

Patent Public Advisory Committee Meeting

Patent Operations



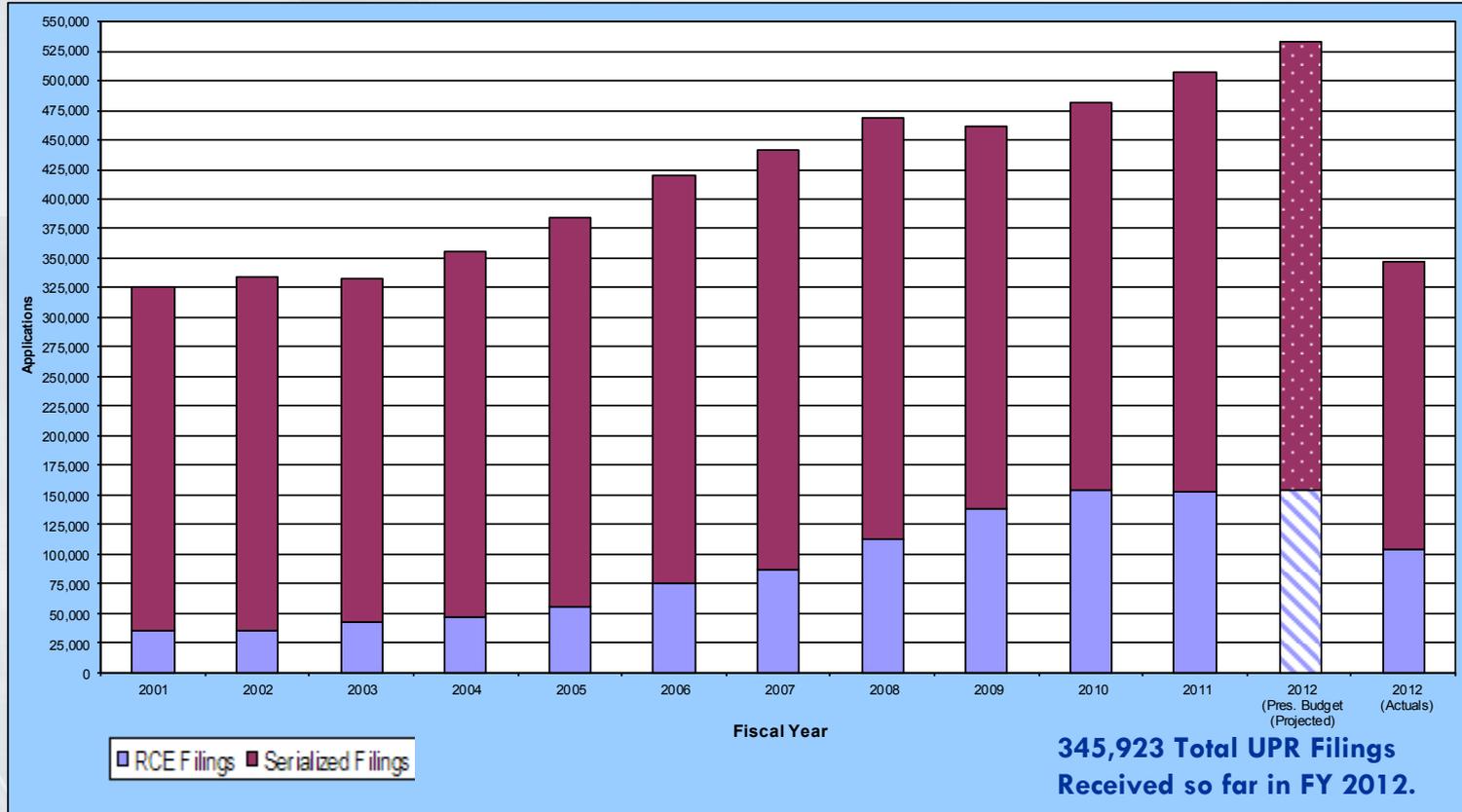
Andy Faile

Deputy Commissioner for Patent Operations

June 14, 2012



Total UPR and RCE Filings FY 2001 – FY 2012 (through June 4th)

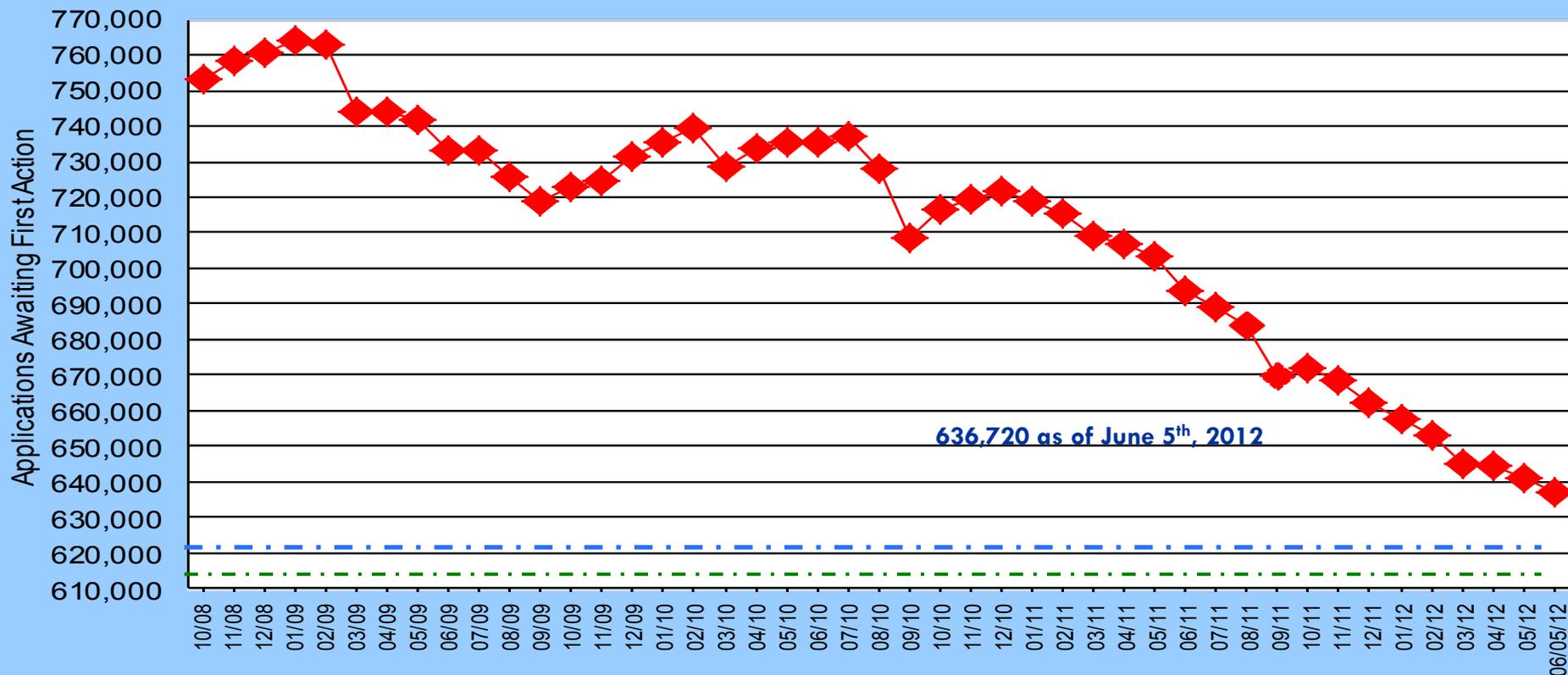


FY 2012 Target based on 2013 President's Budget: 533,300 (5.2% Projected Growth over FY 2011)

FY 2012 Total URR filings through May are currently 5% above FY 2011; RCE filings are 3.5% above FY2011; FY 2012 Serialized filings are 5.7% above FY 2011



Unexamined Patent Application Backlog FY 2009 – FY 2012 (through June 5, 2012)

