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THE CHAIR: Let's go back and we're now into public session. So I think this is probably the time when I should formally welcome the new members to our committee. So let me do that. Secretary Gutierrez has pointed Jackie Leimer of KRAFT and Lorelei Ritchie de Larena of Florida State University School of Law to the TPAC subcommittee. So we welcome both of you to the committee and look forward to many years of productive work from you. We will now hear from Commissioner Beresford as to what is going on in the Trademark Office, the fiscal year '06 performance results. Lynne?

MS. BERESFORD: Thank you very much, Jeff. You have a copy of the performance results in your handout. And I can sum them up by saying wow. We met all of our – every one of our goals, including our internal first action goal, quality goal, which was – our external goal I think is 6.5 percent, but our internal goal was 4.5. And
believe me, I did not think we were going to do this well, but we did. All of the news is good news here.

We’ve managed to lower first action pendency. Our pendency goal for the year was 5.3 months to first action and we actually ended the year at 4.8 months on the average to first office action. And our goal is by the end of next year to be to 3.7 months, working our way fairly gradually down to the 3 month level, balancing a production hiring and pendency, so that we make kind of a soft landing on 3 months and then maintain that level of work.

We ended the year, we had a hiring of 32 or 33 examining attorneys in September, and we actually ended the year with 414 examining attorneys on board. And you heard Karen say earlier, we have plans to hire next year. We really will hire for attritions and add 8 attorneys actually to the – to the additional – 8 additional attorneys, but we now think we pretty much have the workforce we need to continue to
lower pendency and to maintain.

And again, we’re balancing the workforce with what we see as our increase in filings that we expect, so that when we do get to the three months, we’ll have the right size workforce in order to continue the – to continue to maintain a three month, a three to four month pendency range.

Examiner production was amazing. As you can see here, we exceeded all of our goals, almost all of them by at least 10 percent. And we have – the only probably bad news on this is that under examiner FTE, you have average action points or balanced disposals per examiner FTE. This is a productivity measure. And you note that in 2005 we had 2,255 and in 2006, 2,144 action points balance disposal per examiner FTE. So the number has dropped slightly. That’s a result of course of hiring a lot of new examining attorneys who have lower performance goals. But it didn’t drop as much as we predicted.

We’re very happy with the corps.

They’re really doing some good work and they’re
doing a lot of good work. So, all of that is good news. I don’t have the final efficiency number that comes out of the Office of Corporate Planning. We, however, expect to have a drop in that number again, meaning that the cost per office disposal, that’s a registration or abandonment, that the cost per office disposal will once more be slightly - will drop. It will be slightly lower. We see this as a - over time, a pretty good measure of how well we’re measuring our money and our resources. At the next meeting, we’ll have an analysis for you guys of the efficiency measure looking at direct trademark costs and how efficiently we’ve been there, plus our overhead costs and whether our efficiency measures are against all of our staffing organizations, so whether we’re spending more in the OCIO per disposal, more in CFO per disposal, et cetera. So, that’s pretty much the news. I’m not going to take up a whole half hour you all will be happy to know. But if there are any questions, I’d be happy to answer them.
Yes?

MR. TRAMPOSCH: What do you attribute all the good numbers and the good news to?

MR. ROSENBERG: Excellent planning and management.

MS. BERESFORD: I will not say excellent planning and management. I will attribute these numbers to a really -- a wonderful year. I think our quarterly awards system has contributed to the amount of production we've done. I think our quality system has contributed to quality partly because I think we're -- as we move with this new quality review standard, I think the standard is becoming clearer to examiners. I think examiners understand more what's expected of them. The result is -- and I always say this about the corps -- if you tell them exactly what you want, you're going to get it for the most part because they really want to do the right thing. So, I think that has been a plus on the quality side. But really it's been the corps. It's been our first line managers. It's been everyone working
THE CHAIR: What impact has the new performance appraisal plan had?

MS. BERESFORD: Well, we are seeing, as you can see, record amounts of production. We are -- we don't know what our end of the year awards will be but looking at awards throughout the year, we've pretty much seen -- except for the first quarter, we've pretty much seen the same percentage of folks getting awards. We've seen a slightly higher percentage of folks getting the top award for production. So, I would say that the new performance plan combined with the quarterly awards system has increased production and quality.

THE CHAIR: Any other questions or comments? I don't know whether since we do have some time before lunch maybe we can talk a little bit about what's in the strategic plan. And I guess there's a lot there about electronic file wrapper. Do you want to talk a little bit about what you hope to accomplish over the next year...
with respect to the implementation of the electronic file wrapper?

MS. BERESFORD: Well, we will -- in the next year, we will be internally expanding our FAST system. FAST is the docket, the electronic docket system that examining attorneys use. And it has proved to be a really good tool, both for measuring production and improving quality. But, even more amazing, one of the things I discovered a couple of weeks ago, 10 years ago when we were more paper based, we had something called the lost case report. And we could always depend on having several thousand cases on the lost case report. These were cases that we just couldn't lay our hands on.

I had that lost case -- Jeff is familiar with that report. I had that lost case report run a couple of weeks ago. We have -- at this time, we had 255,600 some applications in process and among those applications, we had 31 lost applications. We attribute this tremendous drop in lost files to the electronic systems and to
electronic processing that keeps track of where things are and helps us to find those things. The electronic docket for examining attorneys -- the examining attorney sits down at his desktop, opens the docket, sees what new cases are in the docket and how long they've been there, what amended cases are there, writes an office action, does a search all at the desktop, sends the office action, a copy goes to applicant, a copy goes into TDR, the case status wise moves into an awaiting response docket.

We want to move -- this has proved to be a really positive development in terms of process at the office. We want to move that process to ITU so that our ITU paralegals will have the same type of desktop and the same type of ability. We'll have the ability to keep better track of their work and do a better job of looking at their quality and move it to post registration, an area which would also benefit from such an electronic docket system and to our petitions area.

So, our plans are to begin moving this
FAST concept into the other areas of the office.
So that's one of the things that we'll be doing, and that will be continuous for the next couple of years.

THE CHAIR: Do you know what the
pendency figures are for post registration?

MS. BERESFORD: I do not. I can try to get them for you.

THE CHAIR: Okay.

MS. BERESFORD: I have a report in my mail on my desk, but I'll look.

THE CHAIR: One of the things in the strategic plan was proposal to move some of the ITU work into paralegals.

MS. BERESFORD: Uh-huh.

THE CHAIR: Have you started that or is this going to be a new initiative or?

MS. BERESFORD: Well, we piloted that initiative last year. We did -- had -- and what we did was we had four paralegals look at statements of use. And they already do a minimum requirements review for statement reviews. What
we asked them to do was to look at the SOUs, and
if there were procedural issues to deal with the
procedural issues; if they spotted a substantive
issue, to indicate that.

So essentially, we were setting them up
to do everything in statement of use examination,
including approving the file for registration if
there were no issues found, fixing procedural
issues if there were procedural issues, spotting
substantive issues if there were substantive
issues, and writing a letter stating whatever
needed to be stated for a particular file. We
took that letter or that action and this was all
done without actually doing anything. This was
done as a pilot. We took that letter or action
and reviewed it. The file then went on to the
examining attorney, who never knew what --
anything had been done.

In doing that, we assessed the quality
of the work that was being done by the ITU
paralegals. Were they spotting the issues, the
substantive issues and sending the correct files
onto the examining attorney? Were they handling
the procedural issues correctly? We are
continuing that pilot. The idea is that we will
continue the pilot until we're confident
everybody's training -- we're expanding it to more
people so that all the ITU paralegals will be
doing that. We are expanding that pilot and we
will continue it until a, we're either convinced
that everybody is at a training level and an
ability level that this will be successful. And
then it will no longer be a pilot; it will be
fully implemented. And ITU paralegals will in
fact be approving some applications for
registration based on their assessment of what's
in the statement of use; others they will be
sending to examine attorneys. Or plan B, if it's
not successful, we'll continue with our current
process. Based on the evaluation we have so far
from the work that's being done, we think this
will be a successful pilot. But we will -- we
aren't ready to say okay, let's go full bore ahead
yet.
THE CHAIR: Uh-huh.

MS. BERESFORD: We're still looking at it. Questions?

THE CHAIR: I think there was another thing in the strategic plan about looking at --

MS. COONEY-PORTER: Can I just ask one question?

THE CHAIR: Oh, Kathleen. Sorry.

MS. COONEY-PORTER: So essentially, a paralegal will be able to have the right to issue a substantive refusal?

MS. BERESFORD: No.

MS. COONEY-PORTER: Okay.

MS. BERESFORD: No. That's the one thing they're not going to do. They're -- and that's the part of the training that we're very concerned about that they -- the first four that we trained, we told them be very conservative. If you have any doubt at all about what's going on, forward this file to the examiner, you know, forward it to the examining attorney. You're here to handle procedural issues and if there are no
procedural issues and you see nothing possibly
that's a substantive issue, then you should
approve it for registration. But all of the
substantive issues will continue to be handled by
examining attorneys.

THE CHAIR: I was going to ask a
question about the quality review office. Are you
proposing to change it so that they now look at --
was it final actions?

MS. BERESFORD: All final actions.

THE CHAIR: All final actions.

MS. BERESFORD: The quality review
office of course now does the quality reviews of
the final refusals that constitute our final
action quality number. We will continue to do
that because we're proposing the new measure where
we look at all final actions that come out of the
office. That would be the things sent to pub as
well as things that are finally refused.

THE CHAIR: Uh-huh.

MS. BERESFORD: We have to pilot that
measure for at least a year before we can put it
into -- in as an official measure. So we will be piloting it this year and then at the end of the year, we'll make a decision about whether it should become our official measure or not. But they will be doing that this year.

THE CHAIR: Okay. Anybody else have any questions or comments for Lynne? Al?

MR. TRAMPOSCH: Are we discussing the strategic plan now or will there be later discussion?

THE CHAIR: Well, we have time so I think we can.

MR. TRAMPOSCH: Before we move on from Lynne, can I suggest perhaps that we as a committee commend her and her staff and all the trademark staff as a whole for their fabulous performance this year.

THE CHAIR: I think that's appropriate.

MR. TRAMPOSCH: And the same or better performance for next year.

MS. BERESFORD: Thank you.

THE CHAIR: I think we could also thank

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Howard as the representative here of the -- well, of the attorneys, so. Did you want to talk about the strategic plan, anything in particular?

MR. TRAMPOSCH: Yes, Jeff. I'd just like to come back what I mentioned -- well, something that was already mentioned, the phrase protect the USIP system that's used in this strategic plan. And I listened carefully to the director's explanation of that, and I'm just -- I would just like from my own point of view to suggest modifying the language because I think it doesn't necessarily convey what the director intended it to convey to all people, especially abroad and especially in the context of international negotiations.

My worry is that it looks as though the U.S. is taking an official position in its strategic plan, which is one of the most important documents that it puts out of using all of its efforts to maintain the U.S. system as it is. And I don't think that that's the point at all. I'm thinking in particular of international
harmonization discussions or any discussions about improving intellectual property including improving intellectual property within the U.S. And I would also suggest that the best -- that what the USPTO wants of course is to have the most efficient and the most effective intellectual property protection for all U.S. interests. And part of that is effective and cost efficient protection worldwide, which may include or hopefully will include harmonization, which may mean changing the U.S. system in some ways in order to achieve worldwide harmonize system. And I'm just afraid that this will send a message to our negotiating partners abroad that the United States is taking a strategic and policy position against those kinds of changes. And I would suggest modifying that language in some way to actually convey what we're trying to say and not get the wrong message across.

THE CHAIR: I think that's a good suggestion. Okay. Anything -- Oh, I'm sorry.

MS. BERESFORD: Yes, Thank you. And
we'll convey that message. I think you're
absolutely right. Your message is the one that we
want to convey. The other just note on the
strategic plan is there are initiative papers for
every item in the strategic plan, and I've asked
OCP to get copies of those initiative papers,
which have things in them like costs for all of
you before you leave today. So I will go back to
them and make -- I thought they'd have them by
now, but I'll go back to them and ask them for
those initiative papers unless you're not
interested in looking at the initiative papers, in
which case -- I know you all have busy lives and
plenty to do. But if you'd like them, I'd be more
than happy to get them for you.

