

March 5, 2012

By Email: InformationCollection@uspto.gov
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Re: 0651-00xx Matters Related to Patent Appeals comment; Data Quality
Proposed Information Collection, Comment Request, Matters Related to Patent Appeals, 77 Fed.
Reg. 269 (Jan. 4, 2012)

Dear Ms. Fawcett:

IEEE-USA, an organizational unit of the Institute of Electrical and Electronics Engineers, Inc, appreciates this opportunity to comment on the USPTO's proposed information collection for matters relating to patent appeals, published in the Federal Register on January 4, 2012. IEEE-USA represents 210,000 members in the United States and recommends policies and programs intended to serve and benefit IEEE's U.S. members, the engineering and technology professions, and the public in the areas of economic, ethical, legislative, social and technology policy concern. We offer these comments because rules and paperwork burdens placed on patent applicants and appellants have substantial impact on our members and stakeholders in the U.S. patent system.

Although this Request for Comment ("RFC") seeks comments on paperwork burdens, many of the relevant burdens arise due to PTO rules, the PTO's implementation of its rules, and examiner practices. Many of the burdens covered in this ICR arise from examiner compliance or non-compliance with PTO regulations and the Manual of Patent Examination Practices (MPEP). Those additional issues are relevant under the Paperwork Reduction Act and IEEE-USA comments on them below.

Paperwork Reduction Act, the Office of Management and Budget's Information Collection regulations, and the USPTO's *Information Quality Guidelines*:

1. The Paperwork Reduction Act provides that "Agencies are ... required to minimize the burden on the public to the extent practicable." *Dole v. United Steelworkers of America*, 494 U.S. 26, 32 (1990), *citing* 44 U.S.C. § 3507(a)(1). There are a number of steps that the USPTO could take to reduce burden on the public.

2. Burden to the public could be reduced if the PTO removed the disclaimers from Chapter 2100 of the MPEP that examination guidelines "are not intended to create any right or benefit, substantive or procedural, enforceable by any party against the Office." *E.g.*, MPEP § 2141. When examiners are under no mandatory guidance for examination of applications, proceedings can become unpredictable, burdensome, and delayed. The MPEP's disclaimers are incompatible with the Commissioner's obligation to be "responsible for the management and direction of all aspects of the activities of the Office," 35 U.S.C. § 2(b)(2)(A). Both the public and the examining corps need clear and enforceable "rules of the road" so that both know what to expect of each other. Removal of these disclaimers, and institution of enforceable procedures for examination, would reduce both the number of responses submitted into this ICR, and the burden of preparing them. Reduction in annual burden (both in number of responses and in burden of each response) for 0651-0031 (patent processing), 0651-0063 (appeals), and this new ICR

0651-00xx readily achievable through regularization of the examination process could well reach into the hundreds of millions of dollars per year.

3. The USPTO could reduce burden by providing explanatory decisions in denials of pre-appeal requests. The USPTO's practice of providing a single checkbox marked "Proceed to the Board" unnecessarily leaves issues open. The checkbox indicates that the appeal conference disagrees with the showings in the pre-appeal request, but does not explain why. IEEE-USA's suggestion is supported by the requirement that an examiner must "answer all material traversed" (MPEP § 707.07(f)), and the requirement of 5 U.S.C. § 555(e) that an agency provide a "statement of grounds" in denying any written request. This legal requirement is just as important to efficiently advancing the process and to reducing burden during pre-appeal review as it is during regular prosecution, and should be incorporated into the pre-appeal process.

4. The Paperwork Reduction Act (PRA) directs the USPTO to prepare—and seek public comment on—"specific, objectively supported estimate of burden." 44 U.S.C. § 3506(c)(1)(a)(iv). The USPTO is also required to provide a record of such supporting material. 5 C.F.R. § 1320.9. The USPTO has done neither. OMB's implanting regulations, 5 C.F.R. § 1320.8(d)(1)(ii), require the USPTO to request comment on the "validity of the methodology and assumptions used" in developing its burden estimates. IEEE-USA is unable to offer such comment, since this RFC does not disclose the required record, the assumptions, or estimation methodology. Because the RFC does not provide this information and is supported only by a statement that the numbers are "USPTO estimates," the RFC is not helpful in allowing the public to offer meaningful comment.