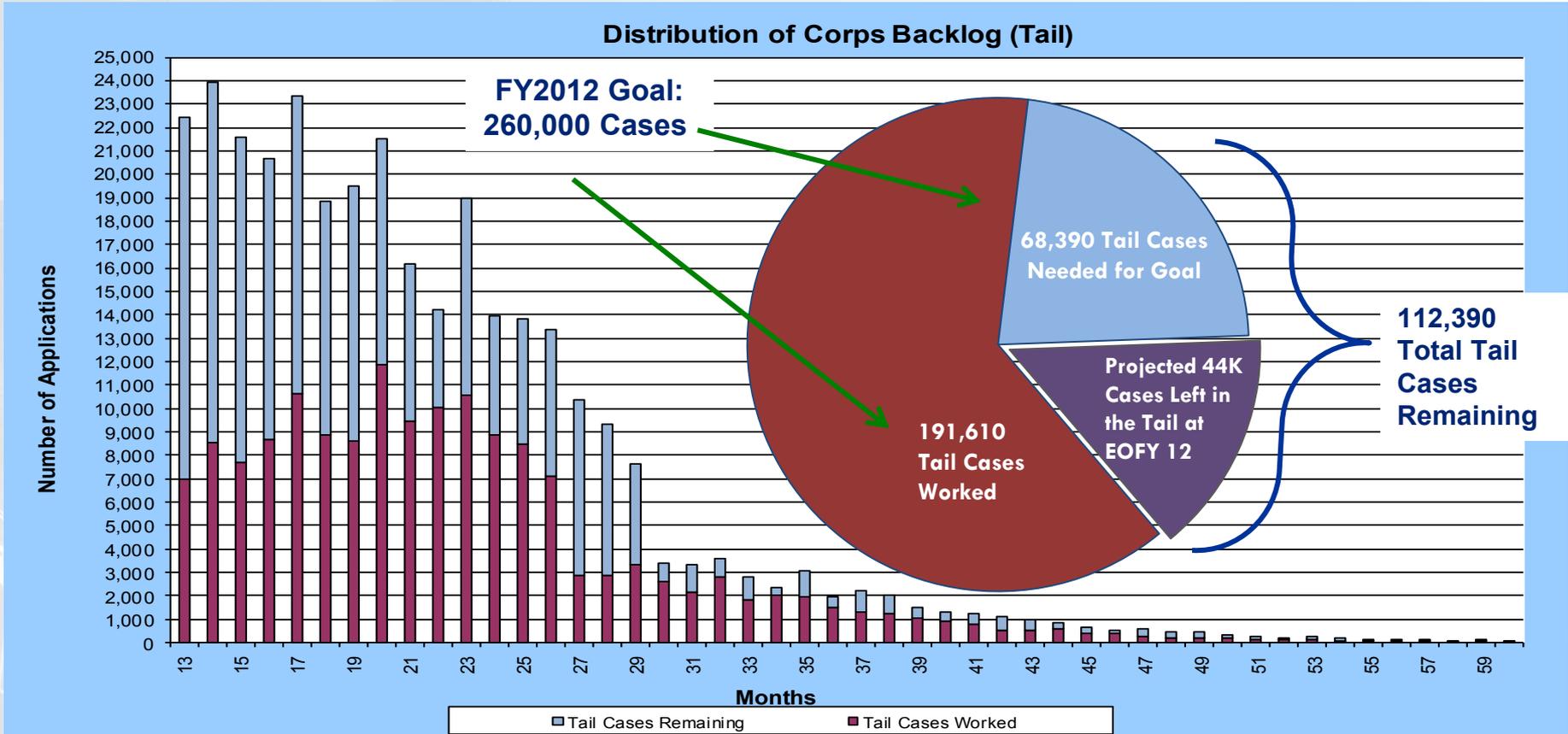


--- FY 2012 Target (2013 President's Budget): 621,800 – Includes Cooperative Patent Classification (CPC) Production Adjustment.

- - - Target Less CPC Adjustment: 615,000.



Clearing the Oldest Patent Applications 2.0 (COPA) FY 2012 (through June 2, 2012)



FY 2012 COPA Backlog (Tail): Applications with filing dates on or before September 1st, 2010 (304,000 on Oct. 1, 2011)

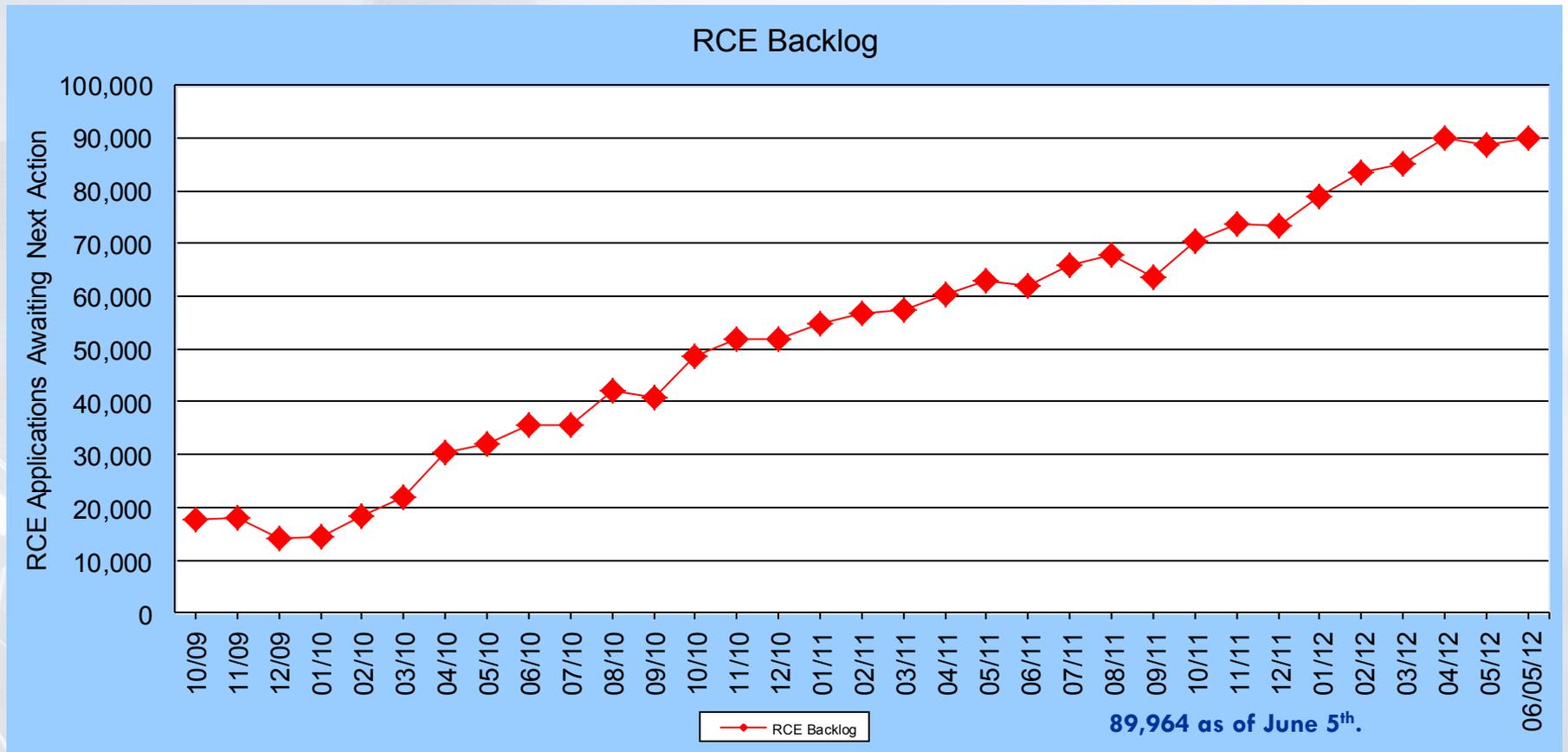
FY 2012 Goal: Reduce COPA Backlog (Tail) by 260,000 applications

Applications to the right of the red line include pending cases from the COPA 1.0 initiative.