MS. COONEY-PORTER: Is this the staff
initiative?

MS. BERESFORD: No. This is the -- each
element in the strategic plan is supported by the
initiative paper that lays out what exactly, you
know, for instance, when we talk about the new
performance, the new final action performance
measure, there's an initiative that talks about what that means and what it's going to cost. And so, for each of our trademark initiatives, there's an initiative paper. For each patent initiative, there's an initiative paper, et cetera. So, the question is if you're interested in those, I'll make sure that everybody gets copies. Okay?

MR. ROSENBERG: Josh Rosenberg. One of the areas that I was interested in last year and it was an initiative last year and probably continues is the process map.

MR. ROSENBERG: And I'm wondering how that is going and also what improvements you've seen because you've developed a process map.

MS. BERESFORD: Well, the process mapping continues and it's part of what we're going to do this coming -- in 2007. We have seen some improvements as a result of the process map. We've taken a little bit of pendency out of our back-end pendency by -- because we've seen a week of -- in the process, it's just not necessary anymore, so we just moved it out.
We're looking also in the part of an
issue process that the whole Official Gazette,
publishing the paper, Official Gazette, process
which adds three and a half weeks to our back-end
pendency. We've already talked to the Government
printing office asking, you know, we send them a
complete file that they print the Gazette from, we
send them the electronic file. And asking them --
and then three and a half weeks later, they print
the Gazette. And we're in discussions with them.
Could they cut that time down a little bit, it
would be very helpful to us. But those are the
sort of things that the process map is exposing in
terms of time.

MR. ROSENBERG: Uh-huh.

MS. BERESFORD: We've also had a look at
our LIE and SLIE functions. And we've seen some
things and we're in discussions about those
functions. We've seen some things that we can
really improve in that area. The LIE PAP, for
example, has been the same for years and years and
yet their work has become less paper driven and
more and more electronic. So, we see that the measures that they have and the kind of work that they do has changed. That's been a thing that we've seen in the process map. So we're in discussions with those folks to talk about how we can modernize and really reflect in their PAPs and in their work what they're actually doing now. So, it's ongoing. We have post registration I think as our next area that's up to bat. We think in a year or a year and a half we will have not only completed it but seen some real improvements, not the small improvements but some really, some more major improvements in the process, which is, you know, worth looking at.

THE CHAIR: Let's see. Jackie?

MS. LEIMER: Jackie Leimer. I just wanted to make or build on a little bit of Al's comment about the importance of IP phrasing in a strategic goal towards international harmonization. And from a user perspective, I think some of the largest users in the -- of the U.S. office are multinational companies who are in
the case of Kraft Foods, for example, a
combination of companies, many of them that are
operating and incorporated outside of the United
States who own their own IP. So, we would make
first files on patents for example in Europe. We
have home countries of trademarks in many places
in the world. So I think it is important that we
communicate the importance to the users of having
regular and steady efforts towards harmonization.

MS. BERESFORD: Thank you.

THE CHAIR: Kathleen?

MS. COONEY-PORTER: Thank you. Quick
question regarding the printed version of the
Official Gazette. Our last meeting indicated that
if there wasn't -- if there was a decreased demand
of the printed version, that the office would
think about cutting it. Is that -- have you seen
that decreased demand?

MS. BERESFORD: Well, first of all, it's
not the office's choice. It's the Government
printing office.

MS. COONEY-PORTER: Right.
MS. BERESFORD: We don't support the Official Gazette. We don't give money for the Official Gazette. The only thing we do for the Official Gazette is send them the full electronic file. I haven't talked to them. They were, (comma) but I can ask. We can get back in touch with them.

They had sent out a survey to their users explaining that the cost of the Official Gazette was going to go up by I think about 50 percent and asking the users if they would continue to subscribe if that cost went up. So I don't know what the results of their survey have been thus far, but I can try to get that information from them.

We have in addition put a search line on our test system that allows you to put in the official -- the date of a particular Official Gazette and essentially create a small database in the search system of all the marks that were published for opposition in that Official Gazette and then search that just as you would search in
the test system. So you can search by owner or
design code or word mark or you know, goods and
services, class, in an effort to make the
electronic Gazette more user friendly. One of the
things we're going to do in the next month or so
is go out with a request for information asking
our public what could we do, what other
functionality would you like to see in the online
Gazette that would make it more usable for you.

MS. COONEY-PORTER: Thank you.

MS. BERESFORD: And so that is -- I mean
you can take the PDF version of the Gazette and
download it into your tablet or your notebook and
sit on the train and look at it if you want to,
but we think that we want to make that online
Gazette a much more usable item. So we're going
to look for comments.

THE CHAIR: The first objective the
strategic plan talks about developing alternatives
for predicting workloads, processing, and managing
the workforce and so forth. What do you have in
mind as far as alternatives for predicting
workloads? Because we don't really obviously want
to go back to the situation several years ago
where we had to lay off a number of examiners.
So, what other tools are you developing or do you
plan to rely on so we don't run into that
situation in the future?

MS. BERESFORD: Well, the tools --

obviously, the tools we're using now, we have a
fairly sophisticated workload predicting
mechanism. We have a -- where we look at past
filings and try to figure out what's going to --
from using that data, what's going to come in in
the next year. We've asked our Office of
Corporate Planning to look at other models for
predicting workload. And we also have just hired
someone in our office who is a modeling expert and
we're going to ask him to look at possible ways of
better predicting our workload.

Let me remind you that the situation
that we had with the dot com boom and burst was
really an anomaly. We haven't had anything like
it before in the, you know, 100 years that we've
been keeping records. We just haven't had
anything like that. And I don't know that we're
going to find something that would predict such a
thing. But we are going to try to refine our
measures and come up with better ways of
predicting workload.

THE CHAIR: Anybody else have any
questions or comments?

(No response)

THE CHAIR: It's about noon, so I think
it's -- what we can do is adjourn now for lunch
and some of the items regarding our own internal
work and preparation of the annual report, for
every example, we can discuss over lunch. And we'll
have lunch down in the PTO cafeteria.

(Whereupon, at 11:59 a.m., a
luncheon recess was taken.)

AFTERNOON SESSION

(1:03 p.m.)

THE CHAIR: Let's go back on the record.

We're joined now by PTO Director and Under
Secretary John Dudas and Steve Pinkus, the Deputy
Director, who's also here as well. And John is
going to fill us in on whatever is on his mind.

MR. DUDAS: Sounds good. Yeah, if you
look in your book, it's blank. So, I'll speak off
the top of my head, but the problem is that could
easily go for more than 30 minutes. So I'll be as
quick as I can because what's most important is to
get your questions and thoughts and guidance quite
honestly. So, those are the most important
things. I think I just -- I don't want to rehash
everything you've heard. I would just say sitting
as the under secretary and director, what I look
at is the incredibly strong performance that
trademarks had. I look at the fact that where the
office is headed, there's very clear direction.
Lynne has done a fantastic job.

I think the managers in trademarks have
done a fantastic job. And quite honestly, the
trademark examiners have done an incredible job.
They had a new performance plan that quite frankly
asked for more. We weren't certain if it would be
successful or not. We know that trademark
examiners, examining attorneys are working very hard, but they're getting incredible results. And so, what we do is every month we have metrics that we measure. Green means good. Yellow means close to good but you're not there yet. And red, of course, means not so good. By the way, this is patents. They're all green now. But this was the month before our final month. Not only are they green, to get the green, you know, you just have to make it roughly up to the bottom here, but numbers show percent of target by last month -- and I'm sure you've heard this one -- 113 percent, 110 percent, 124 percent, 147 percent, 110 percent, 106 percent, our examining attorneys and our patent examiners as well.

When we reach our goals here, we don't do 100 percent or 95 percent, we do something like 103 percent. If you count in overtime and everything else, it's goals of even higher. So these are stretch goals that are I think it's 112 percent in trademarks when you look at all of the incentive structures and everything else. They're
stretch goals and so I think Lynne and the entire trademarks deserves a lot of credit. I do have the opportunity to brag about trademarks.

Then when you look at the broader sort of are they leaders, absolutely, they're leading in teleworking. They're leading in new ways throughout Government, new ways of doing things, looking at new ways of doing work. Many of the things that we look to even here at the U.S. Patent and Trademark Office, patents is more open to looking at how trademarks did it. They're different, different models, but patents is more open to looking at that. Trademarks helped us reach our electronic filing goals in patents this year. So what I think I see is a vibrant organization that's achieving very high stretch goals and on top of it, trademarks is on a path to getting to the ideals. And you can help us figure out what the ideals are. From what we understand, people are very pleased with the idea of getting to a 13 and 3 month pendency model.

We've talked about is there a six month
pendency model or some other pendency model that
we should be looking at. And so far, what people
have said is no, you're on the path for the ideal,
again, knowing what the costs are and what the
benefits are and the challenges the office faced.
So what -- the other area I would point out just
as by way of example, Lynne and a team of folks
including folks who are in this room right here
are going to get a Gold Award from the Department
of Commerce from the U.S. Government for their
work in the Trademark Law Treaty.

That was another example of the U.S.
leading, so this isn't an external environment,
but really I think leading, conceiving, and
following through on the Trademark Law Treaty, we
see a lot of those kinds of efforts certainly in
the anti-counterfeiting and anti-piracy as well,
although that's not a trademark issue, per se, but
a lot of leadership coming out of the trademark
office. So, I'm certainly open to criticism, I'm
just on a, you know, good one week high here
coming off our week here at the USPTO. So I won't
leave it with just compliments. Plus, I get to be
director now. When I deputy, as you recall, I
always had all the bad news, but that's why Steve
is here. Not so. Steve has actually been one of
the reasons we've been leading so much and have
such good news. So, I guess I leave it open to
questions, thoughts, criticisms, constructive or
otherwise, give Steve a chance to raise anything
that I might have missed, but again, getting your
thoughts and guidance is probably what's most
important.

MR. PINKUS: I don't have a whole lot to
add of course, John.

MR. DUDAS: Because I talk a lot.

MR. PINKUS: But this is -- first of
all, welcome to the new members. Welcome here.

MR. DUDAS: Oh, yeah.

MR. PINKUS: And thanks for agreeing to
serve on TPAC. Welcome back to the others and
congratulations on the new term as chairman to
Jeff. I think you've done a great job in leading
this board and -- or this committee. You know,
sometimes we view it as a board, you know, TPAC and PPAC (phonetic) is somewhat board of directors in our little corporate environment we like to think of here at the PTO. But we -- we're very excited about again the new membership and Jeff's continued leadership and learning things from you all that don't have to be necessarily -- you know, I know you get a lot about budget and some of the operational things, but I think this is an opportunity in serving on this board to share your ideas about how to best improve the trademark system in the United States.

Many of you, if not all of you are deeply involved in the area of trademark law and how our office processes trademark applications and appeals and whatnot. And you're sort of really in the trenches and have good ideas about what we're doing right, what we're doing wrong, or just a new idea that could improve things. And I think that's a, you know, great opportunity through these meetings for you to come forward with those ideas and help us improve the office.
Because you know, we sit around obviously, as you
know in your day jobs, you're consumed with
everything you have to do, and part of that charge
is to improve things, but you also have to keep
the trains running. And that consumes a
tremendous amount of time for all the management
and of course the examiners.

So we do look for you as -- at you as
sort of that advisory mechanism and sounding
board. And we're very receptive to whatever ideas
you come forth with and we're always striving to
improve our organizations here and improve our
performance. And also, you know, we can't always
change the law here. Sometimes, of course, that
requires legislative action. But it's -- you
know, John is charged as the under secretary with
making recommendations through the administration
and testifying on the Hill. And you know, we do
take a leadership role in policy making
domestically and of course, as John eluded to
internationally with the TLT. So, we appreciate
advise and guidance along those lines too.
If it's something that's gone awry and needs a legislative fix or if there's a particular issue with a individual country, we've got people who focus on various regions and countries of the world and are -- in fact, we have folks deployed, IP attache's as we call them, deployed to various countries. In fact, just last week -- was this mentioned already today? It might have been.

