

UNITED STATES PATENT AND TRADEMARK OFFICE

TRADEMARK PUBLIC ADVISORY COMMITTEE MEETING

Alexandria, Virginia

Friday, May 7, 2010

- 1 PARTICIPANTS:
- 2 JOHN B. FARMER
- 3 LYNNE G. BERESFORD
- 4 VERNON TOWLER
- 5 ROBERT BUDENS
- 6 GERARD ROGERS
- 7 JAMES H. JOHNSON, JR.
- 8 KATHRYN BARRETT PARK
- 9 MARY BONEY DENISON
- 10 SHARON BARNER
- 11 TONI HICKEY
- 12 SHARON MARSH
- 13 TIMOTHY LOCKHART
- 14 BOB ANDERSON
- 15 HOWARD FRIEDMAN
- 16 JAMES CONLEY
- 17 ELIZABETH R. PEARCE
- 18 KAREN STROHECKER
- 19 DEBBIE COHN
- 20 ERIK PELTON

21
22

* * * * *

1 P R O C E E D I N G S

2 MR. FARMER: Good morning, everybody.

3 Welcome to the May Trademark Public Advisory
4 Committee Meeting. I'm glad all of you all could
5 come up here today. Thanks for coming to spend
6 time with us, welcome. This meeting is being web
7 cast today and we're glad about that so we can be
8 as transparent as we can with the public.

9 For members of the public, for those
10 watching at home, as I like to say, you can send
11 us questions that, if we have the opportunity,
12 we'll pose them during the meeting, or you can
13 send in comments if you want. The email address
14 for doing that is asktpac@uspto.gov. Again,
15 that's ask, a-s-k, tpac, t-p-a-c, @uspto.gov. And
16 we have an ability to have those questions relayed
17 to us from the workroom behind us.

18 As always, this will be sort of the
19 pecking order for presentations and questions as
20 we go through our agenda. And each segment will
21 have a presentation from our interlocutor at the
22 USPTO. We try to keep those summary and brief so

1 that we have lots of time for questions and
2 interaction. After that, I will usually turn the
3 floor over to the TPAC person or people who are
4 the champions on TPAC of that particular issue or
5 that subject matter area and then open it up for
6 questions from all of TPAC. After that, if there
7 are any members of the audience that have
8 questions or comments and we have time remaining
9 in that segment, we'll honor them. The folks who
10 take the effort to come here in person we give
11 precedence to because we're thankful for them
12 doing so. And then if there are any questions by
13 email and time permitting, then I would ask those
14 on behalf of the public at that time.

15 If you're following this meeting at
16 home, I've not checked recently so I cannot verify
17 this, but all of the documents that are being
18 presented on the public record here today should
19 be on the TPAC portion of the USPTO web site, and
20 so if you're watching by web cast and you want to
21 see what's being referenced, you ought to be able
22 to find the documents there.

1 If there are any that are public
2 documents that are not there, if you send an email
3 to asktpac@uspto.gov, we'll try to make a note to
4 get those put up within the next one or two work
5 days, if possible.

6 I'd like to welcome a new TPAC member.
7 We have Bob Anderson, who has joined us here at
8 TPAC. While Bob is new to TPAC, he's probably the
9 most experienced member of TPAC when it comes to
10 the USPTO. He worked at the PTO here for quite a
11 while, and I believe at one point he was Deputy
12 Commissioner for Trademarks, and I think it was
13 for like a total of 16 years in that position. On
14 TPAC, Bob has agreed to serve on our Information
15 Technology Sub- Committee, he had a lot of
16 involvement on that when he was here, and also
17 work on some quality issues and on some issues
18 regarding how communications are handled between
19 folks who are in the application process and
20 trademark examining attorneys. And so, Bob,
21 welcome to TPAC, we're glad to have you here, and
22 we're thrilled about the skills and background

1 you're going to bring to the Committee.

2 MR. ANDERSON: Thank you.

3 MR. FARMER: Also I'd like to note that
4 two days ago that our own Jim Johnson testified
5 before the House Judiciary Committee. Thank you,
6 Jim, for representing us. Jim is one of our two
7 senior most members of TPAC; Jim and Elizabeth
8 Pearce are our senior most members and represented
9 us very ably, and we thank you for that.

10 And I think it's possible that at one or
11 two places in the agenda today, some of the things
12 that you specifically spoke about could possibly
13 be mentioned in the agenda, such as the
14 unauthorized practice of law issue, and so, Jim,
15 thank you for covering us on that, we appreciate
16 it. Before we get into the main part of the
17 agenda, I just wanted to express the following
18 sense of TPAC again, and this is a unanimous
19 sense, and if there are any other organizations
20 that wish to help get the word out on this, we
21 would certainly appreciate it, and that is that
22 TPAC continues to stand forcefully for the ending

1 of unintentional fee diversion of the office.

2 We believe that fees are paid to the PTO
3 for a purpose, to get work done, and that it
4 simply makes no sense whatsoever to take fees that
5 are paid for the PTO to do work and to not apply
6 them for the purposes of getting that work done,
7 especially at a time when, on the patent side of
8 the house, the administration here is struggling
9 very ably and very mightily to rectify some bad
10 situations, and so we call for that strongly.

11 The other thing that we recommend
12 unanimously is that the office should be given fee
13 setting authority for all patent and trademark
14 fees. We believe firmly that the office needs
15 that authority in order to be able to do its job
16 ably and to be able to do it flexibly. And so we
17 strongly hope that that authority will also be
18 granted to the PTO soon. And we realize that
19 there are a lot of issues going on on Capital Hill
20 right now regarding intellectual property, and we
21 won't put a dog in that fight, but we hope that
22 nothing will hold up ending unintentional fee

1 diversion and giving the PTO fee setting
2 authority, because the sooner that happens, the
3 better for the PTO, and so that's TPAC's position
4 on that issue.

5 Having said that, I now want to turn to
6 welcome comments, brief comments by USPTO
7 leadership. I see Sharon Barner has just joined
8 us. I'm going to guess that you'll be handling
9 that part, and welcome to TPAC.

10 MS. BARNER: Good morning and thank you.
11 I apologize for being somewhat late. I flew in
12 from New York this morning. I attended the AIPLA
13 meeting yesterday in New York and well received on
14 --

15 (Interruption)

16 MS. BARNER: Good morning and thank you.
17 I apologize for being a little late. I flew in
18 from New York this morning and there was a little
19 bit of a delay getting into the airport. I'd like
20 to welcome a second Trademark Public Advisory
21 Committee meeting of 2010 this year. And I'd like
22 to spend a little bit of time just giving you --

1 saying hello and giving you a brief update on
2 things you'll hear more about throughout the day.
3 We're going to talk a little bit about Trademark's
4 performance for the first half of the fiscal year.
5 And, of course, Commissioner Beresford will tell
6 you more about this in depth later on, some of the
7 IT initiatives that relates to Trademark's next
8 generation, some of our initiatives on our
9 excellent office action, and some technical
10 corrections, the Technical Corrections Act, and a
11 little bit about some of the things that are
12 upcoming at the USPTO.

13 In this year, fiscal year 2010, the
14 first half results I'm very proud to say that
15 Trademarks is knocking the ball out of the park.
16 In the meeting -- it's a meeting surpassing all of
17 its goals for FY 2010. The first action pendency
18 for mid year 2010 is 2.7 months, where our goal
19 was between 2.5 and 3.5 months.

20 Our average disposal pendency for first
21 quarter FY '10, 13.6 months, including suspended
22 and inter partes proceedings; 11.3 excluding

1 suspended and inter partes proceedings. This
2 exceeds our target of 13 months. Quality for
3 first quarter of this year, first action, 97.2
4 percent, which exceeds the target of 95.5 percent,
5 and final action at 96.5 percent, close to meeting
6 the target of 97.0 percent. I can tell you that
7 during my speech at AIPLA yesterday, as we talked
8 about where things stand at the USPTO, one of the
9 things I did say was that it was very nice during
10 a lot of the time that we have to spend on the
11 patent's operations to have trademarks actually
12 humming along, so that we could spend some of our
13 attention, more attention on patents. And so
14 those are just excellent reports from FY 2010, and
15 I have to, again, commend Commissioner Beresford
16 and her staff on those results.

17 On our IT initiatives, trademark next
18 generations, as you know, Director Kappos and his
19 IT team have spent a significant amount of time
20 over the last nine months relooking at our IT
21 initiatives. Trademarks is moving forward in its
22 effort to separate its systems from patents, as

1 well as improve and update the systems to better
2 meet the needs of the trademark owners and the
3 office.

4 I'd like to thank TPAC for your
5 participation towards this end. Your ideas and
6 suggestions are greatly appreciated, and we
7 certainly will use these ideas and suggestions to
8 achieve the goal.

9 The excellent office action initiative,
10 and while trademarks has been humming along, we
11 can never get set and rest on our laurels, so
12 trademarks has established and is in the process
13 of initiating an excellent office initiative. And
14 through our quality statistics, though our quality
15 statistics are impressive, we have asked and
16 received great feedback from the user community in
17 this regard and we thank them for their support.

18 We've identified a new quality goal for
19 excellent first office actions this year, and
20 we're working on a baseline measurement. In
21 conjunction with the new measure that we're
22 establishing, an incentive award is also in place.

1 I am glad that management was able to work so
2 effectively and efficiently with NTEU 245 in this
3 regard.

4 To this end, trademarks has developed a
5 plan to communicate more clearly with the
6 Examination Corps as to what management is looking
7 for in order for an office action to be excellent
8 and has already begun a series of training
9 sessions on excellent writing and evidence. Let
10 me underscore that it is not a change in
11 performance requirements, it is simply clarifying
12 already established principals.

13 On the Bose decision last week, the
14 USPTO and George Washington University Law School
15 hosted a symposium to discuss all viewpoints in
16 regard to the Bose decision. We generally support
17 the Bose decision, but we are also in favor of
18 ensuring accurate indications, and applications,
19 and registrations. The roundtable provided an
20 excellent opportunity for the exchange of ideas
21 and perspectives on the issues and yielded some
22 proposals that merit further consideration by the

1 trademark community.

2 You may be aware that earlier this year,
3 the Technical Corrections Act was passed. The
4 Department of Commerce was tasked with conducting
5 a study and issuing a report on the effect of
6 abusive litigation tactics on small businesses and
7 on the best use of government services to protect
8 trademarks and prevent counterfeiting. This
9 report is due on March 17, 2011.

10 Later today, we will be outlining our
11 plan for conducting the study. It currently is in
12 the form of a proposal, and we would like to get
13 TPAC's input on the proposal.

14 TWAH, our Trademark Work At Home update,
15 50 mile radius option is in place. I am pleased
16 to report a change in reporting requirements for
17 our work at home attorneys. In the past,
18 examining attorneys were required to report to the
19 office two times per bi-week. Under this new
20 option, trademark work at home attorneys who live
21 within a 50 mile radius of the Alexandria Campus
22 may change their duty station to their home. By

1 choosing this option, eligible trademark work at
2 home attorneys are no longer required to report to
3 Alexandria. We will continue to pursue options
4 for attorneys who live outside the 50 mile radius,
5 as well. Recently, HR 1722 was sent to the full
6 committee for mark- up. This bill would give the
7 GSA authority to approve test programs. One of
8 these programs would be to waive the reporting
9 requirements for attorneys who work beyond the 50
10 mile radius.