5. IEEE-USA believes several of the estimates are too low, for example, (a) the attorney hourly rate, (b) the number of responses that will be filed in years 2012, 2013, and 2014, (c) the time required to prepare a Notice of Appeal, and (d) the number of Requests for Oral Hearing. However, without any disclosure of the USPTO's "methodology or assumptions," IEEE-USA is unable to comment further.

6. The non-disclosure of the USPTO's estimation methodology and assumptions noted in paragraphs 4 and 5 appears to be inconsistent with the E-Government Act of 2002, 116 Stat. 2899, and the USPTO's *Information Quality Guidelines* (Oct. 1, 2002), implementing the Information Quality Act, 44 U.S.C. § 3516, note) (IQA)

7. IEEE-USA notes that the non-disclosure discussed in paragraphs 4 and 5 is problematic under the "utility" prong of USPTO's *Information Quality Guidelines*, § IV(A)6(b). This is because the RFC disseminates burden information that lacks utility to the public and to the USPTO in advancing toward approval of the Information Collection Request ("ICR").

8. The reliance on subjective sources inherent in the statement, "the USPTO estimates," as a source noted in paragraphs 4 and 5, reflects breach of the "objectivity" prong pursuant to § IV(A)(6)(a) of the USPTO's *Information Quality Guidelines*.

9. IEEE-USA questions the act of separating out specific "matters related to patent appeals" from the ICR for the remainder of appeals. IEEE-USA urges that these information collection items should be integrated with all other matters related to *ex parte* appeals, referenced in Control Number 0651-0063. Doing so will facilitate a transparent and objective way for assessing the full costs and burdens to applicants for *ex parte* appeals.

Administrative Procedure Act, Executive Order 12,866, and other governing administrative laws:

10. The 2005 pre-appeal memorandum, *New Pre-Appeal Brief Conference Pilot Program*, 1296 Off. Gaz. Pat. Office 67 (July 12, 2005), is a "rule" within the scope of the Administrative Procedure Act. 5 U.S.C. § 551(4). IEEE-USA urges the USPTO to observe the procedures applicable to

rules that are “legislative” and “procedural” in character, as provided by 5 U.S.C. § 553 and related statutes.

11. Removal of the disclaimers discussed in paragraph 2 would also comport with decades of administrative law holding that agency staff manuals *are* binding on the agency that issues them. 5 U.S.C. § 301; *Vitarelli v. Seaton*, 359 U.S. 535, 545 (1959) (when an agency acts contrary to its own rules, the resulting action is “illegal and of no effect.”); *In re Kaghan*, 387 F.2d 398, 401 (CCPA 1967) (an applicant should be entitled to rely not only on the statutes and rules but also on the provisions of the MPEP).

12. IEEE-USA further urges that the reforms suggested in paragraph 2 are warranted under Executive Order 12,866, 58 Fed. Reg. 51735 (October 4, 1993) and a directive from the Executive Office of the President, *Final Bulletin for Agency Good Guidance Practices*, OMB Memorandum M-07-07, (Jan. 18, 2007), 72 Fed. Reg. 3432 (Jan. 25, 2007).

These two directives from the Executive Office of the President require agencies to “select those approaches that maximize net benefits (including potential economic ... other advantages; ... and equity),” to “tailor [agency] regulations to impose the least burden on society, including individuals, businesses of differing sizes, and other entities,” and not to regulate in agency self-interest. The directives also urge agencies to use their guidance documents to “channel the discretion of agency employees, increase efficiency, and enhance fairness by providing the public clear notice of the line between permissible and impermissible conduct.” All of these goals are not promoted by the current disclaimers in MPEP Chapter 2100, and would be advanced by enforcing procedural guidance for examination of applications.

Request for correction under the USPTO’s *Information Quality Guidelines*

13. Pursuant to the USPTO’s *Information Quality Guidelines*, § XI, IEEE-USA hereby requests correction of the information quality defects in the January 4 RFC, as raised in paragraphs 4, 5, 6, 7, and 8 of this letter.

Conclusion

The pre-appeal review program is a useful addition to the patent prosecution process. The requirements of administrative law that we note above were enacted by Congress, the Executive Office of the President, and the USPTO itself as tools to encourage further improvement. IEEE-USA appreciates the opportunity to comment.

Sincerely,



Keith Grzelak
Vice President, Government Relations