MR. DUDAS: No.

MR. PINKUS: Just last week -- it's taken a long time. We've had Mark Cohen may of you know, he's been in China for two years now. We have deployed a second person to China. There will be a third person deployed to China based out of Guang Jo. He's not there yet. But Dom Keating from our office just last week went to India for his deployment. We have deployed somebody to Sao Paulo to handle Brazil and other issues in Latin America, as well as Egypt for the Middle East and Cairo and Bangkok.

MR. DUDAS: Thailand, yeah.

MR. PINKUS: Bangkok, Thailand. And --
MR. DUDAS: We thought that was a coup
to get someone there.

MR. PINKUS: That was good. That was
good. Took me a minute there. If you know
anybody who is in IP, preferably an IP lawyer that
speaks Russian or would like to be deployed to
Moscow, let us know because that position is open.
But they are a great resource. And not just those
countries. Obviously, we work a lot with the
embassies and U.S. personnel and foreign personnel
in other countries as well. So if there are
issues in particular regions, it's our job to help
the U.S. Government lead those -- address those
issues.

So, in sum, think big because we're
trying -- we are thinking big we believe. If
we're not thinking big enough, let us know. But
as we're looking at things internationally, very
big programs, global training academy. And again,
I think we're thinking very big here within the
office, so your helping that means a lot. Even
though we give you all the details, that those are
very important details, but we're looking to you
to help us think big. Thank you.
THE CHAIR: Questions for?
MR. ROSS: I've heard a lot of comments
and --
THE CHAIR: Could you put your
microphone on?
MR. ROSS: Sure. My name is Harold
Ross. I represent NTEU 243. I'm speaking for Ms.
West. She's not here at the present time.
THE CHAIR: Thanks.
MR. ROSS: I've heard a lot of comments
in reference to how well the attorneys are doing.
And I've noticed that they have several incentive
programs in place to help motivate them in order
to reach those pendency goals and all the goals
that they meet. But I see a lack as far as
administrative support is concerned. For the past
several years, administrative support has not had
an incentive program. They have very little
motivation as far as reaching goals. Although
they reach their goals and they help the attorneys
reach those goals, I think a little more attention needs to be placed towards the administrative staff, i.e. sometime of incentive program, i.e., PTO University, something to help them grow as well as the attorneys are growing. I mean we're focusing a lot on the attorneys, and I can understand that because we're trying to get applications out. But without the supportive staff, these goals wouldn't be met. And I would hope that this agency would hopefully look towards that and try to reach or come up with something to help motivate the supportive staff.

MR. DUDAS: Well, I appreciate the comment and I thank you for it. And in fact, it's something we're much more focused on. And hopefully, when we have celebration here at the year end, it's intended to be a celebration of everyone. There is no question. The hiring that we do, we can't do. And we know who is -- you know, examiners are examining and examining attorneys are examining, but there's a whole lot that goes into behind that. We couldn't do it
without all the support for the hiring, everything that gets done, you know our productivity, efficiency, production, everything is based on getting everything done well. And so some of the things specifically you mentioned, there's no question. PTO University or other training programs along those lines are under review, and there's no question. Before we had the full budgeting, one of the first things that we looked to for short term cuts is training, both for examining attorneys and for employees throughout. So, both of those are under review, both PTO University and other programs. And I recall recently -- I hope you're seeing a bit of a turn or you're seeing more of these sort of positive efforts. I know that along with NTEU 243, we were very pleased with the teleworking program that we had come out. And it really came about from 243 working with management and with employees to get those kinds of things done.

So, I hope you see either we're turning a corner or if you -- or that you see a lot of
focus on that because there really is at least
2 across -- I'd point over here. When we had our
3 executive committee meeting, we had some
4 discussions along these lines this week. So
5 hopefully you're seeing more of that. We do want
6 to have those kinds of incentive programs. I
7 think there's been a concerted effort to get that
done and some real successes this year. But I
8 think it's important to raise it. And that we
9 want to do -- I don't know if there are any other
10 programs you wanted to raise, but I think there
11 have been some real successes this year with 243.
12
13 MS. BERESFORD: Yes. And I -- and we've
14 been in contact with them, 243, earlier. We're
15 looking at and talking about an awards plan that's
16 a more comparable, that has more scale to it, that
17 gives better awards for work well done. We're
18 looking to a number of things in that area. And
19 we've been in informal discussions with 243 about
20 that, and we will continue that. It's something
21 we think is very important. We certainly
22 understand, I understand nothing gets done unless
you have the support staff behind you helping you
do it. And we think it's both training wise and
award wise we've been neglectful, and we want to
change that.

MR. DUDAS: Yeah.

THE CHAIR: Really quick?

MR. DUDAS: Oh, I'm sorry. Go ahead.

THE CHAIR: I was going to say that for
our new members, 243 is the union that represents
the administrative support staff. Joshua?

MR. ROSENBERG: Josh Rosenberg. Yeah,
to follow that question and comment up, I wonder
if you guys are doing what we call voice of the
workforce, surveys and things to understand
exactly how your workers feel about their jobs and
maybe identifying some things that are problems
before they become real problems.

MR. DUDAS: Thanks. And yes, we are.
We do surveys. I don't know if they're -- are
they annual, where we get sort of job satisfaction
and talking about what we've -- go ahead.

MS. COHN: Every couple of years,
there's surveys that are sent down that -- Debbie Cohn, USPTO. Every few years there's a survey that comes out from OPM. I think it's called the Human Capital Survey. I'm not 100 percent sure of the exact name. But we have been working with those results to try and make some improvements. One of the initiatives that came out of that survey or the last one was the emphasis on communication within the USPTO. So there are some -- we do have these surveys going out. You know, we have a huge workforce, so it's hard to survey everybody.

But we have looked at results. We are paying attention to them. And we've actually formed the Human Capital Council, which is a management committee that pays attention to all of these issues.

THE CHAIR: Any other questions or comments?

MS. DEUTSCH: I do. John, can you talk about any updates on a WTO proceeding against China. There have been rumors forever, but the
most recent rumors seem to be that there's something more eminent, although it's being more copyright driven than trademark driven. And I was just wondering if you had anything you could actually publicly share.

MR. DUDAS: I can publicly share that it's currently under consideration, no question. The U.S. Government has said we will do anything that is appropriate in a WTO context. As you know, the U.S. lead an effort along with Switzerland and Japan in opening up the transparency requests. And the U.S. has been trying to figure out specifically whether or not it makes sense to take a case. And quite honestly, I think the U.S. Government is saying, in all cases, if you do take a case, it's best -- better to get a nation to cooperate without taking a case. I think that's much of -- and anytime a case is taken or if a case isn't taken, there's discussions, negotiations, how can we move people along. And I think the question about where a case would go specifically, I think those are sort
of legal judgements that have been underway. I think there are some, probably from the copyright industry, that would argue the violations in copyright are clearer and more direct, et cetera. Certainly, taking into account what the industry says are the problems is a big issue. So, one of the challenges I think for the trade representative is industry has? You used to have industry, you must take a case, must take a case, must take a case. It's the only thing to do. And when the administration began talking about that, a good three quarters of the industry, my God, don't take a case, don't take a case, don't take a case. So it really is trying to get the right information from the outside, evaluate the legal arguments.

And I think there's no question the United States has been serious about getting China to take its obligations seriously, both legally and from a negotiation standpoint. But really, it's -- there's not much more to say, not that I can't say more, but that it's under serious
consideration. But the United States is very serious about making sure that China meets its obligations. I will also say that Chinese Government, by and large, has been more serious about its obligations. It has been more forthcoming about the problems that they have. And they've been more creative in the solutions. They've even come up with some solutions on their own that we think are helping. It's an issue also of timing, how quickly are they going to follow up.

MS. DEUTSCH: And are you working directly with copyright constituencies to kind of coordinate? Because my practice definitely covers both.

MR. DUDAS: Uh-huh.

MS. DEUTSCH: And it's interesting, the rumors I hear on my trademark side and the rumors I hear on my copyright side.

MR. DUDAS: Yeah.

MS. DEUTSCH: I'm just hoping one hand is knowing what the other is doing.
MR. DUDAS: Yeah. The trade representative definitely works with industry directly. We work with industry directly as well. We provide a very strong supportive role in government. But it's my understanding that both here and particularly at USTR that they're working with industry throughout, so.

MR. PINKUS: I don't think it's any secret that any case could be based on ineffective enforcement of intellectual property rights. And I'm not quite sure of a dynamic of -- or distinctions being drawn between copyright and trademark so to speak. I think John mentioned that there seems to be some robust statistics that have been kept yearly by certain copyright industries. But I think that the main thrust of the case would be certain inadequacies in the Chinese law that allows for this lack of enforcement. And that would apply on a criminal level to either copyright violations or trademark violations. And there was interestingly a comment by -- I think it was by the Premier in China that
they were -- and we're sort of tracking this
down -- that they were going to look at lowering
the thresholds for criminal prosecutions again.
And you know, whether that's true or not, I mean
you can speculate whether that's a response to
public or press discussion of a potential WTO
case. But of course, that doesn't -- someone can
say something, you know, it doesn't mean they're
going to do it.

MR. DUDAS: If you don't mind, I just
want to follow up on Josh's question as well and
follow up on the comments you've made. The
surveys that we've seen so far have taught us a
couple things. One, examining attorneys and
examiners in patents, we get ranked very highly on
and we have very clear goals, et cetera. We get
ranked low sometimes on -- I don't know what you
call it -- it's a very hard job; the demands are
very big.

The, you know, there's no question that
in the job satisfaction area, do you have clear
goals usually set up. But what I like to say is
we've got the who, what, when, and where figured out pretty well. Who, you, what, do the work, when, now, you know, very easy type stuff. We can tell people where, that's changing a little bit, at home or here or other possibilities. Why, we need to communicate better on why. And how, we need to communicate better on. It's not much different from a lot of businesses. I think we're getting better at figuring exactly that out. And certainly, there's, you know, times where we sit on this and say gosh, this is such a great program and why don't people understand it. Well, because we haven't communicated it well enough. So, that's one area particularly for those in the bargaining unit and NTEU 243.

One of the things we've found out is we're not -- we believe we can do a better job on the who, what, when, and where's as well. In other words, having clearer goals, clearer targets to meet, as well as the how and why, but giving those clearer goals helps us get the kind of incentive programs. If they're measured better,
then we can get those kind of incentive programs
in place. And that's one of the things that
trademarks and patents, quite honestly, are urging
our other organizations to put in place. We're
measured very carefully in trademarks, very, very,
very carefully. We should have similar
measurements in place and then along with that,
the kind of incentive programs that help people
pick and choose what their workday looks like a
little bit more. So, I think we're on our way,
but we need to continue it.

MS. COONEY-PORTER: Hi, John. I had
lunch recently with one of our commercial
investigators and I have to say it was a little
depressing. It wasn't anything new but
essentially worse that what we expected. And one
of the countries was Brazil and I think you
mentioned you have someone there. Is there any --
this is a rumor that I heard from him. Is there
any talk on the Hill about potential tariffs to
some of these countries on the units that come in
customs or is that a rumor?
MR. PINKUS: For Brazil?

MR. DUDAS: Yeah.

MR. PINKUS: As far as new tariffs based on intellectual property violations, I don't know that there's -- I haven't heard a lot of talk about that. There's the generalized system of preferences. Is it GSP --

MR. DUDAS: Uh-huh.

MR. PINKUS: -- that we're analyzing vis a vis Brazil. It's also a broader discussion. Of course, intellectual property comes into play, but GSP, for example, is supposed to be a lift up for certain countries and you reach a threshold and they're supposed to not be needed anymore so to speak. So that's kind of like a broader policy debate about that. But, intellectual property does influence it. There's myriad problems in Brazil, although there's some improvement there too. But you know, sometimes the improvement is when you go from 90 percent piracy to 87.5. But it's still nonetheless an improvement in the government in the lieu of administration. It's, I
think, fairly remarkable that there's been a
rather aggressive campaign to improve intellectual
property respect and rights. They're lead by
their attorney general, and so it's gotten sort of
a law -- precisely, it has a law enforcement
focus. And it's being carried out also in the
state level. A lot of states are putting together
their own IPR action plans.