11 The goal of the USPTO this year was to
12 raise \$1.41 million, and the final number came to
13 something that exceeded that. We were able to
14 raise \$1.49 million for our CFC campaign.
15 Trademarks raised 126,000 of that, which also
16 exceeded their goal.

17 Gwen Stokols, a senior attorney in
18 Trademark Law Office, 109, was the USPTO's
19 chairperson for the 2009 combined federal
20 campaign. We thank Gwen for her efforts. The
21 generosity and dedication of trademark employees
22 once again has shown through. I thank trademarks

1 for giving so much in such difficult economic
2 times.

3 Upcoming events include our Community
4 Day in June. On June 10th, the USPTO will have
5 its annual Community Day celebration. Highlights
6 of this employee event include ethnic fashions
7 from around the world, delicious food from popular
8 and specialty food vendors, spectacular talented
9 performances by USPTO employees, vintage cars, fun
10 and exciting motorcycles, and international games.
11 Please join us for this entertaining and
12 informative event. I can tell you that the
13 employees are very excited that Community Day is
14 back, so I look forward to participating, as well.

15 The Trademark Expo and preparations for
16 it are underway. Please come and see all that
17 trademarks has to offer on October 15 through 16.
18 The purpose of the expo is to engage and educate
19 the public about the roles and enormous value that
20 trademarks have in the marketplace. More than
21 7,000 people attended last year's event and we are
22 hoping to achieve the same success this year.

1 I'm very proud of the stellar
2 performance and the outstanding work of
3 trademarks. Thank you, Lynne, and thank you for
4 inviting me.

5 MR. FARMER: Great, thanks for being
6 here, thanks for that report. The next thing on
7 our agenda is to talk about where things stand
8 with the five year strategic plan. I'm not sure
9 who's covering that as far as giving us an update
10 as to where that stands.

11 MS. BARNER: I'm happy to give you an
12 update on the strategic plan. And just to remind
13 everyone, pursuant to congressional mandate, when
14 we adopted our 2005 -- 2007 to 2010 plan, it was
15 required that in three years we relook at the
16 strategic plan and decide -- and determine whether
17 or not the goals and objectives were being met and
18 what, if anything, we needed to change or tweak in
19 the plan.

20 We have been in the process of looking
21 at those things quite intensely over the last
22 several months, and we are putting together what

1 is a structure of a strategic plan to give to TPAC
2 and PPAC for input before it goes to the public.

3 The strategic plan as it currently
4 stands, I think we went through the broad outlines
5 at the last TPAC meeting where we had adopted
6 essentially seven priorities that we had also put
7 in the President's FY 2011 budget. The process
8 now has been to send that document or those
9 priorities out to the business units and to have
10 the business units identify activities and actions
11 necessary to meet the goals specified and the
12 priorities in the President's 2011 budget.

13 We firmly believe that in reaching the
14 priorities, it requires more than just a listing
15 of those priorities. It really requires having
16 project plans, action items, and metrics that are
17 sufficient to meet those goals over the period of
18 time. It's very difficult to say we're going to
19 meet a goal in 2014 without laying out on a month
20 or at least quarterly basis how that's going to
21 happen. So what we're in the process of is trying
22 to make sure that we have real activities and real

1 metrics that help meet those goals.

2 And so some of that has required some
3 back and forth as to having real activities and
4 real metrics that we can measure ourselves again,
5 again, the point being so that we can look out
6 over the time we're doing this and determine what
7 we need to change along the way without waiting a
8 year or two to get there.

9 The timelines have been pushed back.
10 The strategic plan is due to Congress by the end
11 of the year. So our goal has been to try to make
12 sure that we give everyone plenty of time to make
13 sure that they have time for input and we have
14 time to take those input and suggestions back and
15 make changes as necessary to the strategic plan.

16 Our current goal is to make sure that
17 our employees and our management get an
18 opportunity to look at and tweak any of the
19 measurements and metrics that are in that plan and
20 then to get that plan to TPAC and PPAC for their
21 input and then to start a proposal of rolling it
22 out to our stakeholders for comment so that we

1 have time to get it back to OMB for 45 days for
2 comment, which is what they want.

3 And so our goal now is to try to have
4 that draft plan to our employees within the next
5 couple weeks and then to have it to TPAC and PPAC
6 so that they have a couple weeks to look at it, as
7 well, before we take it back in and take comments
8 and redraft it.

9 MR. FARMER: Okay. Thank you letting us
10 know on that. We can talk about this more later,
11 but we on TPAC would like to see it at the first
12 opportunity, and one reason is that I think
13 there's a little bit of concern on TPAC that we
14 might end up suggesting something that would be
15 seen as a major change and we just don't want the
16 thing to get too calcified before we can bring
17 that input.

18 For example, I think there's a
19 significant chance that we may ask that a TTAB
20 item be added as an important trademark item
21 within the strategic plan, and thus, we just don't
22 want things to get too set and too detailed and

1 then you've got to come in and do something major,
2 so we would appreciate the opportunity to maybe
3 provide some interim look at an early opportunity.

4 MS. BARNER: Thank you, and I appreciate
5 that, and I want to make sure that people do
6 understand that it's not in the process of getting
7 calcified, it's just in the process of making it a
8 structure that people can really comment upon.
9 Without some structure to the plan, I think it
10 would be a lot of effort put into it and a plan
11 that's not set forward in a way that we will be
12 able to actually measure it this year.

13 I think that what we're envisioning is
14 something different than what you had in plans in
15 the past. This is going to be more than just a
16 title. It really has to be things that we are
17 going to do across a timeline. And so we're
18 trying to get those timelines and measurements at
19 least somewhat understood by people and signed on
20 to being able to accomplish the goals and the
21 timelines that are in there.

22 So we don't mean by putting something

1 out in the first instance to say nothing else can
2 go in the plan, it's the point of putting it out.
3 You've seen the major priorities set forth in the
4 fiscal 2011 budget, those things have a lot of
5 room for other things within them to make sure
6 that we meet the goals of those things. So, for
7 sure, we're not looking to set a policy in stone.

8 MR. FARMER: Okay. Thanks a lot, we
9 appreciate it. In that case, now we will go on to
10 our visit with Lynne Beresford, the Trademarks
11 Commissioner. Lynne, we have an agenda with
12 items; should we just move down in order, do you
13 think?

14 COMMISSIONER BERESFORD: Sure,
15 absolutely.

16 MR. FARMER: Okay. In that case, the
17 first item that we have is about trademark filings
18 being made by online non-attorney services or
19 non-attorney services working for -- non-attorneys
20 working for online services, and I don't -- are
21 you leading that? I'm not sure if you're passing
22 it off to someone else or --

1 COMMISSIONER BERESFORD: Yes, I -- this
2 is Lynne Beresford. We discussed this and had a
3 presentation in the sub-committee yesterday by
4 Harry Moats, the head of our Office of Enrollment
5 and Discipline, essentially outlining what the
6 authority of the office is. The office has
7 jurisdiction over individuals, not particularly
8 companies, and the jurisdiction they have is, if
9 someone is discovered in the unauthorized practice
10 of law, and that does happen, the office can send
11 them a cease and desist letter. If they don't
12 cease and desist, they can be reported to the
13 state bar. States do a variety of things with
14 this. And eventually, of course, we take their
15 names off of the files that they're prosecuting,
16 we replace them with the applicant's name or
17 sometimes applicant -- it's an actual attorney and
18 we put that name on there.

19 So those are the kinds of things that we
20 do internally. Obviously, if we have an attorney
21 who's encouraging unauthorized practice of law by
22 the way he or she is operating, then that person,

1 of course, can be reported to -- will also get a
2 cease and desist letter or a show cause and will
3 be -- and eventually will be reported to the bar.

4 We have some ability to report to the
5 FTC, but the FTC basically is looking for cases
6 that are relatively large and important for their
7 time, and thus far, they've taken no interest in
8 what we're doing.

9 The office will be looking at other
10 options here. We're going to be -- I think we
11 were asked to check into some of our accounting
12 files and see what's going on in both cases, but
13 essentially those are the powers of the office.

14 MR. JOHNSON: Lynne, Jim Johnson, is
15 there any legislation or rule the office can issue
16 that can help you better address this unauthorized
17 practice issue?

18 COMMISSIONER BERESFORD: Well, I don't
19 think this is -- off the top of my head, I know of
20 no proposed legislation, and Sharon, if you feel
21 -- feel free to jump in here. I know of no
22 legislative proposal, and I can't think of one off

1 the top of my head, and I don't know of any. I
2 don't think we can promulgate regulations without
3 further legal jurisdiction over these issues. So
4 I don't -- I can't think of anything we can do
5 currently under our current statute and with our
6 current regulations other than what we're doing.

7 And I don't think this is particularly a
8 problem just in the trademark area or just in the
9 patent area or just in the IP area. I think
10 there's -- the internet and other things have
11 spawned a much greater ability for unauthorized
12 practice of law, so I think this is probably just
13 a bigger problem than just our problem. Thank
14 you.

15 MS. BARNER: Sharon Barner, on behalf of
16 the unauthorized practice of laws that relates to
17 consumers, normally the FTC does deal with those
18 issues, or the state bars, if you refer a matter
19 to the state bar because someone is practicing law
20 in an unauthorized manner, it's not from that
21 perspective otherwise within the federal agency's
22 mandate because it is a consumer and legal

1 practice issue, and so I don't think that there
2 are any regulations that the USPTO has that were
3 permitted to adopt any rules or regulations
4 otherwise governed, but we could, as Lynne has
5 said, work with the FTC in connection with issues
6 we see coming up if they're frequent.

7 MR. JOHNSON: Lynne, again, Jim Johnson,
8 what about putting warnings on the USPTO web site
9 alerting applicants to make sure that the party
10 that's preparing their application is a licensed
11 attorney or warnings on the applications
12 themselves asking people, you know, warning people
13 about the issue of unauthorized practice of law,
14 those things that -- those kind of things that PTO
15 seems like they could do?

16 COMMISSIONER BERESFORD: Well, we can
17 certainly put a warning on the web site. I have
18 some knowledge of how the web site is used, and a
19 lot of people don't read anything that's on there,
20 that's the first. Secondly, we have a lot of
21 warnings there already, and so you have to pick
22 your battles, you know. You warn them about this,

1 you warn them about that, you warn them about
2 something else, and certainly at some point
3 they're going to stop reading and/or do something
4 else, I don't know. But we'll work on drafting
5 something and see how we can integrate it into the
6 web site. Again, I have some doubts about yet
7 another warning. Obviously, some folks are going
8 to file with these companies because they
9 advertise or they innocently think that Uncle
10 Marvin, who knows a little bit about the law,
11 would be better to help them file the application,
12 and they don't even think about unauthorized
13 practice of law. But we will look into some -- we
14 will look into drafting some warning language and
15 see if that -- if we can figure out how to post
16 that effectively.

