but we are only able to do that in 65 to 70 percent of the time because when we propose language to be included in the ID manual, it's rejected by the office. And so I'm not sure what, if any, steps can be taken to address it. We're not the only users of these goods, but we do try to be very specific so that we're accurately describing the goods. And obviously we would like to be able to take advantage of the increased fee reduction, so this is a sort of ongoing frustration for us.

MS. COHN: Right, I understand that. And, of course, one of the things you can do is submit your suggested ID to --

MS. PARK: We did.

MS. COHN: -- to TMIDSuggest and it should be acted on relatively quickly and then you can use it, if approved.

MS. PARK: We do that, we do that.

MS. COHN: Okay. And actually, Kathryn, you're highlighting the reason for the change for the new TEAS reduced fee. It is to allow in situations like the one you described to get a discount for electronic communication, but not require use of the TEAS Plus form in order to get that. So you still have the freedom to use any identification of goods to craft your own identification of goods, using the TEAS form, not the TEAS Plus, and get an additional discount for filing electronically and committing to electronic communication. And we do realize that that situation exists with respect to identifications of goods and because of the nature of our forms, we're unable to change the TEAS Plus form to accommodate that any further.

So that's the reason.

MS. PARK: Well, no, that will help. And I remember a while back there was some outreach on having user groups in very specific industries give input and I don't know what the outcome of those meetings were, but maybe you could speak to that?

MS. COHN: Yeah, we are actually still involved in that and we're working with I think two or three user groups, including INTA and ABA and I think IPO. We're getting input on what we consider the more difficult areas of computer technology, financial services, and one or two other areas. We're hoping to get that industry expertise to help us craft better IDs to put in the manual and that is ongoing right now. The person in charge of our ID class office is actively working with those groups, so we're hoping to get some benefit from that.

MS. PARK: Thank you, and I had another not so much a question, but a comment. I know that with the specimen pilot, one of the things you went out for public comment on at some point was changing the time period for the Section 8

affidavit to three years. And I'm very encouraged to think that with the TMNG update where there would now be a post-registration filing reminder that perhaps some of the objection to changing the Section 8 potentially to three years might be less because it would prompt people in a way that previously hasn't been. So as people acclimate to a change, that's something I would just to the extent that there's further discussion about this would be something to point out. So I thought that was a nice linkage, so thank you.

MS. COHN: Thank you, Kathryn. I do want to say that when we have further discussions on this issue, that will certainly be put back on the table, so thank you.

CHAIRMAN TEPPER: Thank you, and are there other questions at this point? We do have one additional email question we've received, which also relates to the post- registration filing reminders. So I want to thank whoever sent this one in. It's been a couple of meetings since we've received any questions from those of you watching online, and I was considering

offering a prize to getting close to that point. So I want to thank our cyber listeners for participating as well. So the question is "Will the post-registration reminders be coming by postal mail?"

MS. COHN: They will not. They will only come to those who have email addresses in the record, so no postal mail.

Great, and just real quickly and I apologize. I was not as time efficient as I hoped to be, but just to touch on the last topic, which is outreach and upcoming events. We continue to focus on educational outreach to the public in our program that we started in 2012 and that has been going very well. We've been hitting a number of different areas to focus on, groups other than trademark practitioners -- the public in general, students, entrepreneurs, small businesses -- to get them familiar with the need to file a trademark application when you have a product or a service and to help them in figuring out what the best way is to select a mark.

Just to give you an example of some of the more recent programs we've had, we did one

recently at Purdue University at their Office of Technology for people who are basically patent focused, who needed to learn and found it useful to learn that if they wanted to commercialize their patents, then they would need to know how to get a trademark registration and all of the other considerations that go along with that.

We also recently did a program at University of Virginia's Darden School of Business for the summer incubator series. This was a very exciting program because they were students, but they were actual business owners. So this was a very real educational experience for them, not just an academic experience. They learned how important the role of trademarks is in the future success of their business, and it was a very worthwhile program.

And finally this next week our manager for educational outreach, Craig Morris, will be going to the Denver opening that Dana Colarulli mentioned. There's a program in connection with the opening of the Denver satellite office and Craig will be presenting an educational program there. He will be focusing over the next year on

our satellite office areas and we're hoping to utilize those facilities. Even though we won't have a physical presence with trademark examining attorneys or judges there, we will be having our resources available and to the extent that we're at some point able to use hearing rooms when the PTAB has that available, the TTAB will do that as well. We will try to host programs and do outreach both for the public and for stakeholders.

So I will conclude with a mention of our Trademark Expo coming up in October of this year, October 17 and 18. It promises to be the wonderful event that it was last time we had it, which was 2012. We had 17,000 plus visitors. We're hoping to exceed that number this time around. We're in progress. We've gotten quite a few exhibitors already signed up. So just put that date on your calendars and when Maury talks about the next PPAC meeting, I think you'll find there's a little bit of linkage there. So let me end now, again with apologies for running overtime.

CHAIRMAN TEPPER: Thank you, Debbie.

I think you were actually exactly on time. I'm the one that put us in the mole hole and started late, so we're remaining there.

But Debbie is right. We are planning on having at least 17,009 visitors to Trademark Expo this fall because of the nine members of this committee. We'll be holding our meeting the day before the Trademark Expo, so we'll be switching from our usual Friday meeting to a Thursday so that we can all be present. And we encourage those of you coming up to consider being here and participating in Expo. If you have not been before, it is a great chance to see.

I also cannot resist the temptation as we were talking about public outreach and its importance. The office does a wonderful job of that. I think most of the updates that you heard, you're all aware of these issues. You've been asked to participate and provide feedback. But in terms of making people aware of the value of trademarks, particularly on a day where our news cycle has been listening to the cable news talk about a trademark decision coming from the Patent office. And I think Dana was right. By and

large the office did a wonderful job of putting the information out. They got the law pretty much right considering its news coverage, but we do need to remind them that the word trademark appears in the office. I saw a commercial, however, on the news this morning for an invention assistance company and the spokesperson was George Foreman. And I at least want to claim credit that it's obvious about the value of a brand and they needed a very well recognized brand to remind people to come in and talk about getting patents. So perhaps we can take some credit in at least that area.