MR. DUDAS: And there is talk on all
these whether or not Russia makes it into the WTO
partly because of intellectual property, GSP in
Brazil, whether or not there's a case taken
against China. Much -- and we play a role in
every one of those, although not the --
necessarily the -- a lot of those are beyond
intellectual property.

That's what people -- people love that
we're very clear about what we care about, but
they get frustrated because we don't care about
sugar at all. I mean sugar is important, just not
to us. So, but what we are spending a lot of time
on is trying to make certain that each of these
nations and the critical policy makers within those nations understand why intellectual property is important to their nation. Clearly, the reason it brings them around is they think it's going to be good for their nation, not just foreign investment but actually in their own internal investment as well.

And I think we're turning a corner or at least making progress in a number of nations. Brazil -- not -- definitely haven't turned the corner yet, but it's interesting to have the discussions in Brazil or with Brazilians where on the one hand, we're fighting tooth and nail on international treaties or development agenda. We think development is critical but not at the expense of intellectual property. And then outside we have a discussion, hey, is there anything you can do to help us beef up our office. We need more help on examining everything else. Absolutely. We'll help anybody and everybody to increase their intellectual property protection schemes and infrastructure. So, I think
anecdotally there's progress there, but the short
answer to your question is yeah, there's talk
about that.

MR. PINKUS: Well, then of course
there's Schumer Graham talking -- Senator Schumer
Graham talking about a tariff for Chinese goods.
Intellectual property again plays into that, but
it's also based on other issues of course, their
currency issue primarily there. You know, I think
generally speaking it is the administrations
position that new tariffs or trade restrictions
have historically not proved to be particularly
beneficial to the United States or others. You
know, they have a little bit of a different
dynamic on Capitol Hill. So, again, you know, see
what happens, and again, IP always sort of plays
into it. Sometimes it's a bigger issue depending
on the country.

THE CHAIR: Go ahead.

MS. LEIMER: Jackie Leimer. I'd be
interested in your comments on the office's
experience with Madrid filings. And a related
question is do you -- does your outreach that
you've been describing, especially in countries
like Brazil, does it include advocating Madrid
succession?

MR. DUDAS: I can answer the second part
much better than the first part. The first part
I'm going to have to defer. But my answer to the
first part if you didn't have a second part was
I'm much more involved in pressing other nations
to get more involved. And in a way, we press
other nations to get involved without making it
look like the United States is pressing for them
to get involved.

So, at first many of the people didn't
join Madrid because the U.S. hadn't joined Madrid.
And now that the U.S. has joined Madrid, well,
what's the reason? Many of the nations -- I just
spent some time in Geneva last week, and I had the
opportunity to talk to a number of heads of
offices of other nations. So the answer is yes,
we're pressing -- we're explaining why that's so
important to each of their nations. And there's
really not another side to that. There are some
issues that many of these nations -- I won't even
mention some of them because they have very good
strategies for why they will be able to adopt
Madrid but why they don't want anybody to know
they're going to try to adopt Madrid.

But we're -- we're looking at a number
of things, not the least of which is finding those
nations that will be leaders for other nations as
well. If we get nation A to join, is it likely
that B, C, D, E, and F will join as well? So
we're actively promoting that, including as part
of our strategic planning, looking at ways where
we would make it easier for people to work with
the United States, help them with the kinds of
internet and electronic filing and processing
tools that would help them open up the U.S. market
and we would open up their markets as well. But
Lynne can answer -- Lynne or her designee can
answer part one.

MS. BERESFORD: I'm not sure what you
mean by our experience with Madrid. People
continue to file through the U.S. office and extend their rights. And we continue to have applications filed into the U.S. Occasionally, we have a bump where something doesn't go quite right, but on the whole, the system is working remarkably well.

And I -- it has pretty much evolved the way we thought it would, the gradual increases in filings and folks looking at Madrid as a -- one of the many ways you can use to extend your rights. So, I'm not sure if you have a specific question. I can certainly give you filing numbers. I can get that. But I think it's going okay.

MR. DUDAS: Well, I have all the filing numbers on the top of my head.

MS. BERESFORD: Wow.

THE CHAIR: We'll actually talk about Madrid a little bit later this afternoon. John, do you want to address -- one of the issues that raised in the strategic plan has to do with identifying options for securing long term funding stability. Have any discussions taken place
within the administration or with, you know, the legislative branch on that question?

MR. DUDAS: Yeah. We are constantly talking about that within the administration and throughout. I think the short term answer, if you will, and it's for many a long term answer is that the administration for several years running has fully funded the office. And there's a sense among many that that's the way budgeting must work, that that's the way it works for everyone, that every year you get a budget and that that's your budget for the year, and the next year you don't know exactly what's going to happen.

We believe very strongly that for the kind of operation we run and for the kind of results we have as well, but primarily the operation we run, that it would be great to have a much more consistent and stable model. So we have had underway for a long time the discussions about independent government corporation or what do you do to ensure that there's a -- some sort of guarantee that the full funding comes to the
USPTO. And everyone -- you know, we know what has happened in the last several years in that both for the first time in I think 15 years the President's budget has done so for the next several years has given full funding. Congress has followed that lead. There's this sunset issue that comes up this year, although, it looks like both houses of Congress feel comfortable continuing along with a full funding basis on a year to year basis. So, we're constantly engaged in that discussion. We know what options are out there, but it's really going to be a conversation that requires a filing of a bill and a Congressional strategy. So we're having the conversations, but right now it doesn't seem to be the lead issue on intellectual property on the house or the senate but one that we're very actively talking about. Thank you. That's all right. At least it wasn't Oscar Mayer wiener.

THE CHAIR: Any other questions for John or Steve? I know that their -- the time is limited. Do you have to leave now?
MR. DUDAS: I have to go for a phone call in about five minutes but if there's -- in fact, I just missed my call. I was calling Jackie. We had a 1:40 call. So no, we're --


MR. LEICHLITER: Yeah. Van Leichliter.

I just have one question. I think private industry really appreciates the efforts that the USTR and your office is taking on the counterfeiting front. I think -- could you kind of just explain if you could the headway that you're making in the anti-counterfeiting in China? Just generally, what's the feel there? Do you think things are really getting better? You're actually being heard and they're actually taking action to enforce their laws and change their laws to improve the anti-counterfeiting environment there in China.

MR. DUDAS: Yeah. I'll be really quick and then actually Steve lead the latest delegation to China. So he'll be able to give you the very latest in what's going on there. I'll just give
you my sort of -- having gone their five or six
times in the last two and a half years, the
difference is that two years ago they weren't
acknowledging in China that there really was the
problem. We were talking about whether there was
a problem. That changed to yes, we recognize that
we have an issue and we want to change it. They
ended up in China having more patent applications
from China than from elsewhere in the world one
year. That's a turning point for them. And they
now have as a national innovation plan to become
the innovative nation by 2017.

So I would say within the last two years
we've actually turned from wondering whether or
not there's a problem from their perspective to
establishing that there is, and now, how do we
solve that, much more cooperation among law
enforcement, much more cooperation with customs.
Steve knows of some -- I'm sorry I don't mean
to -- but there's Operation Fastlink,
international cooperation with Chinese and U.S.
law enforcement. We've always taken these issues
all the way up to the Premier and the President as well. We work closely with the Vice Premier, Wu Yi, and we have a number of areas where we have -- the USPTO has a 64 point plan on how to resolve these issues.

So we get down to the very specifics and we keep track of each one of those that we're trying to move and then we of course have at the secretary level and the trade representative level yearly meetings with the JCCT where specific goals are followed up upon. All that good news, the fact that they're coming up with new ideas, that there's more cooperation, that there's a greater spirit, and they very much -- PTO, we come in with both hammers and carrots if you will. I mean we have programs that we can work on. So we have an excellent relationship. We think we've identified the right people in China and other nations to help promote intellectual property. I'd say the biggest problem is the length of time that it takes to get something done and it's very easy in a large country like that while you make
progress here at the national level, you lose
footing or you lose progress at the local level.
Those are issues -- internal Chinese issues, but
they -- it doesn't matter. We can't say that we
have terrible counterfeiting in one state but
these other three states are great. We need to
work on that.

And also, a country that's moving policy
so quickly, we might make progress on intellectual
property laws in one area, but then the antitrust
or standards laws may take us back in the other
direction. So that's a challenge. Keeping that
fully coordinated is a big challenge. As I
mentioned, that was -- Steve lead the latest
deblegation where we have -- I think we made
certain process progress and also have hopes of
making some substantive progress. I'm sorry I'm
leaving, but you're actually in more capable hands
right here.

THE CHAIR: Thanks, John. Appreciate it.

MR. PINKUS: I really don't have a whole
lot to add to that. John summarized it pretty well in the sense that I think we, as the U.S. Government, encouraged by the recognition problem, the process progress that we've made. And but -- I don't -- if I'm sitting there as a U.S. business man or business woman, do I feel a heck of a lot better? You know, maybe not. You know, the fact is though on the administrative side, their offices are getting a little bit better. We're providing as much training and technical advice as possible, so that U.S. applicants, when they go there, are treated by a world class office. I think that they've got a long ways to go there too. I mean in trademarks in particular, I'm not sure they do a particularly vigorous and U.S. style examination. But I think the leaders of those offices want to improve. I think that's important. I mean I think they really do and they want to establish a good relationship with the PTO on the administrative side and the policy side. And they're trying to work policy issues through their bureaucratic morass there, which is helpful.
But again, it's such a huge problem and the Chinese are running campaigns. John mentioned it. It's Operation Mountain Eagle and this crackdown on counterfeits in markets and the such. And that's good too. Because, again, mostly their helping Chinese companies, which is fine, because at least the recognize that IP is important and must be protected. But they need, in our view, to depart from the campaign mentality to consistent effective enforcements. Their laws need to match it. They need a better effective -- I mean, in the United States, it's our civil system really that provides the intellectual property protection more than the criminal system and the deterrent is met. They need a more effective civil system too for people to be able to actually seek redress, have discovery, all these sort of things that are common here.

So we're pressing those at every opportunity. The USPTO is part of the broader U.S. Government team. It will be part of this new dialogue that Secretary Paulson is establishing,
in which is great because it has to be continually emphasized at the highest levels. As John said, it was part of President Bush's agenda with President Hu last year or earlier this year. I'm thinking fiscal year. It was last fiscal year. I'm sure the President talks like that. But, so it's going to take continued sustained action and you know, again, there's been progress on things like software in the past year, which is encouraging and if they were going to install, you know, pre-install software on computers that are being sold in China. And there have been commitments on the government's side to use legitimate software. And you know, those things are positive. But if I'm in your shoes and your client's shoes and you're sitting looking at -- and actually, it's a little frustrating. We do have this case referral mechanism now in the Department of Commerce. And when I was at the -- just to share some personal, real personal experience, in sitting across the table and raising some relatively high profile cases --
MS. DEUTSCH: MBA is one of them.

MR. PINKUS: MBA being one of them, also some smaller businesses that have been, you know, devastated. There's still the last of perception or -- there's lack of a political will to address it, lack of recognition that addressing some of these cases would go a long way to establishing political goodwill in the United States. And people on Capitol Hill, Senator Voidovics is a champion for a couple of these companies. And in some cases, they've made critical errors in even applying their own trademark law. And it's -- and you know, it's tough to sit there and be encouraged about the progress when they do that.