17 MR. JOHNSON: One other thought I had is
18 about the declaration itself. Maybe if the
19 applicants would either, you know, assert that
20 they prepared the application themselves without
21 any assistance from another party, or if they had
22 assistance from another party, identify that

1 party, and that way you could start flushing out
2 if there are third parties that are preparing
3 applications for them that aren't authorized to do
4 so. I'm just brainstorming with you. I don't
5 have any, you know, golden answer, as you don't
6 either, but I think working together, we can try
7 to come up with some creative solution to this
8 problem.

9 COMMISSIONER BERESFORD: Okay. Well,
10 putting something on the application itself is a
11 little complex, but -- and also asking people,
12 this is going to create a paperwork reduction act
13 issue which you'd have to look at because we're
14 asking a question we've never asked before, and
15 we're asking -- if we ask it on every application,
16 we're really adding to our paperwork reduction act
17 burden. There's a long process for getting
18 through that burden. It's something we'll
19 consider.

20 I think we'd probably want to look, I
21 know the IRS does this in terms of filling out
22 your tax return, but I think it's something we'd

1 want to look at, how other agencies handle it, and
2 also think about what are the consequences of
3 doing this, you know. So we'll take that under
4 consideration and we'll talk about it and see what
5 happens. Thank you.

6 MR. FARMER: I should have noted that on
7 TPAC, we have individual members who champion
8 issues, and they're the lead, they don't work
9 through me, they do their own thing. And Jim
10 Johnson is our leader, our champion on TPAC
11 regarding this unauthorized practice of law issue,
12 or as I call it the UPL issue. Jim, you testified
13 yesterday before the House Judiciary Committee,
14 not yesterday, I misspoke, Wednesday, and I wonder
15 if you can relate to the committee your experience
16 in this issue because they seem to show some real
17 interest in it.

18 MR. JOHNSON: Yes, John. The only
19 question that Chairman Conyers had of the
20 Judiciary Committee about my testimony was about
21 the unauthorized practice of law, and he asked the
22 director to advise him what steps were being taken

1 to assess the issue and then address it.

2 So I don't know if Lynne or Sharon or
3 anyone would have any idea when they could report
4 back to us about what -- how big the problem is,
5 if they can figure out a way of the big problem,
6 but -- and then later I also got inquiry from the
7 Committee's counsel who came up to me after the
8 hearing and expressed sincere interest in this
9 issue. So that's only passing it on to the PTO
10 what my impression was, that this was of
11 significant interest to them.

12 MR. FARMER: Okay. As you can tell
13 about it being early in the agenda, you know,
14 sometimes issues kind of pop up on the radar
15 screen quickly and they're big suddenly, and I
16 think this is one of those kinds of issues for
17 TPAC, that TPAC is very concerned about it. We
18 realize that there's -- that the office has
19 limited tools as far as what it can do, so we're
20 not expecting you to do what's beyond your
21 statutory power, we understand that. We encourage
22 you to keep pushing on it. Also, I think I can

1 speak for TPAC in saying that we hope that the FTC
2 will take some interest in this issue. I believe
3 that there's a consumer protection aspect to all
4 of this, that some of these advertised -- some of
5 these services beyond whether an attorney needs to
6 do this or not just may give consumers the
7 impression that these services can and will do
8 more than they really can, that the process is
9 simpler than it is.

10 I don't mean this to be an instance of
11 attorneys looking out for attorneys, I'm concerned
12 about consumers getting the impression that you
13 can get more from this and that it's easier than
14 it is, and I draw an analogy in that regard to
15 invention submission companies.

16 And so I don't know if my voice reaches
17 to the Federal Trade Commission from here, but if
18 it does, I encourage them to take an interest in
19 it, and I'd ask that our colleagues here at the
20 PTO join us in that voice of asking that the FTC
21 take interest in this simply because we think that
22 it's got a potential to do significant harm to

1 people who don't understand what's going on.

2 A sub issue in that, and this is
3 something that's come up recently, and we put this
4 question on the docket, is, and I'll read it --
5 docket, my gosh, we're not in court, on the
6 agenda, the docket to the rocket docket across
7 the street are the non-attorney services mining
8 the USPTO data base for email addresses of filing
9 correspondence and using them in sales efforts,
10 and if so, can this possibly be prevented.

11 I won't name the company, but I'll say
12 that several members of TPAC who prosecute
13 trademark registration applications and a lot of I
14 think members of INTA, because it was pointed out
15 through their list serve, started getting emails
16 from this entity that was sort of selling them to
17 do something that's the next step, and you kind of
18 wonder how they got the email addresses, and so we
19 wanted to see what's going on there and whether
20 it's possible to do something about this so that
21 folks don't get spammed or get the impression that
22 this has something that it doesn't, and so we're

1 curious about that.

2 COMMISSIONER BERESFORD: Yes, well, our
3 non- attorney services mining the USPTO data base,
4 we don't have any real way of knowing who mines
5 our data base. Our view has always been that the
6 more we can transmit our data out there and let
7 people know what's registered and pending, the
8 better we're doing our job or the better we're
9 helping trademark owners, so we allow people to
10 mine the data base. Can the email addresses be
11 put in the data base in a way that they can't be
12 mined? We're going to check into that. We don't
13 know right off the top of our heads. Of course, I
14 note a later item on the agenda, please put the
15 attorney email addresses into the data -- the
16 examining attorney email addresses into the data
17 base and into the letters that we send, so if we
18 -- and that's something that we're pretty positive
19 about doing, but then we create the issue of we
20 want to hide some of the email addresses, but not
21 all of the email addresses, so this will be a
22 little bit of an IT problem that we'll have to

1 figure out, so that's the answer to that.

2 People mine our data base, we don't
3 necessarily know who they are in general, we're
4 happy they do because we want to disseminate
5 information, but not everybody is a good actor
6 that gets into our data base.

7 MR. FARMER: Is there a difference,
8 Lynne, between what your data base is that you use
9 and the parts of the data base that can be
10 publicly mined? Where I'm going with that is, I
11 wonder if it would be possible to keep your data
12 base open. We're certainly in favor of
13 transparency, but because of these concerns about
14 not having someone be able to scrape a large
15 bucket of these sorts of email addresses.

16 COMMISSIONER BERESFORD: Well, again,
17 the idea has been to have our data base as public
18 as possible. We will look into the issue of
19 hiding email addresses on the data base and making
20 them non-mineable and see what happens, see if we
21 can do that. I don't know off the top of my head
22 if we can and what would be involved.

1 MR. FARMER: Okay, that's fine. We
2 realize that we're at the beginning of this issue,
3 and so we are not expecting everything to be done
4 yesterday, and also, we just advise, the office
5 decides. So, you know, as the issue develops,
6 we'll just look forward to going forth with you
7 all and working on it, and we appreciate the fact
8 that you all have jumped on it quickly, because
9 this really has welled up like a summer storm
10 cloud very recently.

11 If it's okay with everyone, I'll go on
12 to the next topic, and that is, in wake of the
13 recent Bose decision, which Ms. Barner mentioned
14 during her comments, I think the office has now
15 started a thinking process as to what, if
16 anything, should be done in the wake of Bose and
17 also beyond the fact that the Bose decision just
18 generally regarding possible what I call dead wood
19 on the trademark register, meaning registrations
20 for March where some, or perhaps in some cases all
21 of the goods and services claimed in the
22 registration are not, in fact, being used on the

1 mark or were not at the time the declaration was
2 signed, and so I'll turn that over to Lynne.

3 COMMISSIONER BERESFORD: Yes, on April
4 26, we had a seminar here in conjunction with
5 George Washington University School of Law, and it
6 was, I thought, extremely useful, lots of good
7 ideas came out of it. We've at this point shared
8 with TPAC a preliminary list of the ideas that
9 came out of the roundtable for dealing with the
10 issue of excessive goods and services, and dead
11 wood on the register.

12 I think perhaps I put the cart before
13 the horse. The first thing I should say is, the
14 roundtable agree that there's a problem here,
15 there's an issue, and we need to be concerned
16 about what is happening with our register.

17 The second part of the roundtable was
18 talking about what to do, what ideas there were,
19 and we have a long list of ideas, of things that
20 can be done during an examination and
21 post-registration. Some of them would require
22 legislation, some of them would require

1 regulation, and some of them just require a change
2 in policy. What we're going to do with this list
3 is break it up into how each of these things could
4 be effected, do they need legislation, one of them
5 required to change in our treaty obligations, so
6 -- and we're going to take the list, put it into a
7 -- segment it by what would need to be done, so
8 we'll put the regulatory things together, the
9 statutory things together, the policy things
10 together, and then we're going to add some time
11 estimates to the list so folks can look at the
12 list and see what the time estimates are for doing
13 each of these things.

14 More importantly, however, we're going
15 to keep fleshing out some of these proposals so
16 that there's a better understanding by trademark
17 owners and the trademark bar about what each --
18 the cost in terms of time, effort or money would
19 be if we rolled out each of these proposals.

20 So that -- I think we should have that
21 ready for the next TPAC meeting. I, of course,
22 will be talking about it at the meetings that I

1 attend and speak, I'll talk about this because I
2 think it's an extremely important issue to the
3 trademark community and the U.S., so that's the
4 plan.

5 MS. PARK: Lynne, this is Kathryn Park.
6 I attended the conference on the 26th, as did John
7 Farmer, the Chairman of TPAC, and we both agree
8 with you that it's a very important issue and that
9 a lot of very valuable suggestions came out of
10 that conference. What TPAC is going to do, and
11 we'll probably be working on this parallel with
12 your further segmentation of the list, is also
13 take a look at the various good proposals that
14 were made, some of which may be mutually
15 inconsistent with one another, some of which, you
16 know, we will as a group try to give you our
17 collective guidance on which on these things we
18 think -- which of the various things could be used
19 alone or in combination. And we'll try and get
20 you our feedback prior to the next TPAC meeting,
21 as well.

22 COMMISSIONER BERESFORD: Thank you,

1 that's great. That's just exactly perfect, thank
2 you.

3 MR. FARMER: In case it wasn't obvious,
4 Kathryn Barrett Park is our leader on this issue,
5 and so thanks for tackling that. Okay, so that's
6 it for that. Next, we have an issue in which we
7 were going to discuss various issues regarding
8 communications with trademark examining attorneys.

9 Bob Anderson is our champion on that
10 issue. Before I throw things over for whatever we
11 have, I'm going to guess that we may not be doing
12 a lot with that today, because I think the feeling
13 on TPAC is that this is an issue where we want to
14 give it a little more study ourselves and
15 formulate some ideas and come back to the office.
16 But with that preface, I will turn it over to
17 Lynne and to Bob in case there are any comments
18 that you have at this time.

19 MR. ANDERSON: To some degree the issue
20 of use of telephone and email may be minimized
21 because the office, and I want to congratulate
22 them on working with 245 to implement a new awards

1 procedure that encourages examining attorneys to
2 use a telephone or to use email to expedite the
3 processing of application on the -- putting
4 examiner emails on office actions, there are a
5 couple things there that I don't think people
6 thought about.