RCE Backlog

FY 2010 – FY 2012 (through June 5, 2012)





Relationship Between RCEs and IDSs in Allowed Applications

Relationship between RCEs and IDSs in Allowed Applications

FY	Total # of RCEs Filed	IDS Filed between NoA and RCE (but not on RCE Date)	IDS Filed < 1 Mo. before RCE	IDS Filed with RCE	IDS Filed with RCE and Non-Final on First Subsequent Action	% w Non-Final on First Action after RCE	IDS Filed with RCE and Allowed on First Subsequent Action	% Re-Allowed on First Action after RCE	IDS Filed < 1 Mo. after RCE
2011	152,644	810	428	14,419	1,121	7.8%	12,587	87.3%	1,386
2010	153,767	751	396	12,683	1,293	10.2%	11,227	88.5%	1,291
2009	139,041	547	274	8,441	1,200	14.2%	7,176	85.0%	788
2008	113,115	628	302	7,388	1,305	17.7%	6,002	81.2%	681
2007	87,154	579	231	6,060	1,129	18.6%	4,870	80.4%	551
2006	74,920	617	204	5,733	1,240	21.6%	4,422	77.1%	522
2005	55,279	619	216	5,714	1,461	25.6%	4,144	72.5%	493
2004	46,080	700	212	5,339	1,121	21.0%	4,131	77.4%	422
2003	39,594	569	209	4,584	870	19.0%	3,660	79.8%	359
2002	25,686	475	153	3,322	665	20.0%	2,624	79.0%	279

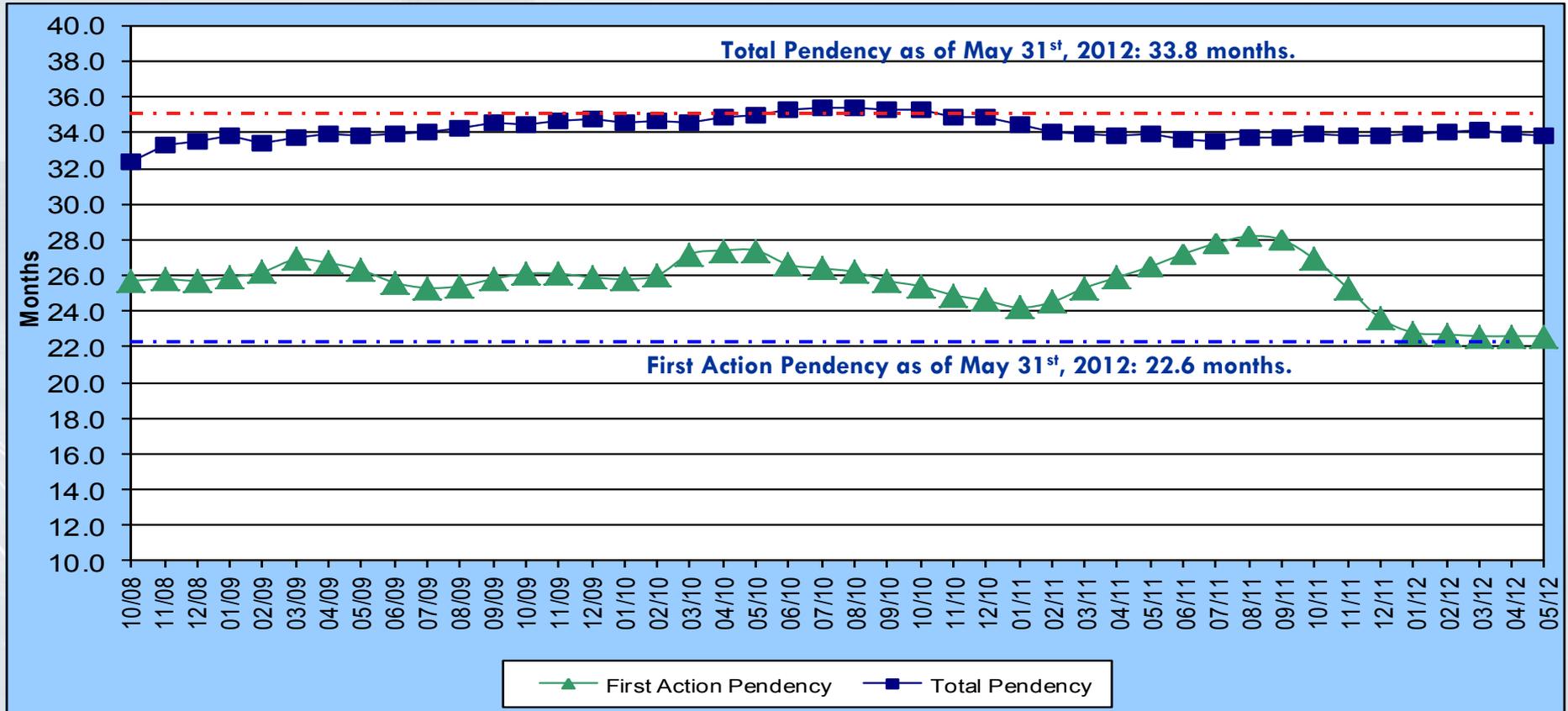


Plans for Reducing RCE Backlog

- **Quick Path IDS (QPIDS) Pilot**
 - Eliminate the need for an RCE with an IDS after payment of the issue fee.
- **After Final Consideration Pilot (AFCP)**
 - Examiners are encouraged to consider modest responses after a final rejection by authorization of a limited amount of additional time for that purpose, if they believe that full and complete consideration can be done and will lead to allowance of the application.
- **RCE Outreach Proposal**



First Action Pendency and Total Pendency FY 2009 – FY 2012 (through May)



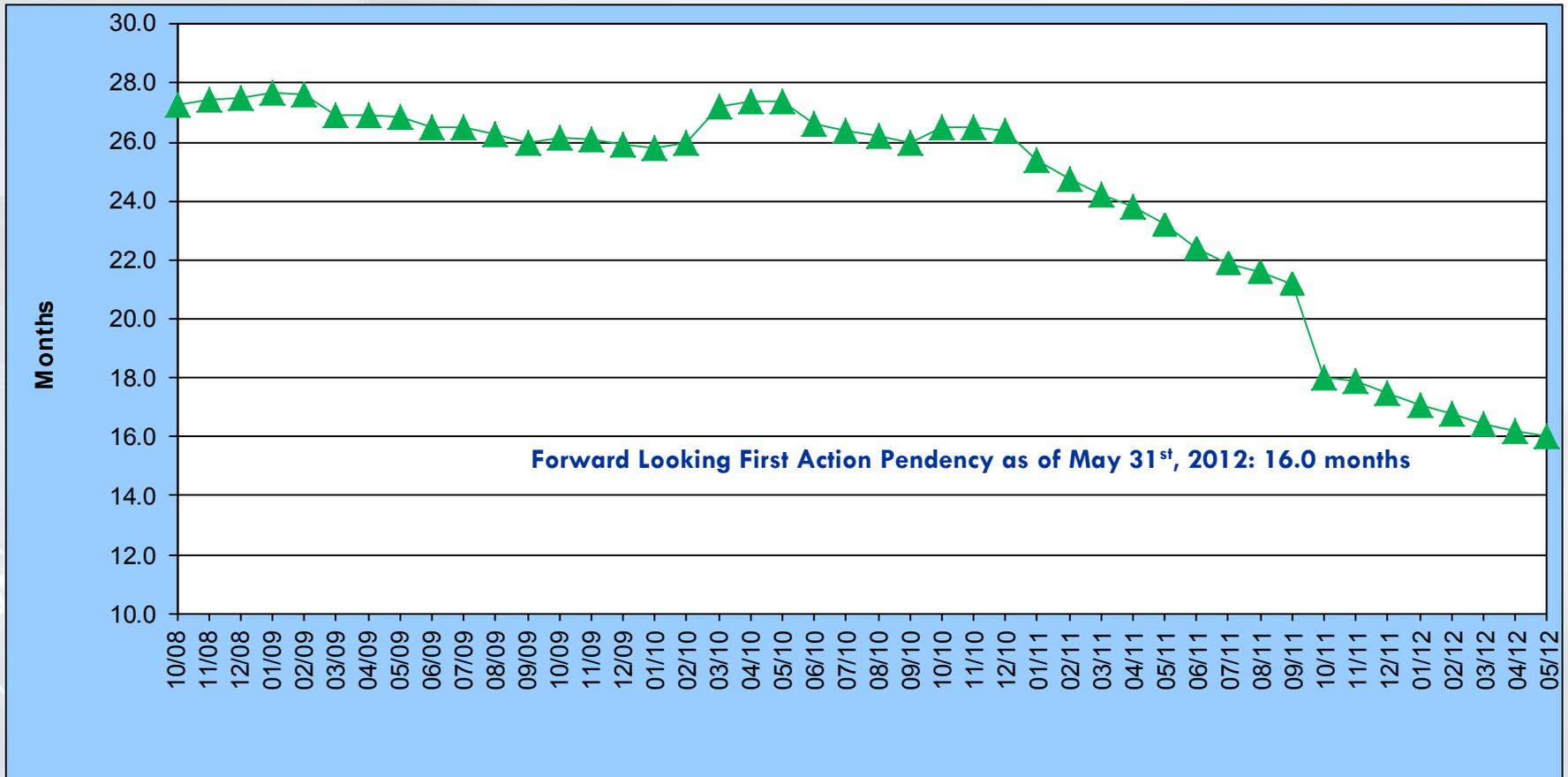
--- Average Total Pendency FY 2012 Target: 34.7 months