One last comment, on the flip side, I was also thinking on the way back it's pretty amazing what we ask for. I mean we're going into China and you know, we're the United States and we've been doing this IP stuff for a couple hundred years and we are asking them to --

MS. DEUTSCH: They've been doing it for 25.
MR. PINKUS: Yeah. They've been doing it for 25. And most of the people in the state department and USTR that lead these discussions are -- in John and others -- you know, are pretty savvy and we're not going in there, you know, threatening to drop a bomb on a counterfeiting factory or something. You know, so it's very -- we have a pretty savvy diplomacy. But still, we're asking a lot of them. And I thought to myself when I was on Capitol Hill if I was sitting there -- you know, I went to their state legislative affairs office and some other places. I went to the people's congress. And you know, if another government was that assertive and that persistent and demanding for these changes, I'd be kind of turned off by it. You know, we're the United States, we'll figure this out. I appreciate it. I don't want to be rude. And so at some levels, it's kind of amazing that they have been as receptive in recent years, that we've been able to wear them down to a certain point, and they've not kind of just pushed us away. And
I think it's because there's been a fairly tactful strategy at all levels. But we are asking -- and we deserve -- you know, I think if they want to be international players and they want to be a part of the WTO, they do have to do these things. And I think hopefully eventually they will. But there's still a lot of work to be done.

THE CHAIR: Sure, go ahead.

MS. DEUTSCH: The MBA's experience in working with the U.S. Government and the intergovernmental initiative that resulted in the case referral mechanism a couple years ago, working with Mark Cohen in Beijing, first of all, it's been wonderful from the perspective of the U.S. Government. They couldn't be more helpful and better and you know, they're fantastic. I think the case referral form, our case referral form is going on two years now and we're getting close. And look, there's been response. It's not necessarily the response we've wanted. I think I agree that strategically the instinct of the Chinese government has been to try to find holes
in our case rather than saying well, I can pick at these little side issues where you're not 100 percent accurate or making 100 percent compelling case, ignoring the fact that the fundamental issues, which is there's recidivism, there's a lack of deterrence, they're really not addressing that. They're not particularly quick at giving you direction on follow ups, so I've attended meetings where I will say tell me what the MBA needs to do next and they'll basically say well, you should employ the mechanisms that Chinese law offers for you to protect your IP, not the most helpful. On the other hand, I will end with a small success story. I think our experience with customs has actually been much better. And I think several things have happened over the years with China customs. They have an English language site now. They changed the regulations that related to the necessity to post a bond that was for the value of the entire detained shipment. And we had a lot of trouble with particular customs ports before that regulation went into
effect. And I think the greatest success story is
working with Lisa Rigoli (phonetic) at the
Department of Commerce to follow up on some of my
meetings and communications with the Chinese
government. Following the case referral form, one
of the things we had mentioned was we would be
interested in the opportunity to try and educate
China customs as to what is an MBA counterfeit,
how to enforce. And they took us up on that and
we took them up on that. And we had our training
materials translated into Chinese, and I sent them
over to the official with whom I had met last
year. And our Chinese counsel informs us that it
has now been distributed to Chinese customs
offices. And that's something that as a private
brand owner, I don't think we would have had
access to without the U.S. Government. So, I mean
I think it hasn't solved all the problems, but I
don't know that we would have expected it to. And
I think it's been great and I would encourage
other brands to take advantage of it.

MR. PINKUS: Well, I'm glad that you
have some positive feelings about the U.S. Government's role. It may have been a bad time for us to raise the MBA case, because when we were there it was right after we had trounced them in the world championships. Really, like the night before it was like a 30 point win. So they might have been a little biased against y'all. But in customs it's good to hear. There's another new customs initiative that we agreed to in August. I don't know -- I really don't know the details of it because the customs person was there. But that, you know, that's an area where the PTO gets involved in customs, in the sense that we help facilitate training of customs officials. And here in the U.S., we've tried to link better together -- link together better with customs so that there's less work the trademark registrants have to do on both ends. I will say that we're meeting here again in December with this. It's on the umbrella of the Joint Committee on Commerce and Trade, JCCT, which is co-chaired by Secretary Gutierrez and Ambassador Schwab. And then there's
an IP sub -- we call it a working group, basically
a subcommittee. So the subcommittee met in August
and we're meeting again here at the PTO in
December of this year, which is positive. But it
is frustrating.

I don't mean to end on the negative
point, but you know, sitting there talking about
another particular case where you say to the
Chinese listen, we know what's happening here.
This was a U.S. company. They came in. They had
a partner that was helping them distribute. The
partner just stole their product, selling it under
the same name, same exact product. This company
had registered their trademark in China. And what
was the ruling that came out of their office?
Essentially, they gave the Chinese company, you
know, a trademark in a different class just
because the lied, you know, they lied on their
application or whatever. And then they say but
you know, we followed trademark rules here. But
no, it's the same product they're selling.
It's -- we all know what's going on. It's blatant
counterfeiting. Please, do something about it.

And we'll see. Maybe they will. Maybe they will
after our latest appeal. But, I do think that
some of the leaders there want to make a
difference and they're starting to have problems
of their own with trademark squatting for example.
So, they're more -- we're going to have some joint
trademark squatting programs going on this fall.
I'm sure the private sector is going to be greatly
involved with that. Our team is -- you'll
probably here about that later -- is involved with
setting this up. But, you know, they're coming to
the table because they see their own interests at
stake as well.

THE CHAIR: Right.

MR. PINKUS: They see some of their
products being copied. So, that's what it takes,
it helps us, okay.

THE CHAIR: Okay. Any other questions
or comments for Steve? Well, thank you, Steve.
You're welcome to stay if your schedule permits.

MR. PINKUS: Thank you.
But I think we need to move on in our agenda.  

MR. PINKUS: Okay.  

THE CHAIR: We're now going to take up some international issues. Amy I see is back. I think this is more of a follow up to discussions we had at our last meeting regarding what we can do, we being the United States, to make the Madrid protocol more friendly to U.S. trademark owners so that more U.S. trademark owners would utilize it. And maybe I'll turn it over to Al. Al, do you want to just sort of summarize where we concluded on -- when was it, in June?  

MR. TRAMPOSCH: Yeah.  

THE CHAIR: And anything else you may want to add.  

MR. TRAMPOSCH: My cohorts on the international committee can help me out as well. We had I think focused on the dependency issue, the issue that related to the lists of goods and services and how users of the Madrid protocol from the United States are at a disadvantage because
the narrow list of goods and services as required
in the USPTO becomes internationalized in that the
Madrid registration is limited to the list of
goods and services that's in the home
registration. And we were wondering whether the
USPTO could bring that issue up in the discussions
at WIPO and I believe that there's a working group
that's going on right now looking at the safeguard
clause. And hopefully, at some point, that
committee can look at the dependency clause as
well.

MS. DEUTSCH: Just on the goods and
services description, I think our concern was that
by having the U.S. be the home registration and
being limited to what that was, you would actually
wind up not being able to avail yourself of
broader goods descriptions available in some of
the participating Madrid countries that you might
otherwise have available to you.

MR. TRAMPOSCH: Right.

THE CHAIR: And I know, Amy, that you
had said that there would be some opportunities
down the road to raise these issues I believe at WIPO. And I don't know whether you've done any work in the meantime on this, but if you have or have anything to share regarding these issues, I'd like to hear.

MS. COTTON: Thanks. Right after the last TPAC in June, we went to Geneva. Sharon Marsh and I went to Geneva for the ad hoc working group. And we had a serious of instructions of things to raise and we never really were able to get to them. We starting talking about the safeguard clause and that's where we stayed. And it looks like we're going to stay there for a while. It became a lot more controversial than we imagined. The safeguard clause is, as you know, between the agreement and the protocol says in those -- as to those applications between parties that are both to the agreement and the protocol, going into parties that are agreement protocol countries, the agreement governs and not the protocol.

So, and obviously, the Madrid protocol
was essentially formed to become the sole instrument at some point for the Madrid system. And the agreement was, you know, going to fall away. So there's this review mechanism built into the treaty that we will review the operation of safeguard clause and you know, try to basically determine if the -- if we can sort of repeal the safeguard clause, repeal the operation of the agreement so that the protocol governs most applications. And over time, if you do get a repeal of the safeguard clause, the more applications that are governed strictly by the protocol, the less necessary or relevant the agreement becomes and then you eventually cut the ties. And then all of the infrastructure that's built up in WIPO and in various offices to deal with agreement applications, that would fall away. Now theoretically, there would be efficiencies, gains, cost savings, that sort of things at WIPO. So, from just an administration looking at the system administratively, it would definitely cause -- create a more simplistic system, easier
system for applicants going around the world, as
well as for offices that are members to both the
agreement and the protocol right now.

So, we did support getting rid of the
safeguard -- repealing the safeguard clause and
eventually getting rid of the agreement. But
since we -- it's easier for us to sit on our high
horse and say yeah, get rid of the agreement,
we're not implementing both. So, we sat back and
listened to the discussion. And the discussion
seemed to be most countries were very -- most
delegations were in favor of repealing the
safeguard clause as to things like cascade,
transformation, whatever, but when you got to the
issue of individual fees and when you got to
issues of time limits, that's where there was no
consensus within the working group to repeal the
safeguard clause.

What has happened is that the user
groups have mobilized and said well, if you -- if
you repeal the safeguard clause as to time limits,
as to user fees, then my application going into
the Swiss office will go from 73 francs to 700 francs, Swiss francs. And you know, I'm not willing to pay that cost savings unless I get more services. Well, you know, that's a very reasonable approach. If you're not getting services, why are you going to pay more? So, what we found and I'm not sure why I should be surprised by this but that countries are treating application streams differently. Madrid application streams are treated one way and regular domestic files or Paris files are treated a different way entirely. So, many countries are doing as little as possible under the Madrid system as they can for these applications. They seem to be relying on the country of origin examination, doing little or no examination on their own. They're not issuing certificates of registration. They're not putting them in the database. None of the services are provided that they would to the regular domestic applicants. So it's easy for them to say well -- or easy for their users to say these people aren't giving me
any services and they can't just go and turn
around and charge me 700 Swiss francs for an
application. So, what we're trying to do within
the working group is figure out what is it that --
what services have to be provided in order to
entice the user groups to agree to a repeal of the
safeguard clause.

So we're getting into all these
discussions now and the USPTO and U.S. delegation
is now definitely in the mix now because they're
talking about applying these rules, whatever rules
they decide, whatever compromise they decide would
apply to all Madrid members. And more
specifically, the proposal that's on the table
right now is one that would essentially call for a
fee reduction for Madrid applications based on the
level of examination or services that an office
provides. So for those offices that provide full
examination, the proposal at this point, and the
numbers are of course spongable (phonetic), it
would be 85 percent of the individual fee you
could charge. And if you did an examination of
relative grounds after opposition, then 70 percent. And 50 percent for examination of absolute grounds. And then for those -- this would apply, I believe to those who charge individual fees now and that would be the United States. Also, there's -- we haven't really focused on the 18 months 12 months proposal, where we would go with that.

The -- many countries, because they don't send out any status reports or certificates of registration, your application, as you know, sits there for 12 months. And being at 12 months, if you haven't heard anything, you're good. Well, users don't like that. I think you'd probably agree it's not such a great thing to not -- have no idea what's going on and just assume at 12 months that everything is fine. So, when you're talking about having in some countries the protocol apply and 18 months would kick in instead of 12 months, that means they have to wait 6 months longer with no idea what's going on with their application. So, we haven't really focused
on that side yet. We're focused more on the fee
issues. When it came to that proposal from the
chair, and it was an informal proposal. It wasn't
anything that we're stuck with. And we said we --
we thought it was an interesting proposal. When
it comes to Madrid files, we treat them all the
same, the same as our domestic streams and our
Paris streams. So we're giving all -- a full
service examination. For everything we give to
Madrid files, we give to other files. And we find
the Madrid files actually take a lot more time and
effort and money spent to examine them. The first
action pub rate is much lower for Madrid files
than it is for all our other domestic and Paris
files. So, when you get into that, there's no --
we're not saving any money with Madrid like other
countries seem to be, so why on earth would we
want to accept -- take a fee reduction? I said
but, in the interest of, you know, being a team
player in this international community, that we
would think about it. And it could be that in the
interest of encouraging use of the system, that
it -- maybe it is in the interest of the system that there is a fee reduction, but we would ask to take it back to our user groups and our Congress to discuss this. So, the chair wanted me to put in sort of a little bit of a -- he didn't want me to blow up his proposal entirely. So I gave him that courtesy. But I think we'll -- that the proposal is still going to be on the table; we're just going to have to be creative and find another way to approach it. And if that other way is 100 percent of the fees for full service, then we might be okay with that. But at the -- that's where we're sort of stuck in these working group discussions. We haven't gone beyond that.