7 Back in 1998, we actually did publish
8 examining attorney emails on the web for a short
9 period of time, and then with the advice of the
10 solicitor and the agency at that time, removed
11 them based on the concern about information being
12 added to the file wrapper that applicants might
13 not want in there or the office might not want in
14 there. The case ended up in litigation.

15 It's been in that status ever since.
16 The TMEP does allow examining attorneys to
17 communicate with applicants via email with the
18 understanding that all of the communications
19 regarding the application will be added to the
20 application file, and that's a situation that I
21 think people need to think about before they
22 communicate via email since sometimes they tend to

1 get a bit prolific in what they say in emails and
2 they could be putting information in the file that
3 would ultimately effect litigation if the file
4 ends up in litigation.

5 It is under discussion, and I've had
6 discussions with Sharon Marsh about this, to do
7 it, we would have -- the office would have to work
8 with NTEU 245, because it would be a change in
9 working conditions.

10 And I think there would have to be an
11 understanding by the bar of the implication of
12 putting this information into the file, in
13 essence, unedited and unaltered. Some suggestions
14 have been made about that, but I'll work with the
15 office to see what we can do with that. And
16 that's about where things stand with the
17 communications issue regarding email and telephone
18 calls.

19 COMMISSIONER BERESFORD: Thank you, Bob.
20 And I think we'll see an upswing in the telephone
21 call, the occurrence of examining attorneys using
22 the phone and calling applicants. I do have to

1 say, however, that when I -- in rolling out the
2 excellent office action training, I went to many,
3 many law offices because I wanted to talk to
4 examining attorneys about it and emphasize how
5 important it was to the office to improve our
6 quality, and this was an opportunity for them to
7 do that, and earn some more money at the same
8 time. The phone issue, however, was the one upon
9 which I got the most comments. And the usual
10 comment, you know, I would say, what we hear from
11 the bar is, they always get sent to voicemail, and
12 you don't return the phone calls, and the response
13 back from the examining attorneys were, what are
14 they talking about, our calls always go to
15 voicemail and they never return our phone calls.

16 So, you know, we heard right back from
17 the folks on the other side of the -- on the other
18 end of the phone that maybe there was some
19 comparative behavior going on here. So I promised
20 them that I would, in all my talks that I gave to
21 the bar and other organizations, I would be
22 mentioning this, reminding folks in the bar that

1 this is a two-way street, communication is a
2 two-way street, and if you really want to resolve
3 things, you can't send an email.

4 I think one of the interesting things I
5 learned about the emails, because I suggest it at
6 every meeting, if you want to talk to the
7 attorneys, send them an email and tell them, you
8 know, I'm available at this time and this time,
9 and they said, well, a lot of the times the email
10 you have is trademark docket at XYZ firm, and how
11 do you -- and you cannot be sure when you send
12 your request for a phone call to trademark docket
13 at XYZ firm that you're going to get a phone call
14 back, maybe what they should be doing is giving us
15 their personal email so that we can email them
16 back.

17 Well, so this is a dialogue. It's
18 obvious to me that examining attorneys can do
19 better on this, they can be more answering the
20 phone, they can return calls more quickly, but I
21 think the other side of the coin is, there's some
22 behavior, too, that folks in the bar need to be

1 aware of, so --

2 MR. FARMER: You know, Lynne, one thing
3 that occurs to me is the reason why a law firm
4 often does that is just because of concerns about
5 turnover, that an attorney may leave the firm, a
6 trademark paralegal may leave the firm, and that
7 then the email won't be seen -- therein, but we're
8 sensitive to the fact that trademark examining
9 attorneys have production requirements and that
10 they've got to crank things out, and if they don't
11 -- on both ends by being able to set phone dates.

12 COMMISSIONER BERESFORD: Yes, I think
13 your suggestion to have the possibility of two
14 email addresses is a fine one and it's something
15 that we can look into so that -- but this is
16 obviously an issue that we need to -- the office
17 needs to be aware of and we're working on being
18 better in this area. But also, we need to figure
19 out how to work with the systems that various law
20 firms have and make sure that the -- if the
21 attorney does send a request, does want to send a
22 request for a phone conference, that they can do

1 that in a way that someone will see it.

2 MS. PEARCE: This is Elizabeth Pearce.

3 I just have one quick request of the Trademark
4 attorneys. I am delighted to work by phone with
5 them, that works fine for me, but if you're going
6 to call me about more than one or more than two
7 serial numbers, it would be helpful if I got an
8 email so I had all the numbers and the matter
9 numbers in front of me. I can then, you know, go
10 in and look at the office actions, and when I call
11 you back, I can be better prepared.

12 If you give me a whole bunch of numbers
13 in one phone message, then I have to play the
14 phone message about six times before I write
15 everything down correctly. So it would be just
16 helpful to have a written record of all those
17 numbers and we can work a little more effectively.

18 COMMISSIONER BERESFORD: Thank you for
19 that suggestion.

20 MR. FARMER: I noticed that I hadn't
21 been stopping along the way. Were there any other
22 questions or comments from other TPAC members on

1 the communications issues or the ones we've hit so
2 far? Howard.

3 MR. FRIEDMAN: Thanks, John. First off,
4 I want to use this as an opportunity to welcome
5 Bob personally. I know the highlight of my day
6 yesterday was being on the same side of the fence
7 as Bob after so many years of being on the
8 opposite side. And as Tim Lockhart said later in
9 the day, he had never seen me so quiet at a
10 meeting, well, you know, Bob and Tim took care of
11 all the questions, so it's great to have him.

12 I wanted to follow up on some of the
13 comments that Bob and Lynne had made. First off,
14 I appreciate the office and Sharon and others
15 acknowledging that we do have a role in this and
16 the office is going to want and need to talk to us
17 and we look forward to that.

18 When Bob started getting into this
19 issue, I think one of the benefits of our past
20 experience is that, collectively, we were able to
21 drudge up emails from 11 or 12 years ago, which
22 sort of got the ball rolling on a discussion, so

1 that helped. Bob had initially mentioned the Ace
2 Awards, and you know, from our perspective, before
3 we start rushing into email communications, it is
4 an important vehicle that I think will encourage
5 people to call more, money often does that, and so
6 I think it's important to see how that plays out.

7 I believe, if they haven't already, the
8 office is working on sending out instructions to
9 our attorneys, giving them more guidance as far as
10 under what circumstance they can call people back
11 to spur talking to people for priority actions,
12 which many people in our bargaining unit haven't
13 used, so that's another reason why I think people
14 will be picking up the phone more.

15 And at the highest level discussion, and
16 we can, of course, get into it over the next few
17 months, just to hit a few highlights as far as
18 concerns of ours. I believe there's no way to
19 notify external customers by email that we are out
20 of the office and cannot respond to their email
21 message right away, and so we get very concerned
22 about that, the impact of that, when it comes to

1 customer service, so that is a concern of ours.
2 Also, we're concerned that applicants and
3 attorneys may try to submit responses by email
4 regardless of what's on the forum, and you know, I
5 mean it's I think equivalent to Lynne talking
6 about warnings on the web site, sometimes people
7 gloss over those kind of things, so we're very
8 concerned about how often people may respond by
9 email.

10 We're very concerned that attorneys will
11 seek advisory opinions, which will then require us
12 to respond, which will then require or encourage
13 people to go back and forth in that chain, so
14 we're concerned about that. And without getting
15 into details, we're concerned that email isn't
16 always more efficient depending upon the issue.
17 So we have details on that, but we just wanted to
18 sort of get our highest level concerns out there
19 to frame the upcoming discussion. Thank you.

20 MR. FARMER: Any other TPAC questions or
21 comments on this issue? Questions or comments
22 from folks not on TPAC? Well, we'll look forward

1 to going forward on the issue. You know,
2 technology and email has just become such an
3 integral part of working communication that I'm
4 hopeful that we'll find a way to work it out that
5 addresses the concerns of all parties, both just
6 realizes that it's just such a fundamental aspect
7 of business communication in the 21st century, and
8 I'm confident we'll find a way forward on that.

9 Let's turn to the SOU issue now. Kathryn Barrett
10 Park is our leader on that issue also, so I'm
11 going to turn things over to Lynne, and then if
12 Kathryn has anything to chat with Lynne about on
13 that, we'll have Kathryn do that.

14 COMMISSIONER BERESFORD: Yes, well, this
15 is an issue we talked about extensively in the
16 sub-committee meeting yesterday. Essentially, the
17 request is to be able to file a statement of use,
18 and if there's a defect in the statement of use,
19 to be able to continue to file extension requests
20 for the entire remaining period of the three
21 years.

22 There are a couple of issues, as we

1 talked about in the sub-committee, there's some
2 legal issues; if we have issued an office action
3 on a statement of use, we then have a time period
4 running on the office action, and suspending that
5 office action and continuing to run the periods
6 for the extension request puts the office in a
7 position of having to keep track of two periods of
8 time.

9 So there's a variety of issues here.
10 Those are the legal issues. Then we turn to the
11 system issues. The program that takes care of the
12 ITU extension request is a complex one, and we
13 would have to, in order to do this, we'll have to
14 figure out a way to manually override some of the
15 edits in that program every time a situation like
16 this occurs. We really don't like to put
17 ourselves in the position of doing exception
18 processing, because exception processing is when
19 lots of bad things happen to trademark
20 applications, but it is possible perhaps to do it.
21 We really haven't looked at what the system -- are
22 and what we would have to do.

1 We think that as we go through time, we
2 can, especially with trademark's NG, the system
3 will probably be redone, and it might be possible
4 at that time to look at the periods of the
5 extension request and make -- and change them from
6 six month periods, although I have to note that at
7 the time this legislation was passed, there was
8 great, great concern that people not be allowed to
9 just keep things in examination unless they were
10 willing to swear every six months that they were
11 still going forward with a bona fide intent to use
12 that mark. So those six month periods were built
13 in as a way to keep that idea alive.

14 At any rate, there's a whole bundle of
15 things that we have to look at. We're more than
16 willing to look at them. I've asked for some
17 statistics on the number of these that we have,
18 statements of use that are refused, it's a very
19 small percentage, I haven't been able to get it, I
20 asked for it this morning and I haven't gotten it
21 yet, so maybe later during the meeting I'll have
22 it, but it's a very small percentage, and we're

1 looking at what would be necessary to take care of
2 those. Thank you.

3 MS. PARK: Thank you, Lynne. And I
4 thought we had a very good discussion on this
5 topic yesterday. And I do appreciate remembering
6 when ITU's were allowed to be filed. The great
7 concern at the bar at the time that this was sort
8 of contrary to U.S. practice and the need to keep
9 it sort of reigned in, so I understand the history
10 here.

11 I thought Janice Long made a very
12 interesting presentation to us, and she shared
13 with us a paper called How to Maximize Use of the
14 Insurance Extension Option When Filing a Statement
15 of Use, which, although it wouldn't give
16 applicants probably back the full three years, it
17 certainly is a way that if we can educate
18 trademark applicants, a way to help minimize the
19 problem while we're looking for whether or not
20 there's anything more that we need to do and
21 whether that can wait until trademark's next
22 generation.