Do we have any final questions for Debbie before we move forward? All right, my thanks then. And we're going to turn -- the good news is you all will get a break shortly, but we have one more important session beforehand. We're going to get a bit of a policy update and I would like to welcome -- I believe this is her first time presenting to our committee -- Cynthia Henderson who's an attorney advisor in the office of Policy and International Affairs, who's going to provide us an update today. So thank you very

much.

MS. HENDERSON: Thank you for having me. I am just going to speak today on one topic and that's bad faith filings, which is a topic that we've been working on over the past several years in our office and it's a hot topic internationally.

The topic of bad faith filing, or trademark squatting as it's sometimes come to be known, is about a party preemptively filing for another party's trademark in order to trade off the good will of that party. It often happens in first-to-file countries because it's easier to obtain registrations.

Over the past couple of years we've been contacted by companies who have had this problem. They have faced this problem going into new markets where they've been beat out by another filer, and so they have to then turnaround and incur significant legal fees trying to recover their marks. This is detrimental to them because then they have to in the future look ahead and preemptively file or they have to incur significant costs at the other end trying to

recapture their trademarks.

This practice is also harmful to these countries that have this issue because new businesses, businesses that would want to enter the market, are unsure of this tolerance for unfair business practices. It can inhibit job creation and economic growth.

So to address this situation, we've been working with our TM5 partners -- that is Japan, Europe, Korea, China, and the U.S. -- to exchange best practices and raise awareness of this issue. Before we were even the TM5, Trademark Trilateral - Europe, Japan, and the U.S., we worked with China to offer two programs in 2010 and 2011, and we held those programs in Beijing. We had a very good turnout and we worked primarily government to government, but we had the China Trademark Office in the audience, the Appeals Board, the TRAB, and court members in the audience. It was a very good dialogue.

In 2013 Japan hosted a program in Tokyo where we had a very good turnout. This was primarily focused on practitioners and we had about 500 in the audience. It was very well

received and it showed interest in this topic.

In 2014 we had another program in Hong Kong during the INTA program, the annual meeting, and again it was a good turnout. Since then we are continuing to exchange information in this area and we also are doing it now on paper. Japan is spearheading an effort to have us exchange what we do in that area.

Just to get into a little bit of the substance, we've seen various types of bad faith filings. What we see is some of the filings include registering with no intent to use it, just to sell it. You've probably seen that. Registration with just token use so that they can survive a challenge based on lack of use and then turning around and selling it at a high price. We've also seen registering with the intent to use the mark and actually trade off the good will, so actually use it in that jurisdiction. So there's various ways of doing it and there's always very creative ways of filing in bad faith.

What we've noticed in terms of challenging these is there have been very high burdens -- in some countries there are very high

burdens of proof in establishing bad faith. We've also seen that it's easy to file in first-to-file countries; that they don't have to have any intent to use in some jurisdictions, and to maintain it they have to only show token use. So again it's difficult to challenge them.

Procedurally at the other end when they're trying to challenge these companies that have these registrations, we have seen procedural issues like lack of default judgments. So even though you file an opposition, it can languish for years. Or the inability to consolidate proceedings so they have to proceed individually with as many as 100 oppositions going at once, rapidly incurring costs.

So our bad faith programs have allowed us to exchange best practices with these countries. It's also heightened awareness in terms of this issue so these countries have become aware of the problems. We've been approached by other countries about our efforts and to provide technical assistance in this area. So that's been reassuring that it's catching on and that people are interested and these countries are

interested in addressing these problems.

As for some of the tools that we've highlighted in terms of our own practices and sharing best practices, we've highlighted our statutory duty of good faith, which provides penalties for fraudulent statements in an application. We have highlighted the fact that we have a requirement of a bona fide intent to use the mark in commerce, which if challenged must be supported by evidence such as business plans or preparations to use the mark in the U.S. We've also highlighted the flexibility in our system in the sense that we have a multifactor test of likelihood of confusion and with bad faith being one of the prongs, one of the factors we consider. And, of course, an intent to cause confusion is considered highly likely to have had that effect and is weighed heavily in the likelihood-of-confusion analysis. What we've noticed is that in some countries to prevail on a bad faith claim it's necessary to establish use and a high level of reputation in that country, which is often a very high burden. So we've advocated in that case using a sliding scale for

establishing that burden of proof, so the greater the evidence of bad faith intent, the less evidence of use and reputation. So that's one thing; we're basically advocating for greater flexibility in establishing the burden of proof, in meeting the burden of proof.

We've seen some positive developments in this area. For example, we've seen with respect to China, that's one country, we've seen recent amendments to their trademark law where they've provided for greater flexibility in determining bad faith and establishing prior knowledge based on the circumstances. So we look forward to seeing how that plays out. This has just gone into effect May 1, 2014. China's also increased its maximum statutory damages six- fold. So it's gone up to 3 million RMB; that's about \$500,000. They've increased administrative fines, and they've also increased requirements and penalties for trademark agents. So those are some positive developments we've seen. And we've seen some good results in cases recently, so we are continuing to follow that progress. But that's just an example of where

we've seen progress.

To wrap it up, even though we have seen this issue, we've seen a lot of political will in many countries to fight this problem. And we've seen that some of these jurisdictions are giving the tools to the IP offices and to the courts to address these issues. Of course, the best method is prevention, so it's better to get out there and to file in these countries ahead of time so you don't have to use these tools to address this issue. But certainly it's a step in the right direction and we will continue to work on this issue in the future. Thanks.

CHAIRMAN TEPPER: Thank you very much, Cynthia. I already see one question, so I'll go right ahead and turn to Dee Ann.

MS. WELDON-WILSON: Well, I applaud you for your efforts in this area. Is there anything that industry can do to help furnish information or otherwise that would be helpful to the office or to the TM5 in general, not just to the USPTO?