We have another Madrid working group meeting next June, July time period where we'll continue these discussions. And then we've asked -- we've pushed for -- we sort of put a marker on the table that we want to actually extend the mandate of the working group and extend it to discuss other issues related to the Madrid system, including talking about a proposal from
Norway where they want to get rid of the requirement of a basic application or registration. I think we might have discussed this last time. And so we want to explore that further and see if it's a viable option for us. So there was no other discussion beyond the safeguard clause. We got into sort of a little sticky situation with that one where we didn't think we had a dog in the fight, ended up we were front and center in the fight. And we did stress very hard that we think that these application streams should be treated the same across the board. But in informal conversations with other delegations, including Canada, who has yet to join but is thinking about it, they have no incentive to provide all those services to Madrid. If other people aren't issuing certificates of registration, then why should they? If other people aren't putting, you know, the information into their search database at the domestic level, then why should they? So there's a real mentality out there of, you know, that the Madrid system is
going to provide some shortcuts to these folks, to
these offices somehow. And I'm not sure that
that's a particularly healthy mentality. And
we'll see what we can do to approach it,
continuing to hammer on them saying why should
these streams be treated differently? But to that
end, though, we are going to have to look at the
synchronicity of TLT and Madrid. There are those
who argue that TLT and Madrid are not co-existent,
that they're -- whatever the requirements of
Madrid aren't consistent with TLT. So if you
treat those streams the same, you might be
inconsistent with one treaty or not. I don't
agree with that approach, but it's something that
we do need to look at if we're going to continue
arguing and getting other countries to come at
that. But I will say that we did have
conversation with other delegations about the
concerns of the U.S. holders. We had
communications one on one with WIPO staff on the
issue of the dependency clause as to IDs. I will
tell you that other countries do not seem to be
concerned about this issue. They don't have this problem. I did remind them that at some point when their registers get big like ours, they're going to have to have more narrow IDs, so this will become their problem. But they're not there yet, so they're not necessarily that concerned about carrying our water for us. So we have some work to do. When -- in conversations with the international bureau, we asked if this was something that could be accommodated under a regulation change or something like that and the answer at the staff level was we don't think so. So, we're coming back at the issue. We're going to start looking at it a little bit more carefully. We're, you know, trying to figure out is this something that if we're going to address it, are we going to have to go to a diplomatic conference and have yet another Madrid instrument out there. Can we do it somehow where we don't have to create another instrument? But we're definitely open to ideas. But -- and certainly, just because a staff member says that it's not
doable doesn't mean it's not doable. So we're going to keep pushing on different levels and see what shakes out as we do this. But we might need to start thinking a little bit more creatively. And I think we might need to look at the idea of getting rid of the basic registration or application because certainly that is something that would get rid of that problem. And it would provide a lot more flexibility. You know, there are those who've said it would cause a lot more problems. You know, then they have to go out and kill all of those, you know, extensions of protections out there. They can't just kill the basic. So, there's something to look at there. We need to weigh the pros and the cons and we will be going out with, you know, soliciting ideas from you all for different ways to come at the problem. We don't just want to say oh, we need a diplomatic conference; we need to get rid of the basic registration and be done with it. You know, we're hoping for some interim solutions. We haven't found them yet. So, at this point, that's all I
have for you. We haven't made a whole lot of
progress but we'll come at it again at the next
working group. And in the interim, we are
preparing some papers to -- and start asking
around, asking interest groups, user groups what
they think and if there's any other way to
approach this.

THE CHAIR: Okay. Thank you. Anybody
else want to raise any questions about the
protocol or maybe TLT? No? Okay. When is the
next meeting on Madrid?

MS. COTTON: It hasn't been set yet.

THE CHAIR: It's not scheduled yet.

MS. COTTON: But these have always been
in the June or July time frame, so that's about
when it will happen.

THE CHAIR: Okay.

MS. COTTON: There is a standing
committee on trademarks meeting November 13
through the 17, and so I will be continuing to
talk about Madrid on the margins with folks. And
I guess I should also mention this. We are having
a meeting with officials from IP Australia and the
Canadian Intellectual Property Office. The
trademark officials from those folks. New Zealand
won't be there, but we had invited them as well,
to exchange information, strategic cooperation
kind of of information and to the extent that we
can move beyond just operational information and
move to issues like Madrid cooperation, advancing
a common position in a different forum. We're
going to try to do that with them. We have to see
their receptivity to that. But I think we could
get some really good information from Australia.
They're very interested in sharing their horror
stories with us on Madrid and to the extent that
that -- if we can find some common problems, it
certainly makes it easier to do coalition building
and then take that to the IP and put a little
pressure on them in that way.

THE CHAIR: Great. Van?

MR. LEICHLITER: Just a comment on that,
Amy. Yeah, I have talked with trademark community
in Canada as well as Australia and I think they
have very much the same issues that we do in the
United States, the central attack issues, the
dependency issue. Because I think that these
jurisdictions tend to be a bit more narrow than
these other jurisdictions. And as a result, I
think you'll find hopefully some common interests
there with the other offices. Is it fair to say
that we're some years away from resolving this
issue in Madrid in view of the fact that the
safeguard clause apparently is taking center
stage?

MS. COTTON: I'm sorry to say I think
you're right. I was optimistic, but we're only
able to get one working group meeting in next year
in June, not two. After that, we'll see if we can
accelerate it a bit, but at this point, we could
only get that one. And there's so much in trench.
I mean the French and the Swiss delegations were
very adamant on these two issues, and I'm not sure
how much movement they're going to be able to give
us. We're going to have to be creative. And
their user groups are very vocal. And you can see
why. Seventy-three francs to seven hundred francs is a big deal. So, it doesn't -- it seems like we're going to have to hash this out quite a bit unless the chair, who is very effective, is able to do some coalition building in the interim between now and the next meeting and find more creative ways. But with the United States saying not sure that this is the right solution, that kind of put a damper on his enthusiasm a bit.

THE CHAIR: Okay. Thanks again, Amy. Let's move on and talk briefly about the TTAB and their proposed rule package that's outstanding. David, welcome.

MR. SAMS: Thank you, Jeff. Jeff asked me to report on the progress of our rule making. This will probably be less of a report and more of a footnote. We are still reviewing the comments that we received to the notice of proposed rule making, and we are taking our time so that the final notice will reflect as best we are able to make it reflect all the comments that we received to get the best possible set of rules. A couple
of points I will make briefly. We did -- three of us from the TTAB along with the general counsel met at the end of July with representatives from the ABA IPL section, IPO, INTA, and AIPLA to discuss the proposals that we've made. This was a rather informal meeting. The organizations were there to provide us with some sort of consensus views they had on certain aspects of the rule proposal. They stressed that they stood behind the comments that they had formally made in their submissions to us when we asked for comments on the rules package. But they did talk to us in certain areas of concern they had. And without getting into the details, which I don't intend to do here, they were generally in the areas of the scope of mandatory initial disclosures, which we've all talked about in this group, the reduction of number of interrogatories, the service of notice of board proceedings, the protective order of proposal that we had as far as imposing our protective order at the beginning, the initial disclosure period, and expert
disclosures. They made some good comments. We are obviously taking those into consideration along with everything else that we've received. And I guess the final comment that I would make is that right now we are looking at a time frame of approximately December of this year for the notice of final rule making. That's not a hard and fast statement but it's what we're aiming toward. And that's my footnote.

THE CHAIR: Okay. Any questions or comments for David, whether it's on the rule package or anything else? One question I had for you, David, with respect to the strategic plan, I see that there's mention here about reducing the overall pendency of opposition and cancellation and it says implement case -- TTAB case resolution and I think we've had some discussions in the past about some initiatives at the board to try to resolve cases much earlier in the process. Is anything being done along those lines?

MR. SAMS: Yes. We're still working on accelerated case resolution. We started
identifying -- a process for identifying those cases which might be subject to an early resolution. And in fact, we've had a couple of cases that have been resolved by taking the submissions which are in the nature of their summary judgement submissions, treating them as the final record in the case and rendering a decision. And we've even had -- I believe two have gone up to the federal circuit on appeal from the final decision that was issued in that shortened time frame and with no adverse comment from the federal circuit about using that procedure.

THE CHAIR: Uh-huh.

MR. SAMS: So that I take as a positive result of at least the tentative initial efforts we've made in this regard. But we're going to be trying to find a way to identify more and more of these cases that we might be able to advance the -- not have to go through a whole trial that's to say and that we could resolve by something in the nature of these submissions and the nature of
summary judgement submissions. So, yes, we're still working on that. It's a big part of our effort to shorten the time it takes to decide the cases before the board.

THE CHAIR: Okay. Anybody else?

(No response)

THE CHAIR: Thanks. Okay. The next item on the agenda is lots of legal issues. Let's see. Sharon, do you want to come to the table, talk about exam guides, and I guess this proposal on some changes in the rules on requests for reconsideration?

MS. MARSH: Right. The first page of your slides, though, I have a couple of general issues. The first issue was the Lanham Act re-codification or codification project that we discussed at the last meeting. We wanted to give you an update on the status of that. We had a meeting a little over a month with the law revision council. And we reported to them that as you know the TPAC issued a resolution opposing this plan to codify the Lanham Act. All of our
major user groups, INTA, AIPLA, IPO have voiced strong opposition to this idea. And so we reported all that to the law revision council and basically told them that generally in the face of unanimous user group opposition to a plan, the PTO stops. We do not go forward with the plan. So, they listened and the ball is back in their court. My impression is that they have not abandoned the idea. I don't know if Amy or anybody else has any additional information. But I think they were planning to continue to talk to user groups at the very least. So that's where we are with that.

The second item up there is the TMEP. I just wanted to let you know we're working on a TMEP revision. This one we're calling TMEP light. It's just to update the current TMEP with recent case law and changes in our internal procedures. Our commissioner is really frustrated that we've taken as long as we have to get another edition out. So we're going to fast track it and hopefully it will be out around the first of the year. After that, we want to undertake a major,
major TMEP revision to just look at the whole
document, see if it's user friendly, try to really
make some major changes so that it is a very
useful document for both the applicants and
examining attorneys.

MR. TRAMPOSCH: Can I just say one
thing?

THE CHAIR: Sure.

MS. MARSH: Sure.

MR. TRAMPOSCH: Just to give you a
little feedback, I find that the online version is
extremely useful, but maybe improving the search
tools would be good because the search results are
a little bit hard to browse through.

MS. MARSH: Yeah, I agree.

MR. TRAMPOSCH: But I find it very, very
useful.

MS. MARSH: Yeah. We're aware of that
problem. Thank you. Now, form paragraph, these
are the standardized language that examiners use
when they're drafting their office actions. We
have a revision coming out probably around the
first of December. It's a pretty large revision,
although it's largely driven by examining attorney
suggestions at this time. As you can imagine,
with almost 400 attorneys, everybody is an editor,
everybody has ideas on how to write persuasively,
and we listen. And so we're trying to implement a
number of these suggestions. And one item that's
not on the list I wanted to mention, the Nice
Agreement. The ninth edition of the Nice
Agreement takes effect on January 1, and so any
applications filed on or after January 1 will be
subject to the new classification standards. The
major change or the most noticeable change has to
do with class 14. Currently any goods made of
precious metals are classified in international
class 14. Under the new edition, that won't be
true anymore. Goods will be classified in
whatever their normal class is, even if they are
made of precious metals. So, for example, dog
collars made of 14 carat gold used to be
classified in IC 14. In January, they'll go where
the rest of the dog collars go in class 18, I
believe. So anyway, you'll see more information
about that on our website. The next slide covers
the exam guides that we have under development.
These are going to be issued to examiners
probably, we hope, within the next week or two.
And they'll have an effective date of early
December. In the interest of time, I'm not going
to discuss them in great detail. I run through
them just at a high level. The one -- the first
one on the list there, procedures for mark images
that contain black, white, or grey, this is an
issue that seemed to arise after we started
accepting color images of the mark.