1 But I will say TPAC will continue taking
2 the feedback we got yesterday and the work we've
3 done on this issue to also think about it and
4 hopefully have something more to share with you
5 before our next meeting, so thank you very much.

6 MR. FARMER: And regarding that topic,
7 the document that Kathryn mentioned, again, for
8 those of you practicing, it's called How to
9 Maximize Use of the Insurance Extension Option
10 When Filing a Statement of Use. I was just
11 chatting with Lynne on the side. We think it may
12 be on the web site, and if not, it'll go up at
13 some point. So for those of you looking to
14 sharpen your game, you may look for that and that
15 may give you some interim help.

16 MS. PARK: And, John, I'd just like to
17 say, although I haven't talked to Michelle King, I
18 would certainly think that INTA would probably be
19 willing to run an article on this in the bulletin,
20 as well, which would help.

21 COMMISSIONER BERESFORD: Okay, thank
22 you. Craig assures me this is not on the web

1 site, we will have it posted within the next day
2 or so, I feel quite certain, and we'll be happy to
3 share it with INTA for an article. In fact, I
4 will say that out of the sub-committee meeting
5 yesterday, we got enough ideas for articles that
6 your next newsletter may look like an OG, so thank
7 you.

8 MR. FARMER: All right. Assuming that
9 there are no questions or comments on that, then
10 we'll move on to the congressionally mandated
11 study. Congress, in a recent piece of
12 legislation, required -- well, within the
13 Trademark Technical and Conforming Amendment Act
14 of 2010, that a certain study be done. I won't
15 read the entire statutory slug here regarding
16 that. I'm going to --

17 COMMISSIONER BERESFORD: Toni Hickey is
18 going to present on that.

19 MR. FARMER: Okay. And I'm going to
20 turn that over to Toni Hickey to present on that
21 issue. And also, I believe Tim Lockhart is our
22 champion on TPAC regarding handling this issue.

1 So, Toni, welcome, and thanks for joining us.

2 MS. HICKEY: Good morning. My name is
3 Toni Hickey, I actually work in External Affairs,
4 I'm on detail right now, I'm Deputy Chief of Staff
5 to the Deputy Director and Director. So I just
6 wanted to spend about five minutes moving away
7 from kind of trademark operational issues to
8 discuss the litigation study.

9 So as John mentioned, in March the
10 President signed a new bill that would require the
11 Department of Commerce to partner with the
12 Intellectual Property Enforcement Coordinator,
13 Victoria Espenelle, to issue a study on abusive
14 trademark litigation tactics. So what we decided
15 in-house at the PTO is that we are going to sit
16 down and try to look at this from a different
17 perspective. We first thought that it was
18 important to separate out the bill and to
19 determine what role, if any, the PTO would play.
20 The bill identifies the Department of Commerce.

21 There are other sister agencies that are
22 heavily involved in IP related issues such as the

1 International Trade Administration, so we wanted
2 to really sit down and determine what role should
3 the USPTO play, should we play the lead role,
4 should we be the coordinator, and then we wanted
5 to work through a plan and talk with TPAC members
6 to determine what role, if any, you'd like to play
7 in this process. So I believe you all have a copy
8 of the proposal. Lynne, was it provided to the
9 TPAC members?

10 COMMISSIONER BERESFORD: I believe it
11 has, I think it's in the booklet.

12 MS. HICKEY: Yes, good. So Lynne
13 provided the proposal. And one thing that we
14 identified right off the bat was how litigation
15 tactics were characterized. And I think all of
16 the trademark professionals in the room, we had
17 representatives from almost every business unit at
18 the USPTO participate in the meeting, and we
19 decided that we didn't prefer to use the term
20 abusive, that we wanted to move away from that
21 term, and that one of our first obligations would
22 be to education the public about the process, in

1 hopes that if the public understands the process a
2 little bit more, we could move away from the
3 characterization that litigation tactics are
4 abusive and have an impact, a negative impact on
5 small businesses.

6 So we thought if we educate about the
7 process of acquiring the right and protecting the
8 right, that clearly, that would mean that the PTO
9 would have to take the primary role in bringing
10 together the other government agencies and getting
11 the study done. We have a one year deadline, we
12 have to present it to Congress by May 17th next
13 year, so we really knew that we had to get rolling
14 on this.

15 And secondly, we decided that after the
16 USPTO kind of played the primary role in pulling
17 the information, defining the process, that we
18 would pull in our sister agencies and other
19 government -- and other departments to educate the
20 public on resources that are available that the
21 federal government provides to help trademark
22 owners, large, small, the individual trademark

1 holder, everyone, we thought that everybody needed
2 this information. So, for example, we thought it
3 would be relevant to make sure that we touch on
4 resources that are provided by the National
5 Intellectual Property Rights Center, which is a
6 combination of 11 agencies that work on IP
7 counterfeiting types of issues. We thought it
8 would be appropriate also to highlight our stop
9 fakes initiative, and also to discuss our IP --
10 program in the context of the resources that are
11 available overseas.

12 So, in short, and I guess that wasn't
13 quite short, we decided to just put together a
14 short proposal, feed it around to our sister
15 agencies and DOC in the department and the
16 Intellectual Property Enforcement Coordinator and
17 Customs and Border Patrol and all these other I
18 guess alphabet acronyms that maybe some of you
19 that haven't worked in government will probably
20 want to pull me aside later and I'd be happy to go
21 through the whole list with you, but we decided to
22 pull in everyone and get their thoughts on the

1 proposal.

2 But the first thing, and Lynne pointed
3 this out, the first stop is that we wanted to
4 start with TPAC and get your input, so --

5 MR. FARMER: Tim, do you have any
6 comments on this such as sort of how we plan on
7 going forward on the issue?

8 MR. LOCKHART: No, John, not at this
9 point. This is, you know, obviously a pretty new
10 initiative and very interesting, an issue that --
11 TPAC will be part of this in advising the PTO with
12 respect to our views on it, but at this time I
13 don't really have anything else to add.

14 MR. FARMER: Okay, that's great. I
15 think as a whole, TPAC aspires to help in two
16 ways, and that is, one, to itself provide
17 substantive feedback on the issues presented by
18 Congress based upon the combined experience of our
19 TPAC members.

20 While we're all spring chickens here,
21 I'm going to hazard that we may have 200 years of
22 IP experience on TPAC, in addition to provide some

1 thoughts to the office as to how one can best
2 reach out and gather good data on this issue so
3 that we don't get skewed data or data in which
4 some may wish to -- wish away intellectual
5 property enforcement as opposed to unduly coercive
6 intellectual property enforcement, and so we look
7 forward to working with you on that. Any comments
8 on that issue before we move on to the next one?
9 Okay. Quality issues are next. I'm going to turn
10 the floor over to Lynne in case she has any
11 comments or updates as to what we're doing there.
12 And Bob Anderson is our champion on that and I
13 think a passionate one, and so we look forward to
14 working on that issue. Lynne, anything going on
15 in the quality world?

16 COMMISSIONER BERESFORD: Well, we always
17 have a lot going on in the quality world. I've
18 already talked about the excellent first office
19 action initiative, and I'm happy to answer
20 questions about that. Otherwise, I'm going to
21 turn the quality issues over to Sharon Marsh, who
22 is our guru of quality, and let her answer any --

1 talk about the issues here and answer any
2 questions you might have.

3 MS. MARSH: Can we start with how you
4 turn this on? Thank you. Sharon Marsh, USPTO.
5 We're sort of taking a multilateral approach to
6 quality. Sharon Barner and Lynne have mentioned
7 three parts of our quality initiatives, namely the
8 outreach to user groups to ensure that we all
9 agree on what's good quality, our new measure,
10 where we will be measuring office actions to
11 determine the percentage of actions that do
12 everything right, that make all the right
13 decisions, have good writing, good evidence, et
14 cetera, the new award for examiners who meet very
15 high quality requirements.

16 And then the fourth part is a part that
17 started, boy, a long time ago and took longer than
18 Commissioner Beresford hoped that it would, but we
19 got a multi -- a cross functional group together,
20 some of our managers, our senior attorneys, our
21 quality office attorneys, even our TEAS staff, and
22 their goal was to better define what we mean when

1 we talk about what's an excellent office action,
2 and to provide more guidance to the examiners.

3 And so just a week or so ago we finished
4 up training. Each law office manager did a
5 training session on, you know, what's an excellent
6 office action, and we -- had they comprehensive
7 tools to use in providing this training, and we
8 outlined really high level guidelines on what's
9 good quality, you know, the writing is clear,
10 concise and well organized, it links the law to
11 the facts, gives ideas for solutions, if there are
12 any, the evidence is on point and specific and is
13 the best available evidence, et cetera.

14 So I -- the feedback that we've gotten
15 is that those sessions went well. And we have a
16 lot of follow-up work to do. There were a lot of
17 questions, everything from mechanics of attaching
18 evidence and collecting evidence in our electronic
19 world to some questions and issues about what's
20 expected. So anyway, we're very hopeful and
21 pleased with this new project. And I think that's
22 probably all there is to say on that. Do you want

1 to move on to the consistency initiative?

2 MR. FARMER: I'm thinking why don't we
3 just go ahead and let you tackle all three of the
4 billet points under quality --

5 MS. MARSH: Okay.

6 MR. FARMER: -- and then I will kick it
7 over to Bob if he has any comments he wants to
8 throw in at this time and we'll go forward from
9 there.

10 MS. MARSH: Okay. The second item
11 listed there is the consistency initiative. If
12 you all recall, we started a program more than a
13 year ago where if an applicant felt that they were
14 receiving inconsistent treatment on applications
15 and registrations within the last two years that
16 were owned by the same client, that there would be
17 a mechanism to bring that to our attention.

18 And, as always, we hoped that people
19 would first work through the examining attorney,
20 and the examining attorney's manager, et cetera,
21 but in cases where all else failed, this would be
22 an avenue to get the issue before the office.

1 Response to that mailbox has been minimal. The
2 total number of entries has been very, very small,
3 and so we decided to take a look and see if there
4 was a way to expand it. And so what you have in
5 your notebooks I think is the draft that our
6 policy office put together on how to expand that
7 initiative. Basically it's expanded in two ways;
8 one is that we're expanding the time period for
9 the registration, so for all issues except
10 identification of goods and services issues, the
11 inconsistency can be between pending applications
12 and registrations that issued up to five years
13 ago.

14 And part two is that for identification
15 of goods and services issues, for the first time,
16 we will, in a very limited way, permit
17 inconsistency claims on ID class issues. It's
18 limited to identification issues where there's
19 been a final refusal, where the registration that
20 is being pointed to as, you know, where the
21 inconsistency is was issued within the last two
22 years and since the last addition of the Nice

1 agreement, and also Madrid applications and
2 registrations are excluded from the ID process.

3 So it's a draft right now; I think,
4 unless the committee has strong feelings against
5 the idea, that we're really moving forward and
6 expanding the consistency mailbox.