MS. HENDERSON: Yes, thank you for that question. One thing we do is we welcome comments

by companies, to participate in these forums for one, that's good, to show interest in this area. But also if you do have issues and you come forward to us, that's helpful because what we do is typically we're able to come up with systemic solutions or solutions to systemic problems. So the more we're aware of the issues, we can work to address them. So that's always helpful. So if you're aware of certain issues and you approach us, that would be very helpful. Yes, and just showing an interest in this area because the more -- I know some people don't speak up, but it definitely helps the more volume in terms of the interest in the area.

CHAIRMAN TEPPER: Thank you. Do we have other questions? Yes, Kathryn?

MS. PARK: Thank you. It's a very interesting presentation on a really tough issue. When you talked about the requirement in most jurisdictions to prove use and registration of the mark and then you said there's a sliding scale, are there countries that are considering -- because one of the big problems is when you get sort of ambushed like this, you often

don't have use and registration at all in the country because it's a new mark, it's a new filing, you haven't gone out and expanded it. Is the sliding scale such that if the evidence of bad faith is sufficient you would not have to establish use and registration? Has that been -- is that where this might be headed?

MS. HENDERSON: That's a very good and a tough question. So the requirements are showing bad faith and showing use and prior registration in certain countries. So if the burden is too high, if they see obvious evidence of bad faith, we are encouraging requiring less evidence of reputation and use, so a balancing act. And we have seen that in certain cases the courts are focusing on reducing the amount of information or the amount of evidence required. Does that answer your question?

MS. PARK: It's probably the best answer you can give me, so yes. Thank you.

MR. BARBER: Hi, Cindy. That's a very good presentation and I'm glad there are these kinds of efforts to influence other countries' laws. I've had some concern about the U.S. law,

whether our statute is sufficient to address these sorts of bad faith filings in the U.S., the well-known marks protection that the WIPO, the joint recommendation, the U.S. was a big supporter of that and various organizations like AIPLA. But then you get decisions like the ITC v. Punchgini case that says the Lanham Act doesn't protect marks unless there's use in the U.S. Section 2(d) of the Lanham Act itself requires use or registration in the U.S. to oppose.

So I guess maybe the question is has your group considered whether there are any changes to the U.S. law that are needed to address this issue? And one other thing I'd mention is the recent TTAB decision in the FLANAX case I think is helpful in this regard for truly bad faith filings, so there may be some ability to address these through -- I can't remember what section in the Lanham Act it was -- Section 2(a), I think. Is there any discussion or pushback about changes that may need to be made to the U.S. law to address this issue?

MS. HENDERSON: Well, we are certainly always looking into this issue and considering

it, but I'm probably not the best person to address that right now. But certainly we are constantly following this issue and we're constantly looking into the possibility.

CHAIRMAN TEPPER: Thank you, Cynthia. That's a very important presentation. I have to say, I don't think I could answer Bill's question either. It's a good one. I have seen and participated from time to time in the discussion as to whether the Lanham Act needs updating or amending to comply. At the moment I'm not aware of any pushes, but obviously these issues will continue to arise.

MR. BARBER: Do I get a prize for asking a question that you couldn't answer?

CHAIRMAN TEPPER: It wasn't to Debbie. I'll consider this at break. This is the start -- well, we're being updated on what is obviously an ongoing dialogue, and we understand and appreciate every country is going to approach things a little bit differently. These changes aren't going to take place overnight, but we appreciate knowing your efforts, and I thank you for your time today.

That being said, I think we are at everyone's favorite part of the day. We're going to take a brief break. We are behind. I'm going to try to reconvene us just 10 minutes behind our original schedule, so we'll plan to start back up at 10:45. So please plan to be back here ready for our TTAB update at 10:45.

(Recess)

CHAIRMAN TEPPER: All right, I'd like to ask all members of the committee if you could please rejoin us. I do want to keep us not too far behind schedule, so we are going to start the meeting back up momentarily. All right, thank you all. We're going to reconvene our meeting. We are about 10 minutes behind our published agenda for anyone keeping track. We'll do our best to move forward and to keep up.

And I would like to turn to what is a very timely topic this week. We have an update from the TTAB. We're glad to be joined today by Chief Judge Gerry Rogers with actually lots and lots of grounds and updates to cover. So I'm sure that recent news events will also work their way into Gerry's comments, but thank you, Gerry, for being here.

CHIEF JUDGE ROGERS: Thank you, Maury, I actually have no particular plans to discuss a case that is subject to possible appeal and judicial review in the courts. But to that extent, we obviously issued a decision that was of some notoriety and importance this week. I remind everybody it's not the only important work that the Board does. I think a lot of the parties to our various and sundry other cases pending before us think their marks and their cases are just as important, and we certainly take all of them very seriously. It's been said by one practitioner in the past to one of our judges that he always requested an oral argument because if he didn't come to the Board and present an oral argument, the Board might not take his case seriously. And we want to assure the public that we take all cases before us seriously, regardless of the nature of the mark, the nature of the claim, the level of public interest, or whether you make an oral argument or not.

CHAIRMAN TEPPER: Thank you, Gerry. Those are very appropriate words and I did want to stop and one thing I was asked to remind folks

of that I failed to do. Since you have an excellent and a very pleasing radio voice, I want to make sure that it is picked up for everyone, especially those who are putting together our transcript today. Speakers and I know our committee members, too, are not usually used to being on microphone. I've just been asked to remind everyone when you're speaking if you could make sure to move the mic close enough to you so that it can be picked up. That will help our listeners online and it will also help those who are preparing the transcript today to make sure that they capture everything. Thank you.

CHIEF JUDGE ROGERS: Okay. I thought it was close enough, but this is better -- closer is better.

So let's get to some of the more mundane perhaps aspects of running the Board, but nonetheless important to trying to keep us working efficiently on all the cases that are before us.