It's two problems. One is where the
applicant has a black, white, and grey drawing and
the applicant is silent about whether they're
claiming color. You know, it results in ambiguity
and the examiner needs to ask some questions and
get some information into the record. It's an
issue that mostly arises with paper applications.
TEAS applications, the applicant has to indicate
if they're claiming color. And if they don't,
then we're assuming that they're not claiming color. The other issue relates to when the image is in color and the drawing also has some black, white, or grey in it. People just seem to assume that they don't need to talk about that. They just have to indicate whether the blue and green and red are claimed or not. So there are some instructions in there about that.

The other change that you might be interested in, effective later this calendar year, probably December, any applicant that does not claim color as a feature, a standardized statement will appear on the registration certificate stating that color is not claimed as a feature of the mark, again just to clarify one way or the other you're claiming color or you're not. The second item up there the exam guide is on amendments to color features of marks. Again, there is more of a spotlight put on this issue after we started accepting color images. The question of if an applicant wants to add color or substitute a color or delete color from the mark,
is it a material change. And so we have an exam
guide on that. We have taken a pretty liberal
approach. We had many, many, many discussions
over a period of many months and basically
determined that for word marks and design marks
that generally adding or deleting the color isn't
a material change. Now, that's a -- there are
many times when it could be if it changes the
meaning or significance of the mark, et cetera.
But generally, those kinds of changes if they
don't change the meaning of the mark or affect the
notice issue will be acceptable. Of course, color
marks, marks that consist only of color, there
it's a totally different situation and a change to
the color is usually material. The third one on
the list there -- oh, registerability (phonetic)
of marks used on creative works. This one started
after a fairly recent published case from the
board and it refers to draft dealing with whether
the pseudonym of an author was registerable
(phonetic) as a trademark or not. And it kind of
got expanded. And so this exam guide covers
issues related to what we called creative works,
author names and pseudonyms, performer names like
music group names, artist names, titles of single
works, just a whole gamut of those types of
issues. This covers the examination and law
related to the registrability of those kinds of
marks.

THE CHAIR: Ayala?

MS. DEUTSCH: Does this address
fictional brands? In other words, brands that
appear in fictional works?

MS. MARSH: I know what you're -- I mean
a book where it refers to a brand within the book?

MS. DEUTSCH: Like the fact that Birdie
Bots, which are the jelly beans for Harry Potter
are now on sale in toy stores all around the
world. And it's now a brand in commerce, although
originally it was a word made up by the author of
the Harry Potter books. I'm just wondering
whether you address fictional brands in creative
works?

MS. MARSH: I don't think -- well,
character names. The character name in a work is covered. I don't think that situation is covered. For us, usually the issue that we would have would be whether or not there's a false association under section 2a. And yeah, this probably does not cover that, but we'll take a look at that too. Yeah, that's a good point.

THE CHAIR: Are you going to permit the registration of titles of single works?

MS. MARSH: No. No. But what we kind of go through all the different fact situations and sometimes when you're talking about these things, the issues are kind of subtle and it's easy to get confused about which issue you're talking about. So the idea was if we put them all in one package, that might be useful to everybody. And the last one on the list there is representing an applicant and registrant before the USPTO. This one sort of came about as a result of Madrid. Because ever since we joined Madrid, we've received a number of responses to office actions coming in from law firms in Germany, France, all
over the world. As you know, only lawyers licensed to practice in the U.S. can represent an applicant before the USPTO or the applicant can also represent themselves. And so, this exam guide lays out some procedures for examiners on when they're reviewing a response to an office action or an amendment to the application, they need to look at who's filing this. And many times if it's unclear that the person filing has the proper authority to do that, the examiner is going to question that authority and before they even look at the amendment or response, send out a 30 day letter asking for clarification of the situation.

MS. COONEY-PORTER: Sharon, does this apply to U.S. firms? Like when we file an application online, we don't necessarily appoint the whole firm. We have like one or two attorneys of record.

MS. MARSH: Yeah. In one of the examples that we put in there, we say that if the applicant has an attorney in a law firm and then
we get a response from a different attorney in the
same law firm, that we assume is okay. That won't
be questioned. But if we get a response from a
totally different law firm, different attorney,
then that would get questioned unless there's a
new power of attorney of record.

THE CHAIR: Talking about Madrid reminds
me. We had discussed at the last meeting I think
revising the office actions to make it clear when
the six month response period runs from. Have you
done that?

MS. MARSH: We have. Can you explain
the balance of -- a change was implemented.

THE CHAIR: Could you identify yourself
for the record?

MS. MARSH: This is Felicia Battle from
PT.

MS. BATTLE: Hi. My name is Felicia
Battle.

THE CHAIR: Hi, Felicia.

MS. BATTLE: I'm the manager at --

THE CHAIR: Press the button.
MS. BATTLE: I'm the supervisor of the Madrid unit. We had made changes to the office action. Right now, we send a cover sheet, a XML document with the office action to the IB. And the IB takes the date, the mail date off of that style sheet and includes it in the office action with their cover letter. So now, if you go through TDR, you can also see the mail date on that XML document as well.

THE CHAIR: And there was another issue and I don't remember the specifics but it had to do with assignments of Madrid registrations. Is anything happening -- wasn't assignments being handled by a different unit?

MS. BATTLE: Yeah. By the assignment division. Trademarks is getting the assignments from the IB as well as the assignment division. The assignment division was having some problems with receiving that data from the IB, but trademarks was updating our database. So, currently, I believe some assignments are being updated and some are not. That's an internal
problem that we're working on right now.

THE CHAIR: Okay.

MS. BATTLE: Or the assignment division

is working on it.

THE CHAIR: Thank you, Felicia.

MS. BATTLE: Thank you.

THE CHAIR: Al, go ahead.

MR. TRAMPOSCH: Thanks. Sharon, just

another question with regard to the Madrid

protocol. Some of the feedback that I've gotten

from users outside of the U.S. that are requesting

extensions of protection. Sometimes they'll get a

very simple, very basic office action for instance

to say what country they're in, even though

ey haven't separately indicated what country they're

in and they have to engage a U.S. attorney in

order to respond to that or to indicate the type

of company that they are. Is there any thought of

easing the requirement for those very simple

administrative type responses, of easing the

requirement of engaging a U.S. attorney?
MS. MARSH: Well, we've -- I don't know about what country they're in but what our examiners had a huge amount of frustration is that as you know, if you're an applicant in the U.S., you have to tell us what your entity is and where you're organized. You know, you're a corporation of Delaware or whatever. And on the Madrid MM2 form, the international application form, that is not a required field. There's a box for applicant name, but the box that says what kind of entity you are and where you're organized is optional. And so we get an awful lot of those coming in without that information and no, there's not a way to change that without changing our rules. But I don't think we want to do that.

MR. TRAMPOSCH: Perhaps there would be another way and that would be to request WIPO to put an asterisk on those that these are required in the United States.

MS. MARSH: Yeah. No, I agree. I've been thinking about that too. And also we could, through the Madrid working group, if we get around
to ever amending the Madrid regulations, that
would be something to add to that. But yeah, we
should and will take whatever steps we can to
convince the IB to help us out, yeah.

THE CHAIR: Sharon, can we go back to
the codification effort, because I sort of sense
from what you've said today and what you've said
at other times that this is not dead, even though
all of the, you know, bar groups have opposed it?
And if you could share, what has been the response
of the office of the law revision council when you
tell them that nobody supports the proposal? And
has there been any discussion of any middle ground
to the extent there is any middle ground if they
want to make any changes to make them in such a
way that it would have minimal impact on the
statute?

MS. MARSH: Well, looking at our office
of legislation and internal affairs staff because
they work directly with the Hill staff, but we
have certainly suggested that if they're going to
proceed, that they should make minimal changes.
We talked about the idea of maybe trying to put it in a different section of the Act but keeping the numbering the same, you know.

THE CHAIR: Right.

MS. MARSH: Section 2d would still be section 2d, et cetera.

THE CHAIR: Right, right.

MS. MARSH: And to -- I think at our last meeting we said well, look if you're going to go forward on this, you can't change anything in the Act. I mean they went through and they wanted to move the definitions was their first thing and then they changed wording. Lots -- you know, to them, that was just minor housekeeping, but to us, it was, you know, significant. So they've -- yeah, they've heard those ideas that they should if they're going to change anything at all make it really minimal, leave the language alone, only change the section of the U.S. Code where the Lanham Act appears. I just don't know -- I'm not sure how they felt about that, whether they were persuaded or not. It sure seemed like they were
planning to continue forward with their efforts to
make this change.

THE CHAIR: Well, it wouldn't surprise
me that they would because I'm sure whenever they
codify a different title --

MS. MARSH: Yeah.

THE CHAIR: -- whatever the bar is,
they're not going to, you know, appreciate that
and yet, they do it.

MS. MARSH: Right.

THE CHAIR: So, you know I sort of sense
that, you know, the fact that the trademark
community is not supportive of this package, you
know, to that -- to some extent, they don't really
care because this opposition is to be expected.

MS. DEUTSCH: Yeah. That's why I was a
little surprised when you said they were going to
continue to talk to user groups, which almost
seems as if they just don't trust you to
accurately relay the position of the user groups
you've talked to. And to just point, if they're
ultimately in the business of codifying and
everybody is going to object to that, whatever the
industry or sector, I'm not sure what more there
is to be gained from them talking to the user
groups.

MS. MARSH: Yeah. Well, I think they
just want a chance to make their case. You know,
for example, I don't know if you noticed Professor
McCarty put an editorial in the -- what was it,
the National Journal --

THE CHAIR: Yeah.

MS. MARSH: -- objecting to this and
they responded. You know, they submitted a
response explaining why they thought he was wrong.

THE CHAIR: He responded to their
response.

MS. MARSH: So, you know, this is their
job. You're right. They explained at our very
first meeting that they're accustomed to
resistence. So, I'm sure they have a whole set of
procedures that they go through to try to convince
the objectors that this is okay.

THE CHAIR: Okay. Do you want to now
talk about the proposed rule change?

MS. MARSH: Yeah. This next one we

issued -- this is just internal guidance for

examiners on standard character marks and Canadian

attorneys, nothing really new, just additional

guidance about those issues. The other issue is

this possible proposed rule change regarding our

request for reconsideration after final refusal.

I think Jeff sent you a draft earlier in the week.

If you go to the next slide, you'll see the basic

issue here is that, as you know, after final

refusal, applicants frequently file requests for

reconsideration. And the office receives a very

high volume of these kinds of requests. It's

pretty routine in most cases. And frequently

they're filed at or near the end of the six month

response period. And this causes some problems

for the office and some processing delays because

when the applicant files their request for recon

that late in the process, usually they're also

filing a notice of ex parte appeal. Because if

there's not much time left or no time left, then
if they get another rejection, then they have to have filed their appeal or the application is going to abandon. The problem for us is that then all these requests for recon end up in the board's lap because they've -- a notice of appeal has been filed. The board has to institute an appeal and remand the case back to the examiner to review the request for reconsideration. So they have a lot of remands. A lot of times the issues become moot. I know David has the statistics on that. You know, the refusal is withdrawn and so then the board has gone through all this work for nothing. So, our goal here -- also, another area of problem is that, as you know, the board and the examining operation have two different computer systems. So there are some issues there about getting the information to everybody who needs to know it. So, our goal is to try to simplify this process, streamline the process to make it more efficient so that everybody gets their work processed more quickly and efficiently.

And so the suggestion is on the next
slide that if we require applicants to file a request for consideration within three months of the final action mail date and file any requests for recon through TEAS, file it electronically, that that would pretty much take care of the problem. Because then the examiner would have a chance to review the request for recon and withdraw the refusal or continue the refusal and then, you know, many fewer appeals would be instituted and everything would flow more smoothly.