7 MR. FARMER: Everyone agrees, move
8 forward, right? Please do. And then --

9 MS. PEARCE: I have one quick question
10 for Sharon. I'm certainly --

11 MR. FARMER: Try pressing the other
12 speaker button.

13 MS. PEARCE: Thank you. Technology and
14 I never the best of friends. I'm very much in
15 favor of this consistency effort, but I had one
16 question for Sharon, because this is something
17 that my office is wrestling with at the moment.
18 Is there a reason for the five year cut-off on
19 registrations? There were a couple of
20 registrations that we were concerned about which
21 are uncontestable now, so they would be outside
22 that five year limit.

1 MS. MARSH: Our goal was to expand
2 incrementally. We still worry about a flood of,
3 you know, issues that are overwhelming. And I
4 also think part of the five year decision was, you
5 know, the Nice agreement changes every five years,
6 and so if you go back too far, the prior
7 registrations might have been under a different
8 Nice classification system and maybe that's part
9 of the reason for the inconsistency. We certainly
10 would consider expanding further if the next phase
11 goes well.

12 MR. FARMER: Okay, that's fine. And
13 then the other thing we had was instances of
14 improper use of the mark and the goods or services
15 identification of another mark.

16 MS. MARSH: Right; there's -- examiners
17 do not allow registered marks in descriptions of
18 goods or services. But despite our best efforts,
19 occasionally marks slip or applications slip
20 through where we have a registered mark in the
21 identification of goods.

22 And so what we are considering doing to

1 try to have better quality in that area is to set
2 up a voluntary system where any registrant who had
3 a one or two word mark could request that the
4 office search every incoming application to see if
5 that mark appeared in the description of goods,
6 and if it did, there would be some kind of flag or
7 note to the examiner so that they could see that
8 that was in there and take appropriate action.

9 Again, this would be purely voluntary.

10 The registrant would have to decide if they were
11 willing to be put on this list, knowing that it's
12 possible that that list could be the subject of a
13 FOIA request, and whether or not they would be
14 comfortable with that result would be their
15 decision.

16 MR. LOCKHART: Just to clarify, I assume
17 that you mean use of a registered mark as a
18 registered mark in the ID?

19 MS. MARSH: I mean -- I'm sorry, I mean
20 use of a registered mark in the ID either as a
21 registered mark or perhaps as a --

22 COMMISSIONER BERESFORD: A noun or an

1 adjective.

2 MS. MARSH: -- noun or an adjective,
3 yes.

4 MR. LOCKHART: Well, I'm confused. I
5 mean what would -- what's wrong with using the
6 word apple in an ID if it's not referring to Apple
7 brand computer products? I mean what if you mean
8 apple, the fruit?

9 MS. MARSH: If it's apple used to refer
10 to fruit, that would be fine, but if it's Apple
11 used in a class nine ID to refer to a computer
12 item, then it shouldn't be in the description of
13 goods.

14 MR. LOCKHART: Well, maybe I didn't
15 phrase my question right. That wasn't what I was
16 trying to get to. So the owner -- owners of
17 registered marks who choose to put their
18 registered marks on this list would be saying if a
19 third party applies for a mark and uses my
20 registered mark in the ID as an adjective to
21 describe goods or services for which my mark is
22 registered, then I want you to flag it.

1 MS. MARSH: Yes.

2 MR. LOCKHART: Okay, that's fine. And
3 is this something that the office has put on its
4 wish list for a trademark next generation or is
5 planning to?

6 MS. MARSH: This is something that we
7 could begin more rapidly. The programming is
8 apparently pretty simple.

9 MR. LOCKHART: So has a decision been
10 made, are you going to go forward with this, are
11 you still looking at it?

12 MS. MARSH: We're -- that's why we're
13 talking about it today, to see whether TPAC thinks
14 it's a good idea or not.

15 MR. FARMER: Tim, do you have any
16 thoughts on that?

17 MR. LOCKHART: Well, I personally think
18 it's a good idea. We talked about it yesterday in
19 a different meeting, and you know, I think it's a
20 good idea, especially if it's purely voluntary for
21 the owners of the registered marks, they can
22 either choose to put their marks on this watch

1 list, if you will, or not, and I take your point
2 about the FOIA request, so it would just be a
3 business decision for the owners of these marks.
4 I can see how there would be certainly a number of
5 companies, maybe not necessarily a small number of
6 companies to whom this would be a concern,
7 probably most trademark owners it wouldn't be an
8 issue, but there are some companies, perhaps the
9 one we site an example where they wouldn't want to
10 do it, and I think it would be a great option for
11 those companies to have, so I'm in favor of it,
12 especially if it doesn't present any
13 insurmountable or especially difficult
14 technological obstacles.

15 MS. MARSH: Yes; I think we would start
16 it on a pilot basis to, you know, decide what the
17 volume is and whether it's something we can
18 handle.

19 MS. PARK: I would just have a -- I
20 would have a concern, companies might not want to
21 be on that list because it's a certain
22 acknowledgement that you have a problem, so I'm

1 not sure how much use you would get from that
2 program.

3 MS. MARSH: Right.

4 MR. FARMER: It sounds like this may be
5 an issue where, Bob, we may need to focus on
6 coming back with some more specific thoughts now
7 that we see that the ball is in our court and
8 we'll make certain to do that, okay. Any other
9 TPAC question or comments regarding quality
10 issues? Howard.

11 MR. FRIEDMAN: A few collective
12 comments, I guess; one dealing with the Ace
13 Awards, to follow up on a few things Sharon said.
14 I think it's important particularly with the
15 experienced practitioners here and for those
16 playing at home to cover two important issues that
17 were mentioned during training, and one is that a
18 good office action isn't necessarily having a lot
19 of form paragraphs, and that the office was very
20 receptive as part of the training, emphasizing
21 that you don't necessarily have to -- form
22 paragraph after form paragraph, what you need to

1 do is put the right form paragraphs and that will
2 be part of peoples' evaluation.

3 Secondly, the office emphasize in the
4 same training that it was important to provide
5 good evidence, not necessarily a lot of evidence,
6 so I wanted to put that out there for the
7 experienced practitioners here, as well as for
8 those who are listening outside the room.

9 As far as the consistency office action,
10 it looks like -- we would like to meet with the
11 office to discuss this, probably not surprisingly.
12 We met with the office before when it was a pilot.
13 It looks like it's still going to be a pilot, if
14 I've read the draft document, but obviously it's
15 expanded and we have some concern, so we would
16 look forward to setting up a meeting perhaps next
17 week and talking about that. And then putting
18 that sort of package together along with the
19 email, I think it's a good time to at least
20 express on behalf of the examining attorneys that
21 when we think about the consistency initiative,
22 when we think about how the office may want to

1 handle email communication, and when we think
2 about some possibilities that could result from
3 Bose as far as examining more specimens, however
4 that issue may occur, obviously we've got concern
5 about the impact that will have on production and
6 on quality.

7 So I just want to put that out there as
8 a marker, that we're sensitive to that, I assume
9 or expect that the office is, too, and obviously
10 we would like to have a dialogue on all of those
11 topics. And previously we had submitted some
12 comments on behalf of the examining attorneys
13 regarding the impact of Bose and getting rid of
14 deadwood could have, so I just want to put that
15 out there also. Thank you.

16 MR. FARMER: Any other questions or
17 comments from TPAC members on quality issues? Any
18 from members of the public?

19 MS. MARSH: We just wanted to make one
20 more comment about the Ace Award.

21 MR. FARMER: Come on right up here if
22 you want.

1 MS. COHN: Hi, Debbie Cohn. I just
2 wanted to point out, because it did come from the
3 input that we got from our user groups, and that
4 is that for the new Ace Award, we are requiring an
5 increased level of telephone contact with
6 applicants and attorneys, and it's quite an
7 increase from what's required in the performance
8 plan, but we think that this will really address
9 the issues that have been brought to our attention
10 by this group, by INTA, by AIPLA, so I wanted to
11 make sure everybody was aware. Thank you.

12 MR. FARMER: Thanks, Debbie. Anything
13 else on quality from TPAC members, from anyone
14 else here? Okay. Let's move on then. Next, this
15 is sort of just a check in issue, Lynne, a
16 discussion about the TPAC goal of eventually, in a
17 messianic age, getting the Official Gazette
18 published in HTML rather than PDF, and as an
19 interim step, what we can do about the large PDF
20 file problem.

21 COMMISSIONER BERESFORD: Okay. Well,
22 this is not something that's short term, and it is

1 something that we will be working on in
2 trademark's NG, but the good news is, we've come
3 up with what we're talking about as the optimized
4 OG, and the first one will go up on the 25th, our
5 plan is, and it should download at least 30
6 percent faster than the one you have been
7 downloading, so hopefully that is going to help a
8 little bit with this problem. That's an interim
9 step, but it's something that we think will help
10 you all. Thank you.

11 MR. FARMER: Okay. Yes, we recognize
12 that's a -- the technology just got to make it
13 possible issue. Next one is a similar one,
14 another TPAC goal of eventually achieving
15 electronic certificates of registration with an
16 option for a paper certificate.

17 COMMISSIONER BERESFORD: Yes, that, too,
18 is wrapped into TMNG, and I think many of the
19 things that we've been looking at as small
20 projects are getting folded into this larger
21 project, so I don't see that happening any time in
22 the near future, but it's something that we

1 haven't forgotten about.

2 MR. FARMER: Okay, that's great. And
3 then we're off to kind of -- the TMEP, and the
4 TPAC goal there is to keep it as continuously
5 up-to-date as possible and to move towards having
6 a parallel Wiki version that may be helpful for
7 folks.

8 COMMISSIONER BERESFORD: Well, this
9 particular issue is extremely important to Mr.
10 Kappos, simply because he would like the MPEP to
11 be updated more frequently and to have a Wiki
12 version. So he is working personally and closely
13 with OCIO to see that this particular project gets
14 done. We're very excited about it because we
15 think that along with the TMEP, we have many, many
16 other manuals that we would like to have the
17 ability to update quickly.

18 Our LIE manual, for example, which is an
19 internal document, we would love to have it
20 updated more rapidly, and we would love to be able
21 to have a Wiki for that LIE manual, because the
22 people that use the manual have ideas about how to

1 improve it and a Wiki would be one way to get
2 those -- give us access to those ideas. So, as
3 always, we're very supportive of this and we're
4 really hoping that it can be done quickly. I
5 don't know what the timeline is, maybe Kay Melvin
6 would like to discuss this, she's our OCIO
7 representative down at the other end of the table
8 there, maybe Kay has some ideas, I don't know what
9 the timeline is.

10 MS. MELVIN: Good morning, I'm Kay
11 Melvin. This is when -- I notice we're going to
12 get a break after a while, I thought I would stop
13 and see if I can get an update for you on the
14 Wiki. I do have some other information about the
15 TMEP, version six and version seven, which I'll be
16 covering in my presentation later this morning.
17 Thank you.

18 MR. FARMER: Okay. Anything else on
19 TMEP at this time?

20 COMMISSIONER BERESFORD: Well, Sharon
21 reminds me, we're issuing an update on May 21st on
22 the TMEP to reflect the changes in the technical

1 directions bill, which is post-registration
2 filings for Madrid cases.