On this slide you see the first category of information is first our staffing, judges and interlocutory attorneys. And, of course, we got

into that a little bit earlier during the budget presentation, and I think I'll just take that as an opportunity to speak a little bit more broadly about hiring and staffing at the Board. You can see in the number of judges at the Board we ended last year with 22. We then lost one and dropped down to 21 to a retirement and then eventually to 20. So of those two positions, those two judge positions, we've repurposed one for a deputy chief judge position. To bring everyone up to date, we weren't really able to talk about that at the last TPAC meeting because that position was just at that time being created. And until it was actually formally created, we weren't able to talk about it. Since that meeting that position was formally approved, created a vacancy announcement and put it out. And we've actually got a tentative offer out to what we hope will be our next and first deputy chief judge at the Board. When we say tentative, it's not because we're not sure who we want, but because this is an SES position it has to go through -- the selected candidate has to go through clearance with the Office of Personnel Management. That's

true of any SES position in the government. So that's the status that we're in now, where we're going through that process. And we hope that we'll have somebody onboard and in that position by August. So that's what we're looking forward to doing.

We've also brought on just this week a new administrative officer, someone who's known well to many people in the office, that's Karen Smith who's worked with Debbie Cohn before and Sharon Marsh and Cynthia Lynch in the Petitions office and has got many contacts throughout the agency and comes to us very highly recommended. So we're very happy to have Karen onboard as our new administrative officer. And one of the first orders of business that Karen and I set to work on this week was getting another vacancy announcement out for the remaining judge position that had been vacated this year, so we will be looking to fill that as quickly as possible. And as we discussed earlier, we also have four positions in the budget for next year. So as we will see in a moment because of some increase in filing levels, we'll be well positioned to bring

additional attorneys or judges onboard next year if we need them to keep up with workloads. And so we'll just kind of continue to monitor filings in that regard.

Those are not the only hirings, though. We also hired three new paralegals in the last few months and brought them on, very good candidates. We had a great candidate pool to choose from, brought on some paralegals because we'd experienced a little bit of backlog in the processing of uncontested motions and consented filings. They've all been brought onboard and been given their initial training, so we hope they'll be paying dividends pretty soon.

The last I guess staffing announcement is that we also are seeking a junior or a second IT person to work with Julia Lee who handles our electronic filing systems, our electronic case files, works with Cheryl Butler, our senior attorney. So we will have two IT people on our staff. This is going to be important for us as we move forward and become more involved in TMNG developments and also try and get our manual out onto the Web and the RDMS system that you are

already very familiar with because of the TMEP. I'll get to that a little bit more later on. So that's staffing.

Filing levels is the second row on this slide and you can see kind of across the board we've seen increases in filings year to date this year over FY13, particularly noteworthy you can see notices of opposition and petitions for cancellation are up. Appeals were running just about even for a while, but then we had a banner month in April for some reason with over 300 new appeals coming in, the first time in a couple of years we'd had more than 300 appeals come in in a month. So now everything's pretty much running ahead of last year, and we expect that to continue given the recent increases in application filings in trademarks.

The next category of information is an area where everything has generally been going down and that's a good thing when pendency numbers go down. We've got appeals and trial cases and ACR trial cases so the overall pendency, the commencement to completion pendency on appeals, is down for cases that we've processed this year

and decided on the merits. Same for trial cases, a significant 17 percent drop in trial case processing. ACR cases are up just a little bit, the pendency there, but I think the more noteworthy fact in regard to ACR cases is that in FY12 and FY13 we had nine cases each of those two years submitted for disposition on the merits after the parties pursued some form of accelerated case resolution. And, of course, that's a very free form process where we will work with parties to help them adopt any set of efficiencies that will get them through discovery and trial faster than through traditional discovery and trial. So there's no one form of ACR, but again, FY12, FY13, nine cases submitted for disposition on the merits following some form of ACR. In FY14 alone we've already had 12 submitted for the year and we expect quite a few more. So this will really be a banner year with perhaps maybe a 50 percent increase or more in the submission of cases on ACR. So that's a positive benefit.

I think the reason the overall processing time for some of these ACR cases went

up a little bit is probably because we still see some parties not agree to ACR early in the process, but later in the process after they've tried to obtain a grant of a motion for summary judgment, but were unsuccessful. And then they say well, we don't want to go through trial. We've already been through too much on this motion for summary judgment and then they agree to essentially transform the briefing of the motion for summary judgment and supplement it and then make it into an ACR case. And that's fine; it's still better than a traditional trial approach. It's just the explanation I have for why some of the numbers have gone up. And it may just also be that we have parties who are just coming to realize the benefits of it, some of them sooner and some of them later. So we'll continue to try and sell ACR to our stakeholders and our customers, and I think this year's returns show that we've been pretty successful at that.

Pendency to final decisions is the next measure on this slide and that's been a traditional performance measure for the Board for years. We're doing great there. We are well

below the target either 13 percent to 27 percent below the target ranges, depending on whether you're looking at the low end or the high end of the range, and 8.7 weeks on average to disposition of cases on the merits. Pendency on contested -- and that again is the time measured from when the cases are ready for decision until the final decision issues. Now, obviously given the issuance of the Blackhorse decision this week, you people know that many cases take longer than 8.7 weeks, such as that case. When you have a case with a very large record and complex issues, then they're going to take longer. But 8.7 weeks is the average and certainly the more typical case.

Contested motions, our next measure, something that we've focused on a lot over the last couple of years, we're reducing a backlog in inventory there. We're within target on the processing of contested motions, again, from the time those motions are ready for decision. And so the average time target is between 8 and 9 weeks and we're right there, so that's good.

The second measure in this column or row

is the age of the oldest contested motion ready for decision at the end of the reporting period. We have that there pretty much as a reach goal. We know that we would like no motion ever to be older than 12 weeks, but we also recognize that we are going to occasionally have motions, summary judgment motions, for example, which can have very large records and can sometimes take a little bit longer to work through given the size of the records and the work that the attorneys have to do with the panel of judges. But we think it's worth it to report to all of you and to stakeholders what the age is of the oldest pending motion, even if it's just one motion or one case that has such a motion because I think it evidences our commitment to try and at some point have that be zero. And even if in the short term it's not, it's still useful to know. I did want as a counterpoint to the fact that the oldest motion is 19.7 weeks at the end of May, to point out that the average age for motions that are pending and waiting to be decided was only 5.66 weeks. So, again, that 19.7 is kind of the outlier there.