- - - Average First Action Pendency FY 2012 Target: 22.5 months

(Average First Action Pendency FY 2012 Stretch Target Less CPC Adjustment: 22.3 months)



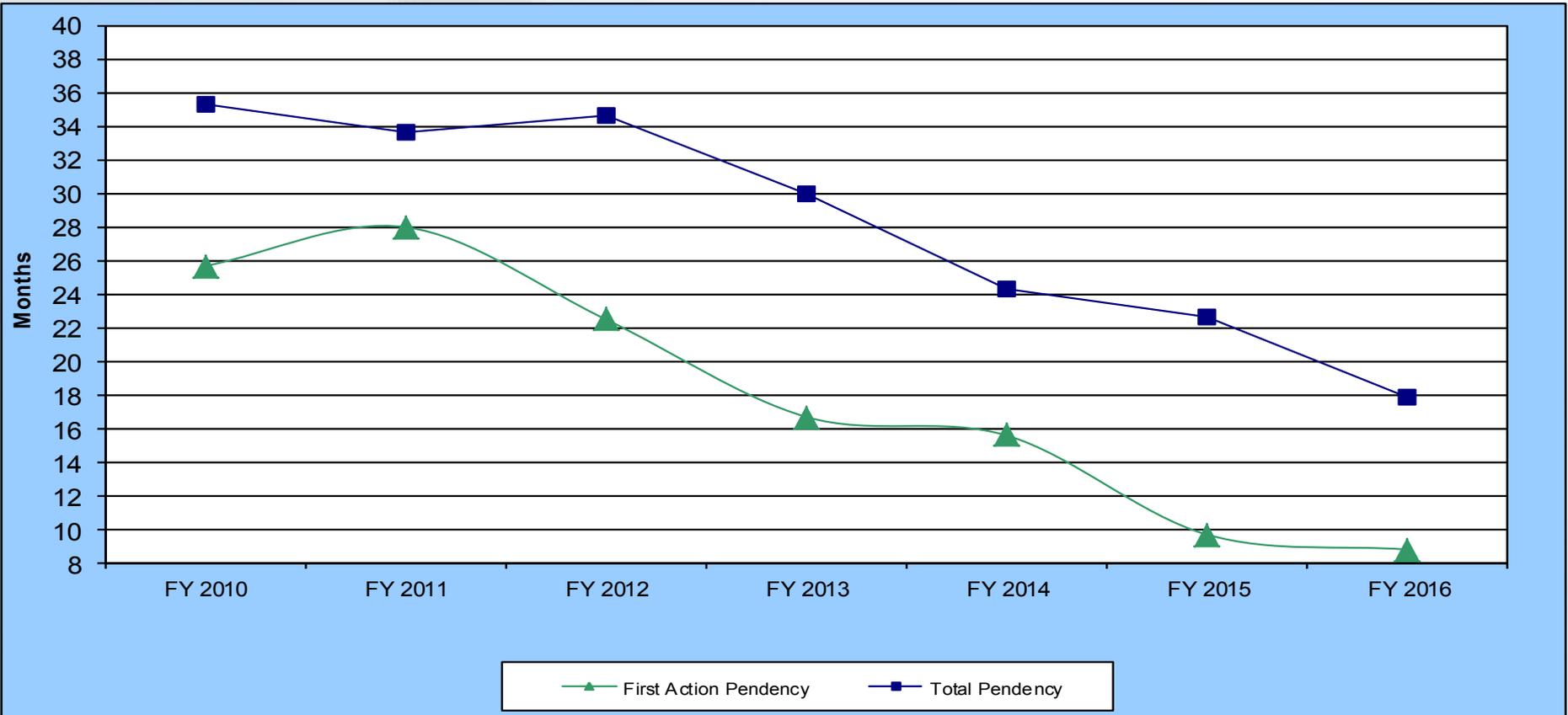
Forward Looking First Action Pendency FY 2009 – FY 2012 (through May)



Forward Looking Pendency represents an estimate of the average number of months it would take to complete a first Office action under current and projected workload and resource levels for an application filed at the given date.



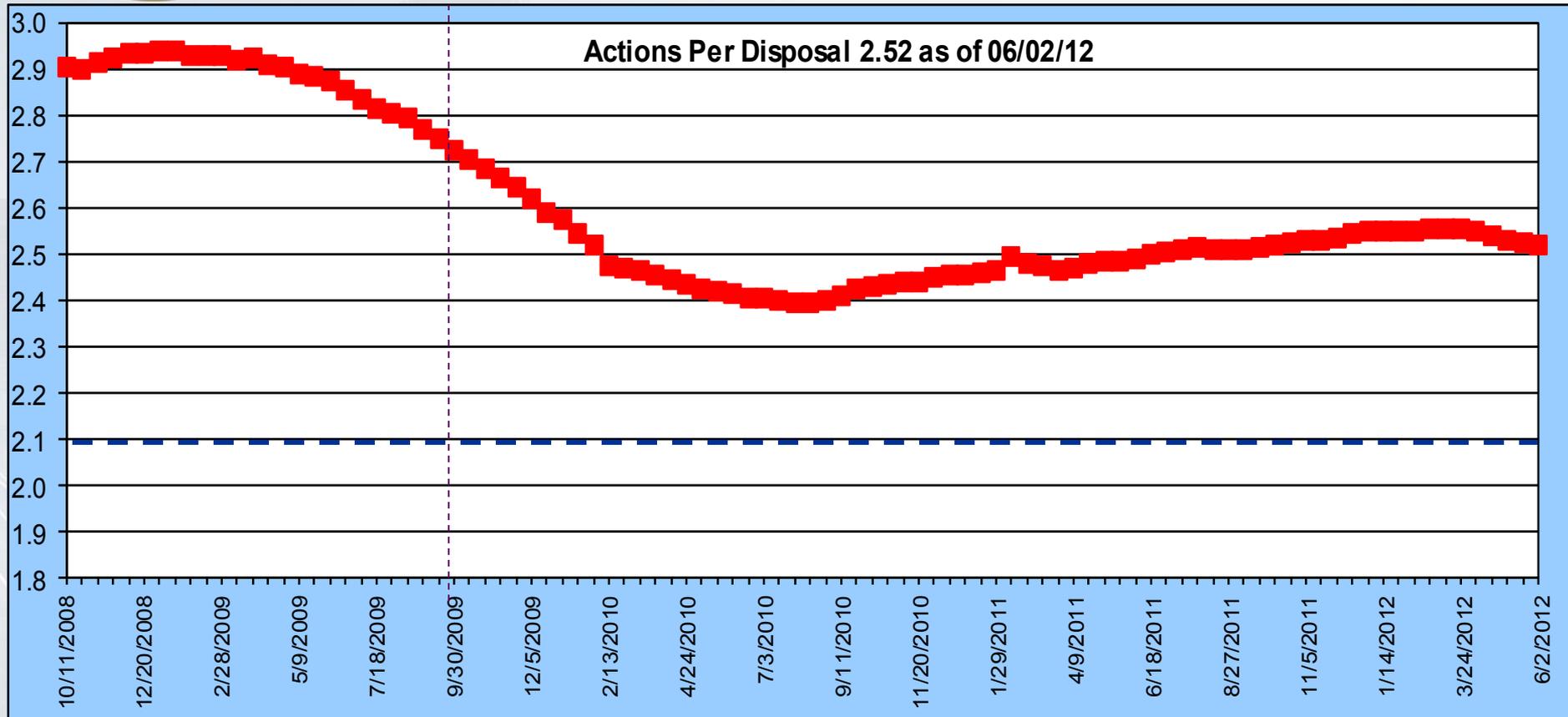
First Action Pendency and Total Pendency FY 2010 – FY 2016 (projections)