MS. MARSH: This would not affect the six month response period in that the applicant could still file an amendment to the application, you know, amending the ID, inserting a disclaimer, whatever right up through the full six months and they also have the full six months to file a notice of appeal or petition to the commissioner. So, this is just a draft. We would like your comments. If you haven't had time to digest it or think about it yet, you can pass your comments on to Jeff. David, do you need to add anything?
MR. SAMS: Sharon, the only thing I would add is that you mentioned I had the numbers. And the numbers are pretty interesting, I think. Of the ex parte appeals that we disposed of during the last fiscal year, approximately 83 percent were disposed of before our final decision by a panel of judges. So only about 17 percent are actually -- get to the point where we decide them and the rest is all sort of internal processing. To the extent that a rule of this sort might sort of cut that off by getting decisions on this request for reconsideration earlier, we would probably have less to process and things might move a bit more smoothly. And that's one of the -- for this proposal.

MS. MARSH: Yeah. Kathleen?

MS. COONEY-PORTER: I had two quick questions. You said that it would require to file through TEAS. I'm assuming by then they will have the ability to actually load up all the documents. Because normally when we file a request for reconsideration, it's usually with a lot of
evidence. And that's one thing we find with TEAS
is we find response if it doesn't really meet the
practitioner's needs to attach everything. That
would be my one concern is that the office would
meet that demand from the outside bar. Also,
would -- when a final action is issued, would you
have in there like you do at priority action,
would you have information to make sure the
applicants know that they do have this requirement
to file? Would it be something on the office
action like you do the priority action?

MS. MARSH: Oh, yes. Yes. We could
certainly do that. On the large amounts of
evidence, I don't -- we've -- we're changing to
allow PDF attachments. I know that was supposed
to alleviate that problem.

MS. COHN: It would use the same format.
We would just modify that form.

(Off record comments)

MS. MARSH: Yes. Debbie Cohn from the
USPTO was just indicating that yes, you would be
able to use our form to make PDF attachments with
the requests for reconsideration.

THE CHAIR: Al?

MR. TRAMPOSCH: Thanks, Sharon. I support this in principle. I think it would also help our docketing procedures because the motion for reconsideration is a soft deadline and we really don't know what to do with it when we're doing it with docketing. My question is why did you settle on three months. Was there a particular reason for that as opposed to say four months?

MS. MARSH: No. It was just the idea that, you know, the examiner has 21 days to respond to amendments. It was -- yeah, it was just the idea that probably about three months would give us time to review the response, get the information back to the applicant about whether it was accepted, that refusal was withdrawn or not. I take it the more time you would have, the more you would like it?

MR. TRAMPOSCH: I'd like a little more, yeah.
MS. MARSH: Yeah, okay.

THE CHAIR: Any other comments on the proposal?

MR. LEICHLITER: Yeah. This question --

THE CHAIR: Van.

MR. LEICHLITER: -- maybe already had been answered but if you don't hear back from your request for reconsideration within a three month period, then I guess you're still stuck in the same circle that you were before?

THE CHAIR: Right.

MR. LEICHLITER: Yeah.

MS. MARSH: Yeah. Just as the situation is now, when you draw your response, if you haven't heard back from the examiner, it doesn't change the time for filing the appeal or petition.

MR. LEICHLITER: So you have to wait and file the appeal and then it might be remanded?

MS. MARSH: Yeah.

MR. LEICHLITER: Okay.

MS. MARSH: Yeah.

THE CHAIR: Howard?
MR. FREIDMAN: I would be curious to know from the other TPAC members whether they think this would cause them to file more or less requests for reconsideration or it wouldn't impact them at all, just the timing of it.

MS. DEUTSCH: I don't think it would impact my decision on whether or not to file. I think that would be more substantively driven.

MR. LEICHLITER: Uh-huh. I would agree with Ayala, what she said, yeah.

MS. MARSH: Well, if you have any additional comments, Jeff, should they contact you or?

THE CHAIR: Yeah, right. We'll collect them and forward them on to you to get.

MS. MARSH: Okay.

THE CHAIR: Howard?

MR. FREIDMAN: And then I'm just wondering as a result of the very quick responses, would there be a need at all to phase it in under the assumption that perhaps more than would be filed at the initial point in time?
MS. MARSH: I don't think we had considered that, no. The most important thing would be to give the public adequate notice of the change, so that they would know the date at which they had to start filing within three months. But that certainly, Howard, is something we can discuss, you know, the effect it would have on work flow within the office if we decide to proceed with this, sure.

MS. COONEY-PORTER: My only concern about the timing is that when you're dealing with foreign associates, obviously, the ideal is to have them respond to your reporting letter right away. And the reality of the world is it doesn't happen until usually close to those deadlines. If, for some reason, you can't make that three month deadline, does that stay your bite of the apple to file any further evidence? That would be my only concern.

MS. MARSH: If you can't make the deadline, does that?

MS. COONEY-PORTER: Do you no longer
have an option to file further evidence?

MS. MARSH: I think we would say --

MR. SAMS: That's at least the way it's proposed now. There's a three month -- is the cut off. You can't file a request for reconsideration after that period.

MS. MARSH: Yeah. The only thing you could file would be if you can amend the application. You could still do that, but additional evidence would not be accepted.

THE CHAIR: Yeah. Jackie?

MS. LEIMER: Jackie Leimer. I may sound like a contrarian on this representing a user of the office who has owned thousands of registrations. I really would support a short period with the final rule on further submissions, because we are in constant need of getting finality of our clearance work in our company and we need to be able to advise our management on the status of third party applications. And you know, this -- I completely understand this and I support what you're doing. I think it's an important
thing and I agree with it, but I also think that
we need to have a day when it ends, so that we can
have certainty or at least we have clarity about
the next procedural step.

MS. MARSH: Yeah. I see Commissioner
Beresford agreeing with you up there. We would
like this a lot.

MS. BERESFORD: Finality and clarity are
always good things.

MS. MARSH: Yeah. We've -- this goes
back a few years, but you know, we from time to
time have proposed having only a three month
response period and have always gotten a lot of
resistence from our users.

THE CHAIR: Right.

MS. COONEY-PORTER: I have to say that I
noticed that with the electronic filing, we're
receiving office actions within weeks. So I don't
think -- I'm not sure the PAC (phonetic) bar
wouldn't not be in favor of that. I'm not sure if
you want to put it off the table. I'm just
spreading it out because a lot of countries have
shorter deadlines than we do.

MS. DEUTSCH: I also think to Jackie's point, trademark owners will often forget there are two sides to this coin.

THE CHAIR: Right.

MS. DEUTSCH: And as much time as you want to get your own stuff in order, the lingering question mark is not a good thing from a clearance standpoint. So, for, you know, another attorney who represents its client on both sides of that, I agree with Jackie as well.

MS. MARSH: Okay. We will consider those comments. Thanks.

THE CHAIR: Sharon, what about that proposal that we had been discussing regarding SOU and amendments and extension requests?

MS. MARSH: Yeah.

THE CHAIR: Is there anything going on with that?

MS. MARSH: We have not moved any further with that, Jeff. I think our consensus at the last meeting was that this was -- would be a
very costly change for the office for perhaps not
a great deal of benefit.

THE CHAIR: Uh-huh.

MS. MARSH: So, the idea is still
floating. Is the committee interested in us
pursuing that?

THE CHAIR: I haven't heard any grounds.

MS. MARSH: Okay.

THE CHAIR: It's sort of a loose end
that I wanted to tie up. So if you're going to
tell me that it's dead, that's fine, I think. On
the other hand, if you're telling me that you just
need more time to study it, then we can come back
next meeting and put it on the agenda.

MS. MARSH: Yeah. Lynne, what do you
think?

MS. BERESFORD: I think it's dead.

MS. MARSH: Yeah.

MS. BERESFORD: Lynne Beresford. I
think it's dead in the sense that we didn't hear a
real push for it in the committee. We looked at
the costs of doing it versus the benefit, and we
just didn't see that it was a great thing to do, so we've sort of put it aside unless there's someone that really feels strongly about it and has some alternative ideas for doing it.

THE CHAIR: Okay.

MS. MARSH: That's it.

THE CHAIR: Let's see. What happened to my agenda? I think that's probably -- isn't that the last thing? All right. Closing remarks.

Let's -- CIO isn't on the agenda. He's not here anyway. I think what we should do right now is plan our meeting for February. We generally meet -- for these new members -- we generally meet obviously in October and in February and in June. And I've heard that from a number of people that they would like to set the date for the next meeting. So, and trying to tie this into what we heard from Karen earlier this morning regarding what would be an optimum time to focus on new strategic initiatives, I think probably meeting at the end of February would be better than the beginning of February. So, I'm looking at my
calendar, and a Thursday and a Friday would be
February 22 and 23. So, does any -- is there a
problem?

MS. DE LARENA: I have a conference in
California.

THE CHAIR: Are there any other
conflicts? What about the week before?

(Off record comments)

THE CHAIR: Oh, you don't have your
calendars? Yeah, I'll tell you what, I will send
an email out in the next day or so with some
dates. I will also in that email discuss some
follow up issues that we need to address,
including the GI legislative package. And Lynne,
when do you want to want to -- when is the
strategic plan going to be finalized?

MS. BERESFORD: WE have to send it on
to -- the final form to OMB I believe in February.

THE CHAIR: Uh-huh.

MS. BERESFORD: But we have a lot of
work to do on it. It would be very useful if one
of the things I have here that everybody can have
a copy of as you're leaving is these are the
documents, the initiatives that underlie the -- I
know you're all eager to read these. These are
the initiatives that underlie the strategic
planning process. And so, if you -- and they're
all of them I believe, trademarks, patents, and
OGC and others. So, we -- I commend these to your
reading. And so, a conference call on that when
the committee thinks that good, you know, in the
next couple of weeks would be really good.

THE CHAIR: Okay.

MS. BERESFORD: So we can make sure that
we have your input. The comment period closes
today, the public comment period. And of course
we'll have time where we're digesting the public
comments. I believe as of yesterday, we only had
nine public comments and I suspect we won't have
very many more, but it would be good to have the
input of this committee at least in the next month
while we're working on what will be the final
version of the strategic plan.

THE CHAIR: Right. And I guess we're
going to need a conference call on the 2008 budget as well. And you're going to get us something from the OCI --

MS. BERESFORD: OCP?

THE CHAIR: No. Well, the --

MS. BERESFORD: OCIO.

THE CHAIR: Yeah, OCIO. Right, information systems.

MS. BERESFORD: Yes. We're going to send you out something. I think probably next Tuesday or Wednesday, we'll have something written responding to the question about the decrease in the OCIO budget and what it means.

THE CHAIR: Okay. And the last item is my favorite agenda item. That is our annual report, which is due November 30. I ask Karen? She's not here right now, but she's going to be getting us the information that we need in order to draft a report within the next week I believe. And what we normally do and what I would propose that we do again have various members work on various issues that are covered in the report.
And then I essentially take it and sort of make it consistent and make it flow and then, you know, distribute it for comment among all the members. So, in the email that I send out, which is getting to be a very long email, I will be discussing how we should go about doing the annual report. But we're going to have to spend sometime between now and November 30 working on that. I think that's all that I have. Does anybody else have any items? Oh, okay. Go ahead.

MS. DE LARENA: I was just going to say actually if you wanted to propose the date you had mentioned, if the other committee members are okay with it, it actually is okay with me because I can actually come back. You said the end of the week and my conference in California is on Tuesday.

THE CHAIR: I'm told that February 22 is now Washington's birthday. Is that a holiday or is that President's Day?

FEMALE SPEAKER: President's Day is Mondays.

THE CHAIR: Yeah, right.
MS. COHN: It wouldn't be a holiday on a Thursday.

THE CHAIR: That's right. So maybe the 22 and 23 would work.

MS. DE LARENA: But I did want to ask also about -- I've been told that you often have subcommittee meetings the day before.

THE CHAIR: Right.

MS. DE LARENA: Would we be assigned to those subcommittees?

THE CHAIR: Right. Well, I'll ask what subcommittees you want to work on once we've decided which subcommittees we want to have.

MS. DE LARENA: Thank you.

THE CHAIR: Because I think we're going to have to reformulate the subcommittees. I think that's all that I have. And if nobody else has anything else, we can stand adjourned. Thank you.

(Whereupon, at 2:49 p.m., the meeting was adjourned.)