The next slide talks about production of decisions and there you can see our decisions on the merits are down this year by 30 percent. That doesn't mean the judges aren't working hard; it is a reflection of the fact that the last two years were very high production years for us as we worked off a backlog. And now we're at the point where we're more in a maintenance mode, so we're focused more on that average pendency figure that we talked about earlier and trying to keep our inventory at an appropriate level. And so the drop in production this year was expected and really just matches what we need to do to try and maintain our pendency and inventory levels.

Jumping down just for a second to the inventory, while we're talking about that, cases ready for decision, we jumped a little bit. Right now we're just a little bit above where we want to be. We have a target range for cases waiting disposition on the merits of 115 to 135 because of an unexpected jump in the number of appeals submitted for decision on the merits in April, which kind of took us by surprise. We jumped up a little bit above the high end, but I

expect that we'll be back within that range quickly because we can respond to those surely by the end of the fiscal year and we expect to be within the target range by the end of the fiscal year.

Going back up to the production row again, precedential decisions. We're right where we need to be, 29 through the end of May and the Blackhorse decision this week became the 30th precedent of the year. More are to come, so we expect to reach our target by the end of the year there. Contested motion production is up, which helps keep us with the average pendency of motions left to be decided down. Uncontested motions that have been processed again showing increases just because of the filing levels there, but we're handling those well and with the new paralegals we expect to be able to continue to handle those motions.

Jumping down to the second inventory row, we have contested motions ready for decision. We've already talked about the average age of those motions that are pending, being 5.66 weeks, and again that's within our

target range so we're where we need to be.

And that's it for the performance measures. I can talk a little bit about our manual and outreach and some other things, but if there's any questions about any of these measures, I'd be happy to take those questions now.

CHAIRMAN TEPPER: Thank you, Gerry. Do we have questions for Chief Judge Rogers? You are apparently comprehensive, encyclopedic, and very clear.

CHIEF JUDGE ROGERS: The next thing I wanted to make sure we covered was the Board's manual of procedure, the TBMP. You should expect to see the manual next week if all goes well, certainly by the end of the month. Cheryl Butler, our manual editor, and Julia Lee, our IT person, are working on the conversion of the revised manual. It will be up in PDF form, the same form that it's been put up on the Web in for the last few years. But we are also working feverishly on getting a conversion of the manual content into the RDMS system that's used to post the TMEP up on the Web and our goal for that is

to have that version, that more accessible, more searchable version of the manual, up by the close of the fiscal year. So, again, the PDF version will go up by the end of this month and then over the next couple of months we'll be getting the RDMS version up on the Web.

On that point, one of the things that I'd like to ask the committee and anyone who's listening to help us with is we have had for a while Chapter 1200 of our manual available for comment through the IdeaScale application and we've gotten very few comments. We are now going to change to some other chapter of the manual and solicit comments. So if there are ideas about what would be the best chapter to turn to next that might generate more comments, I'm happy to take any suggestions from the committee. Based on some discussions we've had with some other stakeholder groups, we've been thinking about posting Chapter 400, which focuses on discovery, always an area of a lot of activity. So we thought that might be the right candidate to post for IdeaScale comments next, but we're happy to take any suggestions. And we, of course, do have

an email address for the TBMP and if anybody wants to provide comments on what we should cover in IdeaScale as we move forward, then we're happy to take those suggestions.

CHAIRMAN TEPPER: Thank you, Gerry.

I'm going to interrupt just for a brief moment since you mentioned IdeaScale. This is an underutilized resource that is available to all of you on the PTO Website, and you will find the chance to comment on and provide your views on exam guides, the TMEP, the TBMP. There's lots in there that you have the option of helping to shape and helping to provide input to. And I think that I did not want to let the meeting pass without reminding folks, I don't think the PTO receives as many comments in general through IdeaScale as they would like to see. So I did just want to briefly pause, and I apologize for the interruption, Gerry, but I would like to encourage everyone to please do take a look on the Website. You'll check in the news and notice this section and you can see a number of postings at any given time where your input is desired in IdeaScale. And you can also see other people's

comments. You can respond to those. It's a really good way to help shape the discussion, but the office cannot do much with your input if you do not provide it, so thank you.

CHIEF JUDGE ROGERS: Thank you, Maury, for the second. We also have additional outreach and information that we'll be providing. We are just about finished with a revised and updated frequently-asked-questions that will be posted on the Board's Website. We have been working on new institution orders that we hope will provide more clarity and more succinct information at the same time for our cases, and we thank the committee for comments that were received. So those should be ready for deployment very soon.

We've also begun work in conjunction with trademarks on some avoiding-common-errors tip sheets that will be available. And we will be creating separate ones for appeals and for trial cases and hope to get them up on the Web in the near future, but we want to make sure they're comprehensive before we go up with those. And then also I think Trademarks is working on a trademark video that focuses on providing general

information on TTAB proceedings, very basic information. I think it also stresses that people before the Board should think about getting a lawyer, always a good thing, but we think that video will also be very helpful. And the only other thing I would mention in terms of outreach is that we will probably have a roundtable in the fall sometime. I can't recall the date off the top of my head, but I know we have reserved the auditorium downstairs for a possible roundtable, which will likely this year focus on -- we've had one annually for the last few years, but this year I expect we'll be focusing on proposals to leverage some of the efficiencies that we've seen driving ACR cases into our rules so that they'll be available more widely to people participating in trial cases. So you can look forward to hearing from us about that in the future and inviting participation and discussion on that subject. And that should do it for today unless there are any other questions.

CHAIRMAN TEPPER: Thank you. Do we have any questions? All right. Please stay tuned for notices on the date and Gerry, we very

much appreciate the update. We know you're busy and thanks for the time being here with us today.

I'm going to bring last, but not least -- certainly a good and appropriate way to describe this, another very busy group here at the office -- our Chief Information Officer, glad to be joined today by John Owens, the CIO at the PTO, and Raj Dolas, who is our -- you heard a little bit about Trademark Next Generation earlier in the morning and I think you were told you would get a more comprehensive update. Raj is here to deliver on that promise. He is our Trademark Next Generation portfolio manager. And if I mangled your title, Raj, I apologize and I hope that you'll correct me on that. So thank you, gentlemen.