Average First Action Pendency and Total Pendency data for FY 2012 through FY 2016 are projections based on the current Patent Production Model.



12 Month Rolling Average Actions Per Disposal FY 2009 – FY 2012 (through June 2, 2012)



----- **Actions Per Disposal Target**

Sustained decrease in actions per disposal is a positive indicator – issues are being resolved efficiently.

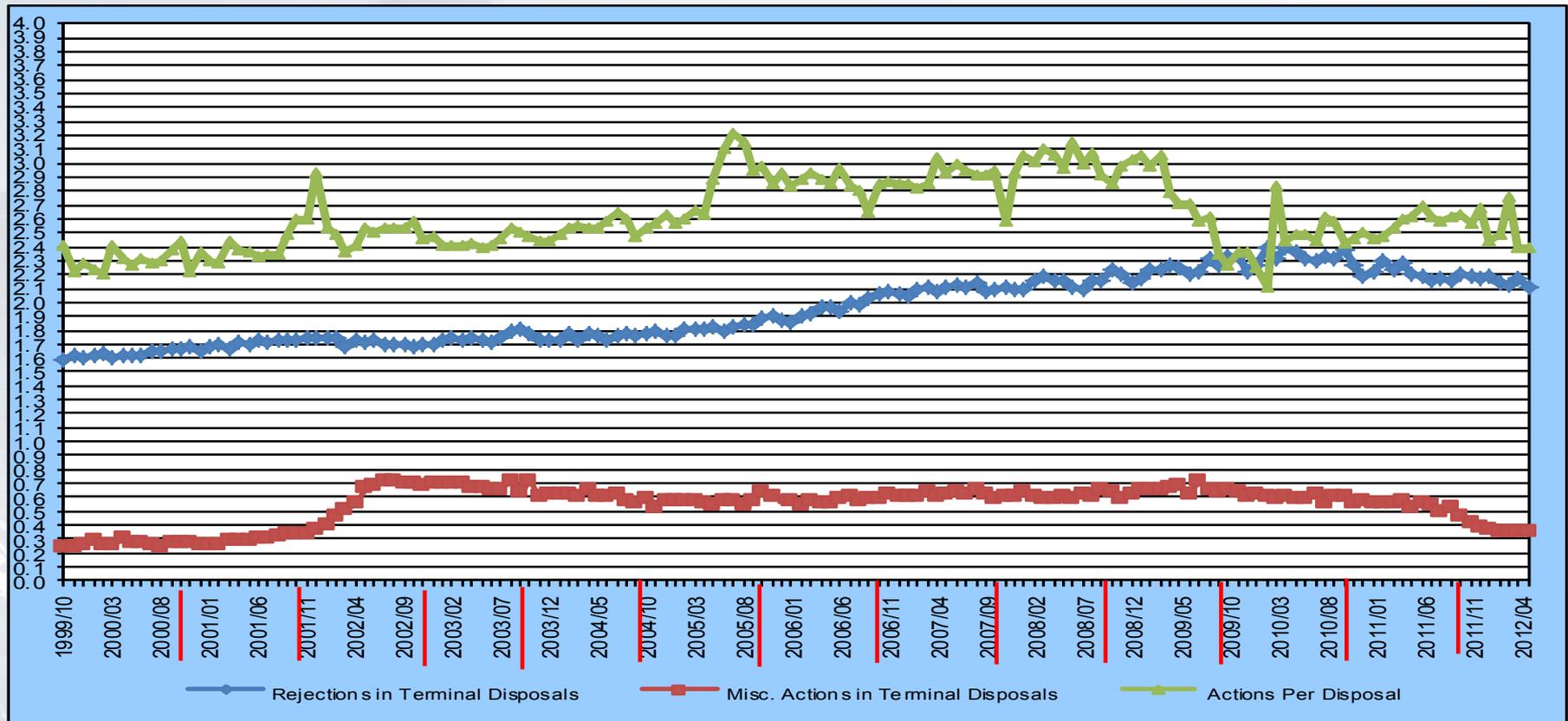


Actions Per Disposal by Month

Rejections in Terminal Disposals by Month

Miscellaneous Actions in Terminal Disposals by Month

FY 2000 – FY 2012 (through May)



Actions per Disposal by Month for May: 2.39

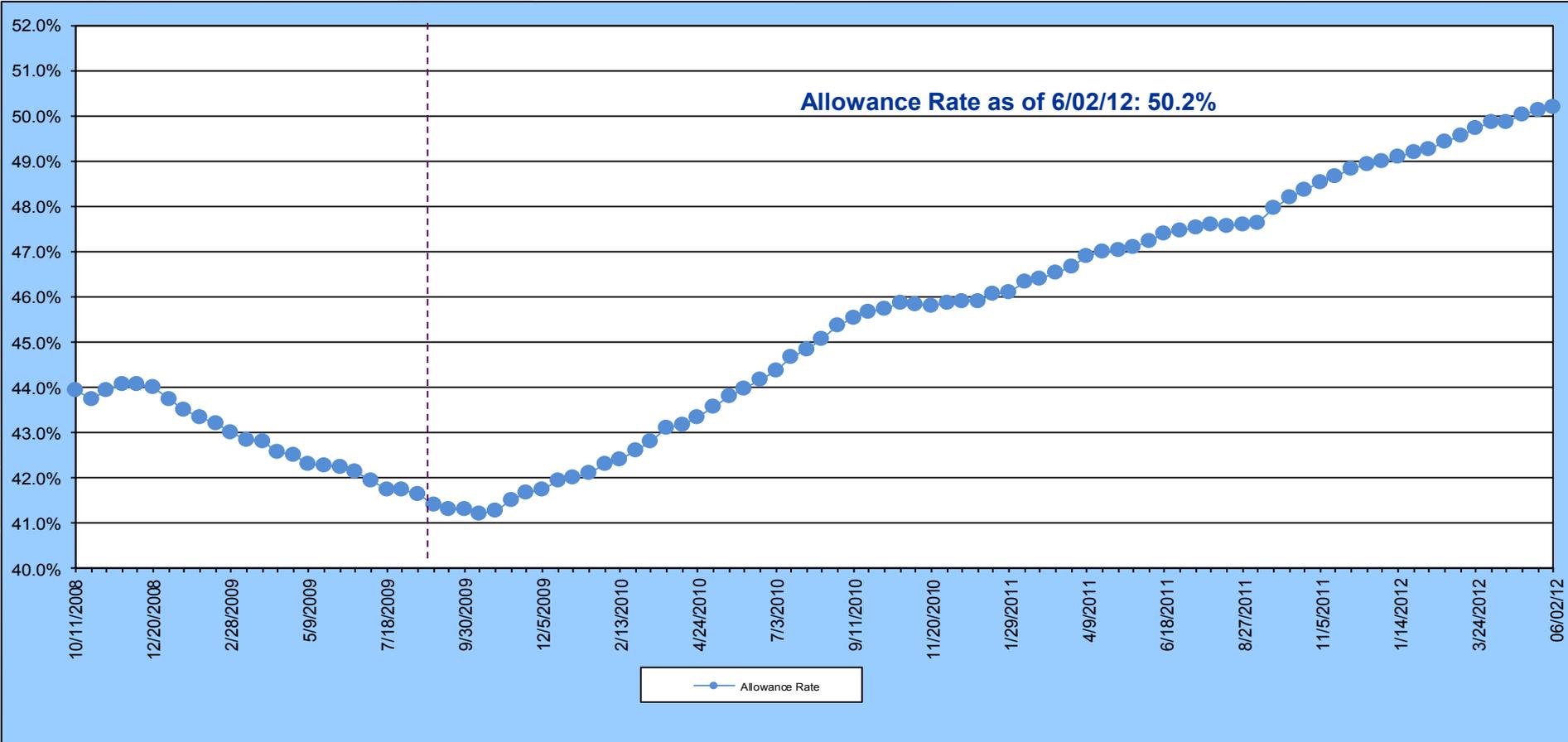
Rejections in Terminal Disposals by Month for May: 2.11