3 MR. FARMER: Okay, thanks. Anything
4 else on TMEP? Okay. Last, but not least, just
5 checking in on trademark operation, speed and
6 quality performance metrics, we didn't put this
7 last because it's not important, but I put it last
8 because the trademark operation does such a good
9 job here that we just -- if we had higher
10 concerns, we'd put it higher on the agenda.

11 COMMISSIONER BERESFORD: Well, as per
12 the norm, we've given you both -- we've given all
13 of you the copies of our trademark performance
14 measures, both for our -- the ones that we report
15 externally, quality of application files, and for
16 our internal measures, for our supporting
17 organizations. Basically, for the most part, we
18 are at or above our goals. I'm certainly willing
19 to answer about a specific goal if anyone has a
20 question, but I think it's pretty
21 self-explanatory.

22 Yesterday in -- the figures in these

1 charts are from the end of the second quarter,
2 that is the end of March. There was a question
3 yesterday about the intent to use divisional unit,
4 which was quite far behind on its processing at
5 the end of March. I just learned this morning
6 that at this point in time, there are nine days
7 for all of their documents, so they've brought
8 down all those numbers to below their goals and
9 are currently at nine days for processing,
10 extension requests, statements of use and
11 divisional requests.

12 MR. FARMER: Great; any questions or
13 comments from TPAC members on those statistics?
14 Before we wrap up Lynne's part of the agenda, any
15 questions or comments directly regarding the
16 trademark operation? Any from the folks in the
17 audience? Okay. I want to say that we think the
18 trademark operation is doing an absolutely
19 fantastic job under Lynne's leadership, and while
20 we may push and prod on some issues on TPAC as we
21 try to do things, we hope that the trademark
22 operation understands that we do that in a spirit

1 of cooperativeness and we think that you all are
2 doing a great job, and the thing that we really
3 love is that you don't get complacent and that
4 you're constantly looking to do a better job, and
5 so keep up the good work, we really support you in
6 that.

7 Let's take a five minute break. We're a
8 little ahead of schedule, which I love, anyone who
9 knows me, and so if in our subsequent segments we
10 end up needing a little bit more time, we'll have
11 the luxury of having that. So five minutes, then
12 we'll come back and go to Judge Rogers on the
13 TTAB.

14 (Recess)

15 MR. FARMER: The next part of our
16 agenda, if everyone could have a seat, please, is,
17 we're going to visit with Judge Rogers, who's the
18 Interim Chief Judge of the Trademark Trial and
19 Appeal Board. And Mary Boney Denison runs that
20 issue for TPAC, and so I'm going to let Mary be
21 the primary TPAC interlocutor with Judge Rogers
22 for that part of our agenda. And, Judge Rogers,

1 thanks for coming.

2 MS. DENISON: Thank you, Judge Rogers.
3 We're going to start with the speed statistics and
4 the case volume. And if you can just kind of go
5 through those things, then I'll have a couple
6 comments at the end.

7 MR. FARMER: And if I can jump in, I
8 forgot to make this one announcement. The
9 technical folks visited with me on the side and
10 said that they're having some audio problems
11 today, and so if we could make an especially good
12 effort to pull the mics up close, you may just
13 want to appropriate Jim's mic, Gerry, and so that
14 would help the folks at home hear us better.

15 JUDGE ROGERS: Okay. I think it's on
16 and I'll do my best to keep the voice up. I don't
17 think there's any really bad news that I need to
18 speak softly and try and slip by you, so I should
19 be able to maintain a steady voice here.

20 We did send to the TPAC in advance, and
21 I assume it's on the web site, the two-page list
22 of TTAB filing statistics, so anyone who's

1 listening or watching at home can access that at
2 the web site. I think there's a -- rather than
3 just read through all of the statistics, I think
4 I'll try and draw a couple of conclusions from
5 some of them, mentioning some of the statistics as
6 we go along the way and leave it to everyone to
7 look at the list later on, because we discussed
8 some of these conclusions and some of these trends
9 in the sub-committee meeting yesterday, and I
10 think they're pretty interesting.

11 Mid year figures for this fiscal year,
12 in terms of new filings, the first thing I want to
13 take a look at, and the new appeals are down just
14 slightly from mid year last year. The
15 oppositions, however, are down almost 20 percent
16 from mid year last year, and while cancellations
17 are -- there's been a slight increase there. So I
18 guess the first question to deal with is, well,
19 you know, what do we -- what conclusions do we
20 draw from the new -- statistics about new cases
21 coming in the door.

22 And as was pointed out in the

1 sub-committee meeting yesterday, in two of the
2 three areas where we've had some declines, they're
3 probably year over year declines because we
4 probably had declines in those areas in fiscal
5 2008, as well as in the current year, or in fiscal
6 2009 vis-à-vis historical highs in 2008. So
7 that's something that I'm going to be looking at a
8 little more closely and see if we can, especially
9 as the director and the deputy director work on
10 budget planning for the 2012 and out years, we'll
11 want to look at some of our historical highs on
12 new filings coming in the front door vis-à-vis
13 where we are now and where we think we may settle
14 as, I guess kind of like the economy, we're kind
15 of bumping along the bottom here and then things
16 will settle in some relation to historical highs,
17 and so we're going to look into that and see if we
18 can try and predict where we may end up moving
19 forward, at least in terms of the new filings.

20 The other thing I wanted to talk about
21 was the cases maturing for final decision on the
22 merits. The number of decisions, final decisions

1 on the merits were down significantly from the mid
2 point of fiscal 2009 in this year. However, as
3 we've all discussed in I think a few meetings now
4 running, in large part that's because we have a
5 lot of judge time being spent on the revision of
6 the manual.

7 But because the -- it was an opportune
8 time for us to be delegating time to working on
9 the revision of the manual, even though the total
10 number of decisions is down, the overall pendency
11 on final decisions is still pretty close to goal;
12 and, in fact, it's under, at the mid year point,
13 under the goal that we had for last year. We've
14 -- there was discussion about changing the goal
15 for this year from 12 weeks from the ready for
16 decision date to ten weeks, and I believe that
17 that's what the front office is expecting us to
18 meet. But reaching the mid year point at 11 weeks
19 on average, you know, we're pretty close to that
20 goal, and as we find more and more judges coming
21 off of the TBMP revision project during the second
22 half of the year, I think we've got a real good

1 shot at meeting that ten week goal by the end of
2 the year.

3 The second fallout or the second item
4 that results from having judges work on the TBMP
5 revision is, we've got somewhat of an increasing
6 backlog of cases waiting for a final decision on
7 the merits. And we were discussing yesterday
8 whether some of this might be more appeals or more
9 inter partes cases, you know, or whatever, but I
10 did look at the numbers, and the breakout seems to
11 be the same fiscal -- mid year fiscal 2010 and mid
12 year fiscal 2009 in terms of a relatively
13 proportionate share of oppositions, cancellations
14 and appeals, it's just a greater number, so it's
15 not any one particular kind of case.

16 And so we're going to be attentive to
17 that backlog and try and make sure that we don't
18 have that backlog grow any longer. As we've
19 discussed in some of the sub-committee meetings,
20 we've had some judges on medical leave this year,
21 we had a retirement that was unexpected, we
22 anticipate some additional retirements during this

1 calendar year, so we're sensitive to the fact that
2 we have a somewhat increasing backlog, and we're
3 going to have to manage to make sure that it
4 doesn't get out of hand.

5 And one of the things that I'm looking
6 forward to in that regard is a meeting that I have
7 scheduled with the deputy director to discuss
8 production, pendency, staffing levels at the TTAB,
9 and our plans for moving forward.

10 As we have heard today, and I think as
11 we all knew, the director and deputy director have
12 had their hands full with patent issues and the
13 Patent Board and recently bringing on a new
14 General Counsel, and they've been content and
15 happy to have trademarks and, to some extent, the
16 board, TTAB, just kind of hum along doing their
17 work.

18 But, again, because we do see some
19 warnings signs, we want to make sure that we now
20 have an opportunity to discuss with the front
21 office staffing levels and our needs and make sure
22 that we're able to deal with any filing level

1 issues moving forward.

2 Motions, contested motions, we don't
3 have the same kind of backlog concern. We don't
4 really have a big backlog of contested motions
5 that the interlocutory attorneys are handling. We
6 are kind of constantly attentive to the pendency
7 and wanting to get those motions decided within
8 goal from the time they're ready for a decision,
9 and we're well within that goal. While on final
10 decisions we're a little bit above goal by a week
11 or so at the mid year point, we're well below the
12 goal of ten weeks on contested motions at the mid
13 year point.

14 And one of the things that has helped us
15 reach that goal is the increasing use, or at least
16 at this point I think we realized the increase
17 earlier and now we've maintained it for some
18 period of time, and that is the increasing use by
19 the interlocutory attorneys of telephone
20 conferences to help resolve motions, something
21 that our stakeholders for years have been asking
22 for and desirous of from the board, and the

1 interlocutory attorneys have responded and done a
2 great job managing the contested motions.

3 It probably also helped that we had a
4 successful PAP negotiation with NTEU 245 a couple
5 of years ago, and one of the things that we put
6 into place there was a bonus. And again, as we
7 heard earlier today, money sometimes is a good
8 motivating factor, but one of the bonuses that we
9 put into that contract was a bonus for the
10 interlocutories as a group if they meet the
11 pendency goals on getting contested motions out.
12 And so it kind of fosters their working together
13 as a team to get the motions out, the contested
14 motion decisions out. And I think the use of the
15 telephone both serves the interest of the
16 stakeholders and serves the interest of the
17 interlocutories in terms of being able to reach
18 this goal and secure this bonus for them. So it's
19 been a successful transition to the new PAP.

20 Not that there aren't always issues,
21 we're constantly talking about and happy to talk
22 about with union leadership and the front office.

1 Precedential decisions I also wanted to
2 mention because that's been a continuing area of
3 interest for the bar for a number of years, and
4 that is a goal of about 50 decisions a year, 50
5 precedential decisions. And at mid year we were a
6 little ahead of pace, and we've added another four
7 or so precedential decisions since the mid year
8 point. So I think as of yesterday, we're up to 31
9 precedential decisions for the year and well on
10 our way to making the goal of 50 by the end of the
11 year.

12 That said, I think, in terms of the
13 speed statistics and pendency matters that I
14 wanted to highlight, but if you've got any
15 questions you want to go over, now is a good time
16 to do that.

17 MS. DENISON: I just have a couple of
18 comments. It's a good thing that the oppositions
19 and the appeals are down because the TTAB is short
20 staffed at the moment, and they are spending a lot
21 of resources trying to get the TBMP updated, which
22 is a big manpower drain, and also there have been

1 two judges out sick, and then the chief judge
2 position has been open for months, and another
3 judge who was one of the big producers has also
4 retired, so that, in essence, leaves the TTAB four
5 judges short, and so, as I said, it's a good thing
6 that the oppositions and appeals are down because
7 there would be very serious I think slippage if
8 there was a sudden huge uptick in cases coming in
9 with being four judges short.

10 So I would urge the agency, and I think
11 it's the sense of all of TPAC, to please fill the
12 two open judge positions as soon as possible
13 because there are people that are eligible for
14 retirement, and so if they, in fact, were to
15 retire, we would have even more of a shortage of
16 judges.