MR. OWENS: Good morning and thank you. I don't have any comments at this time, though I will probably but in a little bit during the conversation. So I'm going to hand it right over to Raj. Good morning, everybody.

MR. DOLAS: Thanks, John. Thank you, Maury. Good morning, everyone. The portfolio, Trademark Next Generation portfolio, as you see

on the slides up there has three major programs and five really large projects. And really to get a better understanding of all the investments that we have in our Trademark Next Generation, this slide provides that detail. Our current is on internal examination capabilities from FY11 through 14. Trademark Next Generation external Portfolio focuses on developing systems for our external users from FY13 through 16. Trademark Next Generation 2, extending capability development for internal users that are not examiners, such as Petitions group, TTAB group, et cetera, '15 through '17 and -- I'm sorry, TTAB '16, but TMNG 2 is more for Petitions, IT, SOU, business units that are internal, supporting LIEs, for example.

So we're in, obviously in FY14 at this time. We're developing examiner capabilities, and the projects that we're doing are the following: One is TMNG internal examination phase, developing capabilities for first action approval for publication. That was our goal that we completed in April. About 85 percent of the capabilities were completed; 15 percent that are

remaining are mostly due to testing. We're continuing to do the testing, and there are some proofs of concept that we introduced during the first phase of that. We're on track to complete those proofs of concept. The one that you see up there is for examiners for searching. The one examiners use today is called X-Search and is an internal system. Since TMNG is a Web-based application, we want to make sure that the searches that the examiners do towards first action approval for pub have a seamless user interface for searching. The X-Search application is a desktop-based application today. It uses legacy technology and a backend database. We will continue to use the backend database, but we will modify and enhance the front-end and introduce a web-based front-end for users so their experience is seamless. They will have to leave the browser and go to another application for searching. All the widgets, all the gadgets that they need towards completing the examination or completing the first action for pub are available on the web-page itself.

The next thing we're doing is bringing

these application capabilities into a pre-production environment. We want to make sure that users have an opportunity to play with this application before it goes into production, before it goes live, and we capture their input, their feedback, on an iterative and ongoing basis so we can make enhancements to the application on an as-needed basis. We follow agile methodology for software development. Our plan is to release a product into a preproduction environment or a production environment in the future almost every three months or a shorter timeframe, if necessary.

Content management system is a key piece in our software framework. The content management system is responsible for maintaining all the content in one location. And when we define content, it's usually images, multimedia files, audio/video files that come with the mark, any documents that are generated from the applicant side as part of the submission process, documents that are generated internally such as office actions, we want them to reside in one location. We hit a little bit of a bump last year

with performance issues with the product we had selected. But we have worked out all the issues that we had with the production and we're full speed ahead at this time trying to catch up obviously because we lost some time. But as you can see up there, the capabilities to store and retrieve notice of publication, store and retrieve public notes, evidence, specimens, store and retrieve documents associated with search, all those capabilities have been completed and we'll continue to catch up for all the capabilities that examiners need as well as capabilities that we put in TMOG. The plan is to use the content management system for all TMNG components whether the systems are externally facing, such as TMOG, ID manual, TEAS-TEASi, or eventually e-file when we do that and for internal users, regardless of their business unit -- TTAB, Trademark -- they will be all using the same content management system.

Trademark reporting and DataMart is a project for reporting purposes. Today our reports are generated from the same system that is used for examination. The goal of this

project is to separate those capabilities, standup a DataMart, which has a backend database, bring data from different systems that we use today in legacy as well as in Next Generation, and provide a simple user interface for generating reports whether they may be canned or whether they are user driven. It doesn't matter. We want all the report generation capabilities to be independent of systems that we use for examination process.

We recently started doing brown bag sessions for Trademark users because we want the users to be comfortable with generating their own reports. The user interface for report generation is very simple. The data that is available is available in business terms, so business users should be able to generate their own reports. That's our goal. We want to get out of developing software for generating reports.

Data synchronization and migration is a very large project, a very critical project for us. I'll speak about it in two different ways. Data migration is a process to bring data from our

legacy systems into Next Generation systems. It sounds quite easy, but it's very, very difficult because the data is represented in a different way in our legacy system versus our Next Generation system. In addition to that, we have to ensure that the mapping is done correctly, ensure that data cleansing is done while we transfer data from legacy into Next Generation and all that work has been ongoing. We've been able to migrate about 80 percent of the records from legacy into Next Generation for examiner-related data items. There are lots of other datasets that support petitions, that support TTAB. We have not drilled into those areas yet, but examiners' requirements for the data, we have done about 80 percent of migration for those. That is without all validation at this point. We continue to add validation that is based on business rules. And as we add business rules validation, the data cleansing will become more and more important for us. But we'll work very collaboratively with Trademark to make sure that is taken care of.

Synchronizer on the other hand is a very critical component to ensure that both systems,

our legacy system and our Next Generation system, are in synch. Our goal is for a slow migration of users from the mainframe to Next Generation. What that means is as we feel comfortable, as the users feel comfortable with Next Generation, they will slowly start using TMNG and that means we have to maintain both systems. It's a very challenging task to maintain both systems and both systems have the same data, same status for every case that is being examined currently. The synchronizer's task is to make sure that if anybody takes an action on our legacy application, to take that action, translate it and synchronize the TMNG system to reflect that action. And the same holds true if you do something on TMNG, you have to do exactly the reverse and synchronize the legacy system for that.

We've been able to demonstrate three specific transactions. One is for assigning the case and two for approving a case for publication and principle and supplemental register. So we did a demonstration where we mimicked that an examiner was assigning a case to himself or

herself using the legacy system and that was synchronized on the TMNG so we could see the same case on that examiner's docket on the TMNG side and vice-versa. You take a case on TMNG, it shows up on the legacy application that the examiners use today. So it was more to prove that this thing works, the synchronizer works, and also to prove that we can continue to do this as we go forward.