Miscellaneous Actions in Terminal Disposals by Month for May: 0.35

— Represents the end of a fiscal year.



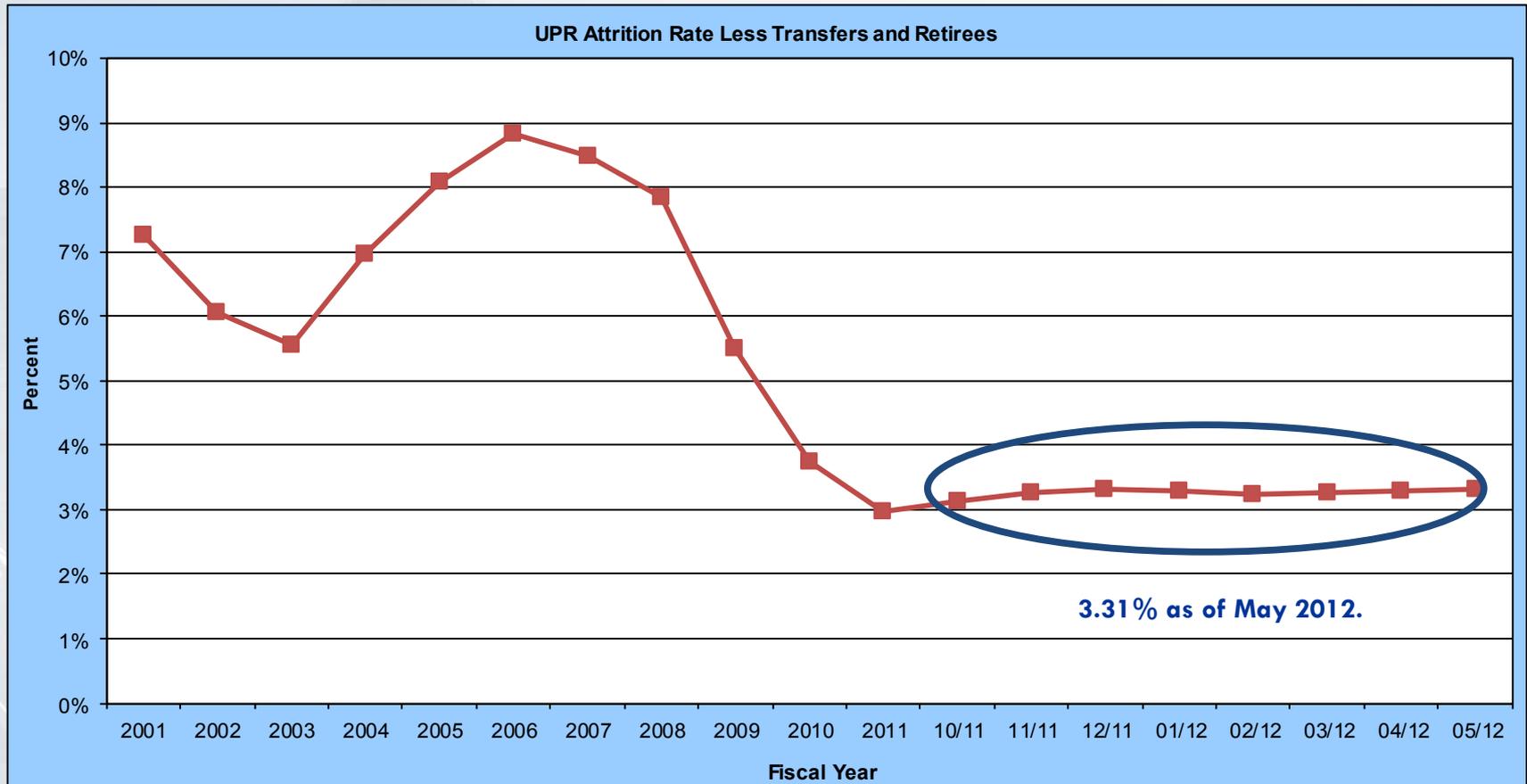
12 Month Rolling Average Allowance Rate, by Bi-Week FY 2009 – FY 2012 (through June 2, 2012)



Sustained increase in allowance rate is a positive indicator – it shows increased efficiency of the workforce.



12-Month Rolling Average UPR Examiner Attrition Rate Less Transfers and Retirees FY 2001 – FY 2012 (through May)



The oval represents when monthly data begins.



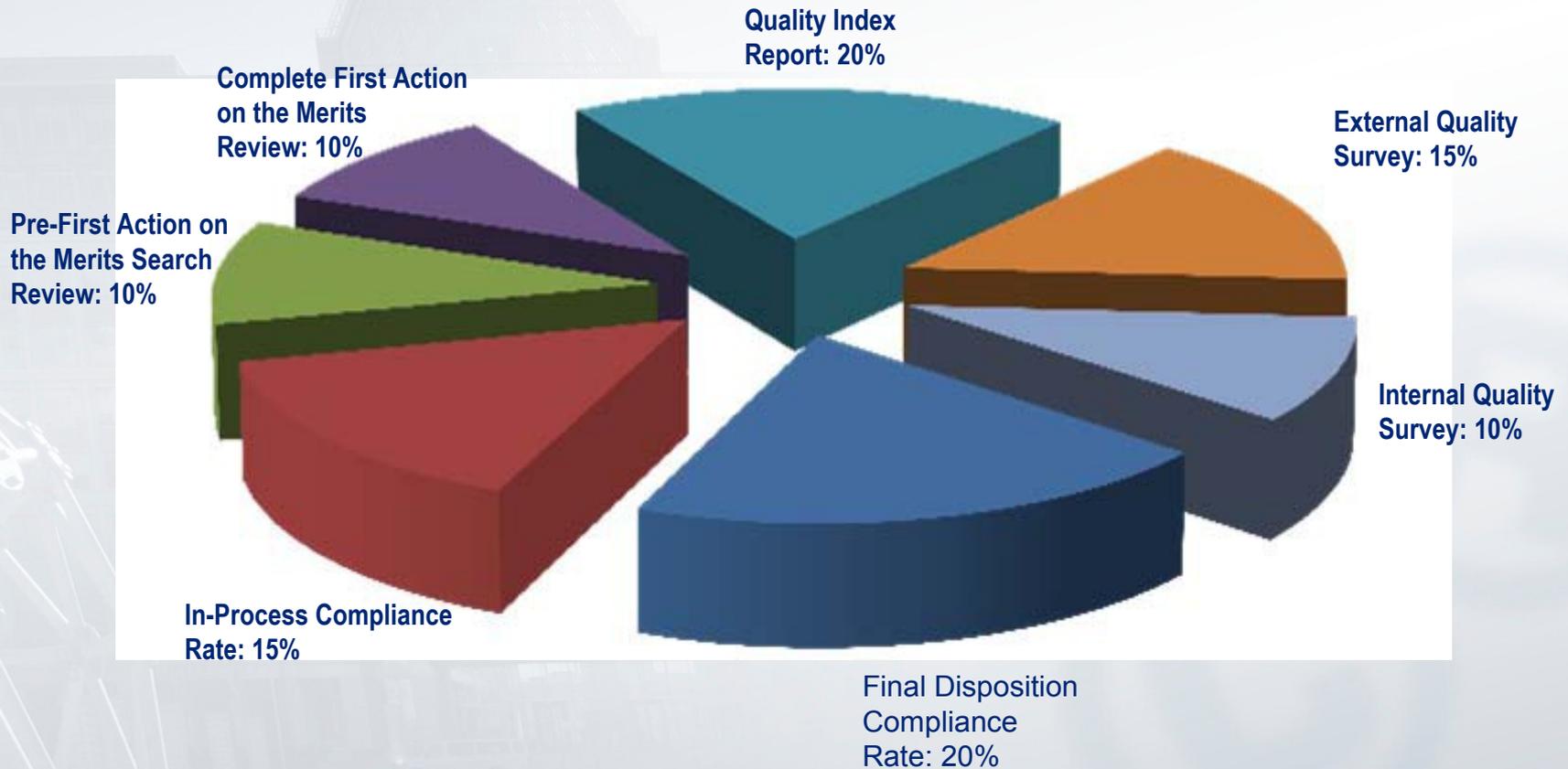
FY 2012 Patent Examiner Hiring Effort

TC	Offers Pending	Accepted Offers	On Board
1600	12	42	72
1700	18	18	91
2100	25	18	47
2400	45	31	137
2600	26	17	93
2800	13	12	67
3600	11	31	111
3700	31	47	184
Detroit	14	37	0
Corps	195	253	802



Patent Quality Composite

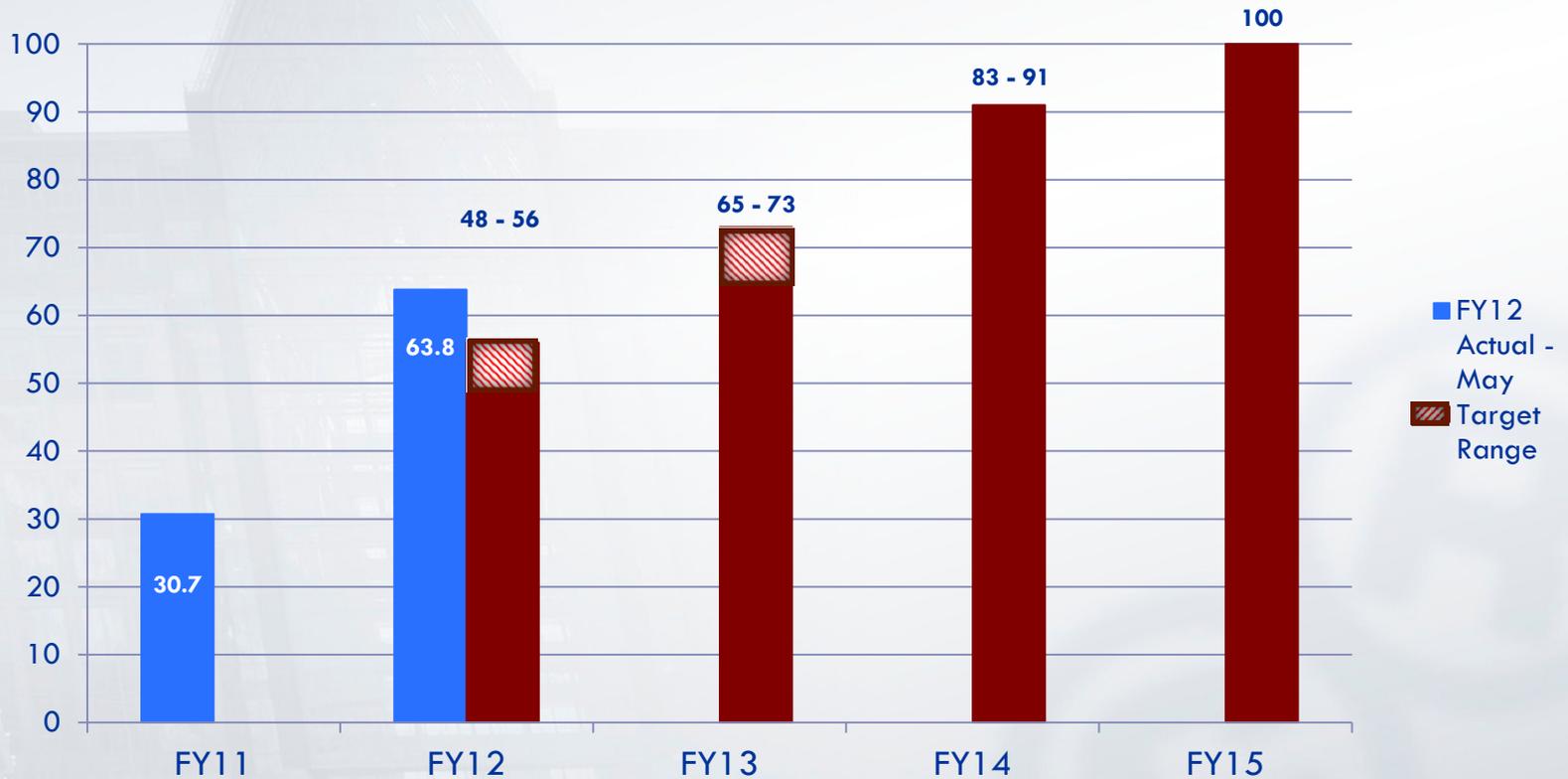
Each component has a specific weight





Patent Quality Composite (through May)

Monitoring Continuous Improvement



Percent of Fiscal Year 2012 Target Achieved: 132.9%

FY 2011 was baseline year.



Quality Composite Component Definition

USPTO Patents Quality Composite for the past 12-months as of May 2012

Component Metric	Definition	Component Weight (sum to 100)	Base Year ^{a/}	Stretch Goal ^{a/} [Expiration of Strategic Plan: FY15]	Current Level FY12 Q3 ^{a/}	Component Score $((C_1 - B_0) / (S_0 - B_0)) * 100$ [Progression from Base Year to Stretch Goal, with 0=Base Year]
		W_0	B_0	S_0	C_1	CS_1
A. Final Disposition Compliance	12-month % Compliance as determined by OPQA random-sample-review of Allowances and Final Office Actions.	20%	94.4	97.0	96.6	84.6
B. In-Process Compliance Rate	12-month % Compliance as determined by OPQA random-sample-review of Non-Final Office Actions.	15%	93.6	97.0	96.1	73.5
C. FAOM Search Review	12-Month Average Score as determined by OPQA random-sample, points-based-review of examiner-conducted search. Score= Points Earned/Available Points.	10%	94.6	97.0	96.4	75.0
D. Complete FAOM Review	12-Month Average Score as determined by OPQA random-sample, points-based-review of First Actions on the Merits (FAOMs). Score= Points Earned/Available Points.	10%	90.9	95.0	90.7	-4.9
E. QIR ^{b/}	12-month average of 5 Quality Index Reporting metrics ^{b/} being tracked for quality performance. Converted to % desired behavior for inclusion in Composite. Each unique item has 4% of total Composite weight (20/5).	20%	85.9	94.0	89.6	45.7
F. External Quality Survey	Data collected from semi-annual External Quality Survey administered to a random sample of applicants and practitioners. Metric is number of respondents reporting "Good" or "Excellent" quality for every single respondent that reports quality as "Poor" or "Very Poor" over the previous 3 months. Responses of "Fair" are excluded from the analysis.	15%	1.2	5.0	5.0	100.0
G. Internal Quality Survey	Data collected from semi-annual Internal Quality Survey administered to a random sample of patent examiners. Metric is number of respondents reporting "Good" or "Excellent" for every single respondent that reports "Poor" or "Very Poor" when asked about factors impacting their ability to provide high-quality patent examination. Responses of "Fair" are excluded from the analysis.	10%	4.3	6.0	5.1	47.1
Patents Quality Composite Score:						63.8