Infrastructure services; I mentioned this last time. Our goal is to have an environment that is 24/7, 365. We're building the environment to support that. Today in our Data Center we standup redundant systems so if one area goes down, the other area can take over and continue execution. In the future in FY15 we want to build out a business continuity disaster recovery environment that's under a mountain somewhere. And if something happens to our Data Center, automatically it shifts over to that Data Center, which is hidden under a mountain and nobody knows about it and it just works as if nothing happened.

Architecture for what we call BCDR,

business continuity disaster recovery environment, is almost complete. But right now what we have done is we've added some more things to our technology stack from our legacy system because it's important for us to ensure that when TMNG starts getting used, some of the capabilities that are being used in TMNG are from our legacy side, such as form paragraphs come from FAST1, X-Search backend is used by X- Search as well as TMNG, and other components that we'll continue to integrate within TMNG before their retirement. Before I go into external portfolio, any questions on TMNG?

CHAIRMAN TEPPER: Thank you, Raj. Do we have questions at this point? I have one, and I will start with a caveat. I completely understand that we always encounter unexpected changes, and I don't want to pin anything down. But just as a general sense, it was very encouraging to see we're starting data migration. There will be the need for synchronization obviously as we're running two systems. Can you just give us a very, very general timeframe for kind of when these will be occurring? We're

moving the data in now. We've built the structure. The house is ready. We're starting to fill it. Will this be a multiyear process? Will this be something that we have an anticipated date where we'll have the necessary data? And also the sort of front-to-back complete amount of time where we'll be running two systems and the synchronization will be an important element. And, again, I know that all we can speak of is kind of what we plan for, so I don't want to get too specific on that, but just to get a general sense.

MR. DOLAS: Thank you, and I won't be too specific either. So the data migration process is ongoing, it's a multiyear process. We're building out the data schema for Trademark Next Generation as we take on different business units. Our current focus is examiner capabilities, so the database schema supports all data that is necessary for examiners. That will be our focus for the next several months. As we add more business units, the database schema will be expanded to support those business units and data migration will continue for that. Same thing holds true for synchronizer, so it's a

multiyear process.

MR. OWENS: Just to be clear, the legacy system and the new system, the TMNG system, and the synchronizer being the important key there that links the two together and keeps them in synch, will run concurrently for at least a year.

MS. HAMPTON: Raj, this is Deb Hampton. Can you hear me?

MR. DOLAS: Yes, I can.

MS. HAMPTON: Okay, I didn't want to just yell out. I did have a quick question about the reports that you mentioned earlier. My understanding from what you said is that the reports are going to make it significantly easier as the examiners are reviewing and examining applications, making it easier for them to do what they typically do, correct?

MR. DOLAS: The reports generally are not used by examiners. They're used by executives and managers. And our goal is to not use software development for these reports, but rather have business terminology available so you can run your own reports by stringing together

several search queries if you will. And the user interface for developing those search queries is very simple, usually point and click, and it focuses on business terms instead of technology-driven terms so it's easier to do so.

MS. COHN: Deb, this is Debbie Cohn, just wanted to supplement what Raj said by giving an example. So our budget office -- and you know Karen Strohecker -- consistently uses different types of reports and budget planning, whether it's the type of actions issued, numbers, and just all different information she has to gather routinely on a consistent basis. She will be one of the major users of this DataMart system.

MS. HAMPTON: Thank you, got it.

MR. DOLAS: So I'm moving on to the external portfolio. We have three major projects in here, well two major and one market study: ID manual, electronic Official Gazette, and e-Certificate market study. So ID manual is basically -- we do have an ID manual today, this is NG ID manual. We need to build several more capabilities than they exist in today's ID manual. We're working very closely with the ID

group in Trademark, making sure that all their requirements will be met by this project. Data validation is happening right now. We brought historical data into this database for the new ID manual and we're continuing with the data validation for that. We will run this project with agile methodology in the same manner we ran TMOG last year. We will have very rapid releases that will be available for internal users so they can validate that the development team is doing exactly what the ID team needs. And eventually we will open it up to selective external users so we can collect their feedback also.

In the few weeks that the team has been working, they were able to demonstrate simple and advanced searches, editing of records, retrieving records from the new database, and new word creation. So it's very exciting. It's progressing very rapidly, and it's on track. You all will get to see it whenever we open it up to you, and we'll determine that when that is appropriate -- Trademark will determine that when that's appropriate.

EOG, I've spoken so many times about it.

You all have seen the demo for this. In this Phase 2 we're modernizing the backend so the OG process is integrated with the TM eOG process. There are several capabilities that are being developed right now, such as employee sign-in, internal review capabilities, myList for the employees, resource tabs and all that stuff. We're continuing the delivery cycle that we started last year, which is every three months we are going to push a release into preproduction or production environment and complete the project early next fiscal year.

E-Certificate is a market study project right now. We're going to look at commercially available products so we can electronically certify trademark documents, including certificates. We just kicked off the project. It will probably be a three- to four-month study. Once we get a preferred solution in place, we'll do a quick proof of concept and we'll start the project sometime next fiscal year. So folks from outside can go to our website and say I want to electronically certify copies of specific documents or certificates and so on and so forth.

I think that's all I have. Any questions?

CHAIRMAN TEPPER: Thank you very much. Do we have questions for Raj? This is a quiet group today. In that case, thank you very much. This is obviously a comprehensive project. We've given them one of the tougher tasks there is, to fix multiple broken systems and to build a new one at the same time. So we appreciate the chance to keep up with you.

I'd like to pause at this point and thank all of our presenters today. And when I was listening to Raj talk about our new report generation capabilities that some of our managers will use, you all may just follow along with the slides and underestimate that. But you all have done an excellent job of making it easy for us to keep up, helping us to visualize where you are, where you want to be, pointing out for us any areas of discrepancy. So I think that one of the reasons we've had so few questions today is you all have answered them as you go along. And I do want to pause and thank everyone who's put those materials together for us. We appreciate that.

That being said I'd like to pause to see

if we have any questions from the public before we adjourn our meeting? Very good. In that case, it was mentioned earlier today, but my final announcement for you all is a reminder that we will next meet on Thursday -- not on a Friday, but on a Thursday -- October 16th. That will be a public meeting and it will be followed on Friday and Saturday by Trademark Expo 2014. We certainly hope to see many of you there.