Interpreting the Composite

The Patents Quality Composite compares current performance against historical statistical achievements and progression towards desired levels of performance. Every component of the Composite is standardized to values that range from 0 to 100, and the ratios of change are normalized to represent progression towards a superior level of service. A component/composite score of 0 represents the statistical achievement in the base year used for comparison (the base year is established as FY09 for items A, B, E and F; FY11 for all others). A component/composite score of 100 represents attainment of a superior level of performance identified as the stretch goal. The component/composite scores can then be expressed as cumulative progression from the base year to the stretch goal. For example, a component/composite score of 40 indicates that the Office has achieved 40% of the total desired improvement between the base year and the stretch goal.

^{a/} Component items A, B, C, D, and E are tracked monthly but not finalized until the end of each quarter. Items F and G are collected semi-annually and updated only at end of Q2 and Q4.

^{b/} Composite items C, D, and G were new items monitored at the start of FY11 and used FY11 actual data as baselines. All other items used actuals at the end of FY09 for the baseline level. All composite items use FY15 as the stretch goal period.



Patent Quality Composite

Reporting Period	Patent Quality Composite Metrics							
	Final Disposition Compliance Rate	In-Process Compliance Rate	FAOM Search Review	Complete FAOM Review	Quality Index Reporting	External Quality Survey	Internal Quality Survey	Quality Composite Score
FY12-May	96.6%	96.1%	96.4%	90.7%	89.6%	5.0%	5.1%	63.8
FY12-Apr	96.7%	96.2%	96.9%	91.4%	89.6%	5.0	5.1	68.8
FY12Q2	96.3%	96.0%	97.0%	91.5%	89.6%	5.0	5.1	65.5
FY12-Feb	96.2%	96.0%	95.6%	90.9%	89.5%	3.0	5.1	49.3
FY12-Jan	95.9%	96.3%	95.6%	91.0%	89.5%	3.0	4.3	43.9
FY12Q1	95.4%	95.2%	95.6%	91.0%	89.5%	3.0	4.3	35.2
FY11Q4	95.4%	95.2%	94.6%	90.9%	89.5%	3.0	4.3	30.7
FY11Q3	95.4%	94.7%	93.4%	90.0%	89.1%	2.7	4.2	26.4
FY11Q2	95.3%	94.8%	90.8%	89.7%	88.9%	2.7	4.2	25.5
FY11Q1	96.2%	94.9%	N/A	N/A	88.9%	3.6	N/A	N/A
FY10Q4	96.3%	94.9%	N/A	N/A	89.3%	3.6	N/A	N/A
FY10Q3	96.0%	94.6%	N/A	N/A	89.5%	1.8	N/A	N/A
FY10Q2	95.7%	94.4%	N/A	N/A	89.1%	1.8	N/A	N/A
FY10Q1	94.5%	94.1%	N/A	N/A	87.9%	1.2	N/A	N/A
FY09Q4	94.4%	93.6%	N/A	N/A	85.9%	1.2	N/A	N/A
FY09Q3	94.1%	94.1%	N/A	N/A	84.2%	1.1	N/A	N/A
FY09Q2	93.8%	93.9%	N/A	N/A	83.4%	1.1	N/A	N/A
FY09Q1	94.0%	93.4%	N/A	N/A	83.5%	1.3	N/A	N/A

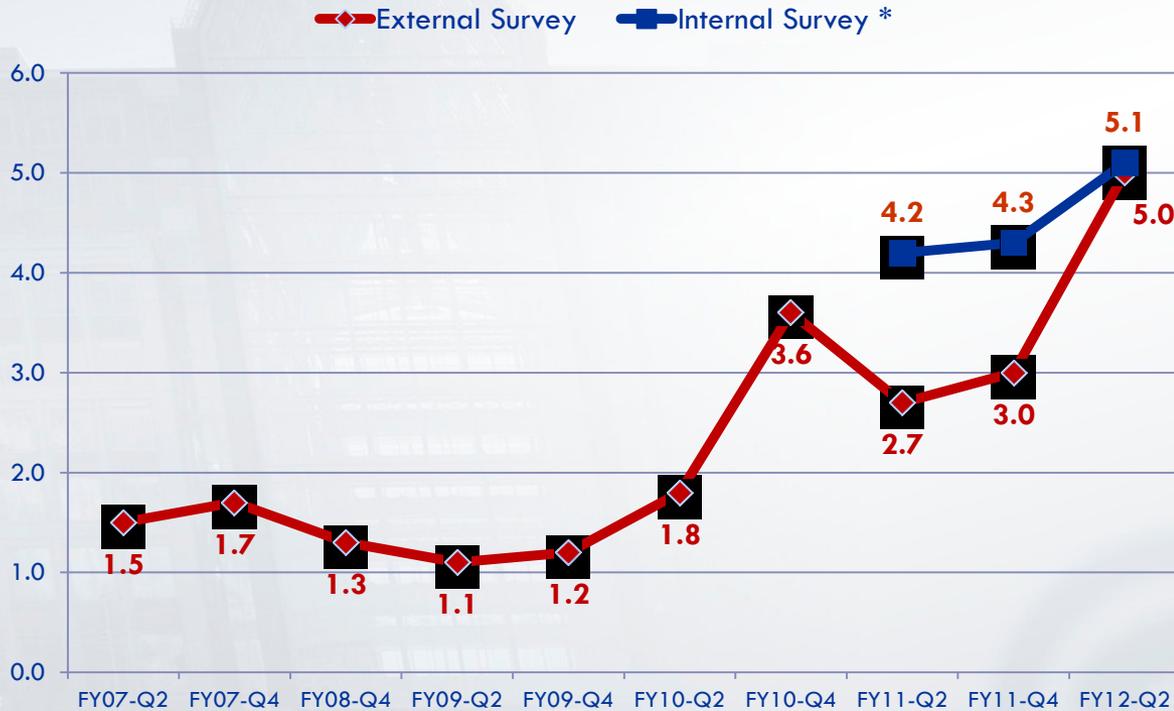
FY 2011 was baseline year.



Quality Composite Components (Surveys)

Ratio of Positive (Good/Excellent) to Negative (Poor/Very Poor) Ratings

Based on responses to “overall” ratings in External and Internal Quality Surveys



The ratios represent the number of customers /examiners that rate overall quality as “good” or “excellent” for every customer/examiner that rates quality as “poor” or “very poor”.

Note: * For the Internal Quality Survey, ratings of internal and external factors are combined for use in the Quality Composite.



Track One Statistics (through June 5, 2012)

Petitions Received	September	October	November	December	January	February	March	April	May	Total
FY 11	855									855
FY 12		390	302	285	292	371	442	453	514	3,049
										3,904

Percent of Petitions From Small Entities	Average Days to Petition Decision	% of Decided Petitions Granted	Oldest Track One Application Still in Prosecution (days from petition grant)
37.8%	47.3	97%	232

First Actions Completed	Average Days from Petition Grant to First Office action	Final Rejections	Issues	Number of Abandonments	Number of Allowances	Average Days From Petition Grant to Allowance	Average Days From Petition Grant to Allowance or Final Rejection
2,245	43.6	355	169	3	457	107	129

First Patent Issued on January 10, 2012 from a September 30, 2011 Prioritized Examination filing



Other On-Going Data Driven Efforts

- Training
- ISO-9001:2008 Certification
- Central Reexamination Unit
- Docket Management System
- Employee Engagement