Thank you all and -- I had a question from Kathryn.

MR. OWENS: We do have a few slides on the legacy improvements, but we have reached the end of our allotted time. I will defer to our leader.

CHAIRMAN TEPPER: That's okay. Well, gentlemen, if you would like to give us an update, I certainly -- I started the meeting 10 minutes behind so I am the example of trying to work to catch up. But I did not mean to cut anyone off, and please do proceed.

MR. OWENS: Do you want to handle these or do you want me to do them?

MR. DOLAS: No, I can do it.

MR. OWENS: We'll tag-team this again and Raj will start speaking.

CHAIRMAN TEPPER: Okay.

MR. DOLAS: Thank you for pointing that out.

CHAIRMAN TEPPER: John, I'm sorry, I focused on you when you came in and said you didn't have much to say today. I took it literally, but I did not mean to overlook your slides. So I apologize.

MR. OWENS: It's all good.

MR. DOLAS: So some of the important things that we're doing for the stabilization of our legacy applications or legacy AISs as we call them, TEAS-TEASi is really at the top of our list. Phase 1 that is ongoing right now, there are three things that we're doing immediately and several minor things. Textbox, so we're displaying important notices on the first page of each form, an expanded ability to upload multimedia audio sound files, ability to update and add or remove an owner's email address. We're working on all those capabilities right now and they are targeted for 2014 deployment.

Phase 2 will kick the second project off. It's meant to spill over into next year. There are several capabilities that we're looking at and the biggest one over there is one implement reduced fee option for TEAS-TEASi. That is going to be our primary goal for TEAS-TEASi in Phase 2. Even though we have two other bullets in there, our main focus is the reduced fee option for next year.

Legacy content management migration:  
I spoke about content management system in Next Generation. The goal is to maintain one repository for all content, including all our legacy applications that currently use two or three different locations for the content. We want to manage content in one place and we're migrating all legacy applications to use the Next Generation content management system. The way we are doing that is instead of making changes to all the systems, we're leveraging what we did for Trademark status and document retrieval system. A lot of you have used TSDR from outside. What happens with TSDR is behind the scenes it has software to grab -- we developed software so that

it can go and grab information, such as documents and status, from a variety of repositories from the backend. We will leverage that as part of the content management migration project. All legacy AISs will start using the services that we built for the trademark status and document retrieval system so when we're ready, all we have to do is migrate or have TSDR point to the Next Generation content management system, thereby reducing the work for everything that we do in the future -- a very slick way of doing it if you will. That's a technical term, slick.

So there are several things we did already. We modified TEAS and TEASi to use the TSDR system to bring images. We deployed capability to capture an application and registration snapshot in the TRAM Snapshot, which is an internal application. And we're also changing TESS, the electronic search system that you all use from outside, so that we're consolidating multiple parts that go into a single source for that system.

Madrid stabilization: I know a lot of folks have asked about this. This application

also has two phases for stabilization. Phase 1 is ongoing right now. Software development -- well, it's complete. We're in the process of validating it, doing functional quality testing and production validation testing for that. We are gearing up for a production deployment very, very soon on that one in this fiscal year.

Phase 2 is again similar to TEAS-TEASi and it spills over into next year and there are several capabilities and improvements that we are planning for. That project was kicked off earlier this year. It's still in the planning phase, though. We have not started software development for that one. And that's truly what I have.

CHAIRMAN TEPPER: Thank you for that. I'd like to pause to see if we have additional questions at this point.

MR. OWENS: I would like to make one comment. After discussions with Debbie, our understanding now in OCIO is that Madrid has become a much more important system. It handles a lot more filings than it used to. The

international expansion of trademarks and trademark protection, which is, of course, a fantastic thing, has moved the priority of Madrid up quite a bit, right to the top. So it's now gone from a second or third tier technology and system right up to a top tier, and we are working very hard and diligently with Debbie's team to make sure that that system performs at a top tier. So I just wanted to reiterate that conversation, to let everyone know that this is more important to us than it's ever been. Some of the quirks with the system that we just tolerated over the years can no longer be tolerated given the importance to trademarks, and it has been moved up in priority. Thank you.

CHAIRMAN TEPPER: Thank you, John, that's a very good springboard for a comment I wanted to make. When I noticed the reference to brown bags, I thought now that's another technology term that I understand. And I think for those of us who get the chance to come up on the Advisory Committee and members of the public listening in, it is helpful and encouraging to understand that there is good dialogue and

ongoing dialogue between CIO and Trademarks and TTAB. And as outsiders looking at progress, the best thing we can rest assured by is that you all are talking and making sure that you agree on priorities, and you're getting good feedback between yourselves to support this migration and transition and development effort.

So I want to thank you all for that as well as to note the other good thing when Raj mentioned his sort of slick solution. When TSDR came online, I doubt that many of us appreciated what was going on behind the scenes because it simply looks seamless to the outside world. That's exactly what we want to happen. So you all need to come, listen in, and pay attention at these meetings so you can get some sense of what's actually going on behind the scenes. And let's hope that we never notice it on the outside; that will mean that they've done exactly what they want in their jobs.

I'll give one last call for questions before we adjourn. All right. Well, hearing none then, we will look forward to reconvening and seeing you all on October 16th. Thank you.

(Whereupon, at 11:37 a.m., the  
PROCEEDINGS were adjourned.)

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CERTIFICATE OF NOTARY PUBLIC

COMMONWEALTH OF VIRGINIA

I, Stephen K. Garland, notary public in and for the Commonwealth of Virginia, do hereby certify that the forgoing PROCEEDING was duly recorded and thereafter reduced to print under my direction; that the witnesses were sworn to tell the truth under penalty of perjury; that said transcript is a true record of the testimony given by witnesses; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this proceeding was called; and, furthermore, that I am not a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.

(Signature and Seal on File)

**Notary Public, in and for the Commonwealth of  
Virginia**

**My Commission Expires: July 31, 2015**

**Notary Public Number 258192**