17 And so I think that, you know, there's a
18 little slippage now, but it could get much worse
19 were the economy to improve and the filings to go
20 up. So I hope that the agency can move quickly to
21 get the positions filled.

22 JUDGE ROGERS: I think we share your

1 concern. I think the next issue, if we want to
2 move on to that, is the revision itself of the --
3 TTAB's Manual of Procedure. And as was reported
4 at the last TPAC meeting, we had to -- we had a
5 bit of a hiccup, we had to transfer overall
6 responsibility for the revision project from a
7 judge who had to take some medical leave to one of
8 our interlocutory attorneys, but it was just a
9 momentary hiccup, and I think it's been going
10 smoothly.

11 I spoke to Angela Lykos, who's the
12 interlocutory attorney who's now supervising the
13 revision project, just yesterday, and I have to
14 say she's doing a great job, as we all knew that
15 she would. And she relayed to me that we have a
16 number of really important chapters, such as 500,
17 which deals with motion practice, and it's one of
18 the larger chapters in the manual, 700, which
19 deals with testimony and evidence put in at trial.

20 Just about finished at the TTAB, and we
21 have a number of chapters that are already at the
22 solicitor's office undergoing review there. So,

1 you know, our progress is consistent, and we're
2 kind of juggling a lot of different stages of
3 review for different chapters either in-house or
4 at the solicitor's office, and hopefully, you
5 know, they'll all come together at the end of the
6 fiscal year, which is still our goal to have all
7 our work done on the revision effort by the end of
8 the fiscal year.

9 And as I mentioned at the sub-committee
10 meeting yesterday, I'll get a more detailed report
11 from Angela Lykos next week and then be happy to
12 forward that on to the TPAC so you can see exactly
13 where we stand with each of the chapters and what
14 state of review each chapter is in.

15 Related to that is the next item on the
16 list, and that is the plans for frequency of the
17 TBMP updates after the revision. As we've
18 discussed, it's been a gargantuan effort getting
19 the manual revised this time around because there
20 had been so many years that had passed since the
21 last revision, and while there were good reasons
22 to hold off on doing the revision, most of all to

1 reduce pendency when we had pretty high levels of
2 decisions that needed to get out, and then we had
3 rule changes in 2007, and we wanted to kind of
4 wait and develop a body of precedential law
5 interpreting those rule changes that we could put
6 into the manual, so we had good reasons for kind
7 of delaying the revision, but the longer you
8 delay, the more revising you have to do, and so
9 clearly we want to do more regular revision of the
10 manual moving forward, and it'll be posted in a
11 format that will allow for more frequent
12 revisions. I can't really say that we've figured
13 out exactly how frequent. I would think that no
14 less frequently than quarterly, we would probably
15 want to get revisions that would reflect cases,
16 precedential cases that have issued. They can be
17 issuing every week, and so I don't think we want
18 to be trying to incorporate new precedential
19 decisions every week, or maybe not even every
20 month, but certainly every quarter we would want
21 to be incorporating those new precedential
22 decisions.

1 And since the format of the revised
2 manual will make it easier to revise, certainly if
3 there are any process or procedural changes as a
4 result of rules changes or statutory changes,
5 then, you know, we'll be able to do those as they
6 come up, much as trademarks is doing in regard to
7 the Technical Corrections Act.

8 And I think we have the benefit of
9 perhaps following the lead to a certain extent of
10 the director and his efforts on the MPEP, and the
11 Commissioner for Trademarks and their efforts on
12 the TMEP, and the development of the Wiki version,
13 and so I'm not one for reinventing the wheel,
14 especially when we have the staffing issues that
15 we do, and so if they come up with great plans for
16 revision schedules for those manuals and Wiki
17 versions for those manuals, then I'm sure we're
18 going to be willing to follow their lead and take
19 advantage of that. Any questions on the manual?

20 MS. DENISON: Yes; it's my understanding
21 that the trademark prosecution operation has a
22 full-time person working on the TMEP; is that

1 correct?

2 COMMISSIONER BERESFORD: Yes.

3 MS. DENISON: And the TTAB does not, and
4 having a current useable TBMP is of critical
5 importance to the bar, and so there would be huge
6 public support, and there is also I think
7 unanimous support from the TPAC for getting
8 someone on board at a senior level at the TTAB to
9 handle the TBMP updates on a regular basis.

10 So I hope that the agency will find the
11 resources to give the TTAB a person that can work
12 on the TBMP on a regular basis so we do not find
13 ourselves in the situation where we do now --
14 where the rules changed in '07 and '10 we still
15 don't have a current version. I hope that the
16 agency will find the resources for that position.

17 Oh, and one more thing, you didn't talk
18 about HTML to make it more searchable; is that --
19 can you talk about where you are on that?

20 JUDGE ROGERS: Well, that's our plan, is
21 to have it up in dual formats so that people can
22 search in the way that is most efficient for them.

1 MS. DENISON: And hopefully, once we get
2 through the revision, the solicitor -- as I
3 understand it, the solicitor's office has to then
4 approve your proposal, and so hopefully they will
5 get through this quickly because the bar is
6 anxiously awaiting this.

7 JUDGE ROGERS: Yes, and they're actually
8 working on chapters as they come to them, and so
9 it's not a situation where the solicitor's office
10 has to wait for all of the chapters to get there
11 and then they're going to review them all at one
12 time, they didn't want that, they wanted to be
13 able to review them as we completed them, and so
14 that's the process that's going on.

15 The open question for me is, when we get
16 chapters done, whether we have to wait until we
17 get the whole manual to then deal with general law
18 and OMB in terms of the external review and
19 approvals that have to go on. And I'll be looking
20 into whether, when the solicitor's office and the
21 board have agreed on a particular chapter and the
22 internal work is done, whether we can similarly

1 begin a piece meal external review chapter by
2 chapter with general law and OMB or whether OMB is
3 going to require that the whole manual come over,
4 I just don't know the answer to that question, but
5 I'll be looking into that with general law, and
6 hopefully we can minimize delays on the external
7 review part of the project.

8 MS. DENISON: Great; and, of course, we
9 want a Wiki version, but I realize that that's not
10 a priority at the moment, so hopefully you can
11 learn from the Wiki experience from Lynne's group,
12 and eventually we will also have the Wiki for the
13 TTAB.

14 JUDGE ROGERS: Great.

15 MR. FARMER: Just before we go to the
16 next issue, we're -- I wanted to check on each
17 issue as we go through. Did any TPAC members have
18 any questions or comments on what we've covered so
19 far?

20 MR. LOCKHART: Well, I have a comment.
21 And, Judge, I know you and your team are making
22 great efforts to get the manual updated. I'm just

1 a little curious and surprised by your figures. I
2 guess this is on the second page of the report.
3 More than 8,000 staff hours spent on revision to
4 date, that's over four person years.

5 JUDGE ROGERS: Yes, that's since we
6 started, that's not -- although this is a sheet
7 with mostly mid year figures, we actually started
8 the revision project in the last quarter of the
9 previous fiscal year, so it's really about
10 three-quarters that we're talking of, three fiscal
11 quarters that we're talking about. And we do, we
12 have nine judges who were working on it, and some
13 of them were working on it almost full-time, so it
14 is a considerable amount of staff time being
15 devoted to the project.

16 MR. LOCKHART: How long is the manual,
17 how many pages, do you know roughly?

18 JUDGE ROGERS: Oh, I would -- it's about
19 the size of a phone book, a good metropolitan
20 phone book.

21 MR. LOCKHART: Several hundred?

22 JUDGE ROGERS: Oh, no, several -- it can

1 be several hundred in one chapter, and it's 12
2 chapters.

3 MS. DENISON: The next thing on the
4 agenda is the accelerated case resolution, ACR.
5 And I want to congratulate the TTAB on their
6 website updates regarding accelerated case
7 resolution. There used to be a very brief
8 description of it, sort of a one to two page
9 piece, and that's still up there, but now they
10 have added a section on frequently asked
11 questions, and so I think that's helpful to
12 people. And there's also a list of cases where
13 parties have actually used ACR, so I think that's
14 helpful. So the next thing we believe will
15 encourage the use of ACR is to get what John
16 Farmer has coined plug and play options, and what
17 is meant by that is, putting up some examples of
18 how people can use the ACR structure, because
19 there is -- it's just sort of -- it's possible to
20 do this, but there's no true structure to it, it's
21 left to the parties right now to work it out.

22 So the idea is, if there were plug and

1 play options, that people would be more willing to
2 do it because it would just make it easier for
3 them. So the idea is that option one would be
4 limit your depositions to two and limit your
5 interrogatories and then submit cross motions for
6 summary judgment, just something off the top of my
7 head. And there would be a number of different
8 options for that.

9 And so we've been talking to Judge
10 Rogers about that, and I think that he would like
11 input from outside groups on options they would
12 like to be considered by the TTAB for this plug
13 and play availability for people, so I'll let you
14 talk about that.

15 JUDGE ROGERS: Yes, a lot of my speaking
16 during the kind of spring speaking tour I guess
17 has been I feel a little bit like I'm on a book
18 tour I guess promoting ACR, and so I've spoken to
19 a number of groups, a number of bar associations
20 and a number of conferences on ways that parties
21 and counsel can wring efficiencies out of board
22 proceedings.

1 And, of course, you know, they're always
2 free to go through a traditional pleading and
3 discovery and trial if that's what they think best
4 suits the needs for their clients, but we want to
5 make clear to anyone who practices before the
6 board that there are many options that can be
7 chosen, and so we've been at these conferences
8 talking about the classic ACR, if you will, which
9 is a kind of cross motion for summary judgment or
10 cross ACR submissions that may or may not result
11 from an abbreviated discovery process, which is a
12 process, this classic ACR, that actually predates
13 our 2007 amended rules, but which we have promoted
14 and discussed more in conjunction with the rules,
15 because one of the rule changes, of course, was
16 the requirement that the parties conference to
17 discuss the pleadings and possibility of
18 settlement and how they were going to manage
19 disclosures in discovery and conferencing. One of
20 the conferencing requirement is a discussion of
21 ACR and other efficiencies that might be used. So
22 we want to make sure that the parties are -- have

1 the lingua franca, if you will, and the ability to
2 discuss these issues by putting up the FAQ's and
3 putting up the cases that they can look at.

4 But we understand from our discussions
5 with the TPAC and the sub-committee that it's
6 thought that many stakeholders would be more
7 willing to consider these options if they didn't
8 have to kind of go to the deli counter, if you
9 will, and specify I want lettuce, or I want
10 onions, or I don't want onions and that kind of
11 thing, and if they had certain kind of prepackaged
12 options that they could just pull off the shelf
13 for -- whether it be for discovery or whether it
14 be for trial or some combination of the two.

15 And so we're always interested in
16 working with stakeholders to get their suggestions
17 and their input on this kind of thing. We have no
18 vested interest in any particular plug and play
19 option, because, again, this is an area where we
20 want to be responsive to the stakeholders. We've
21 got a history of doing this, we came up with the
22 board's standard protective order because we were

1 asked to develop it by stakeholders, and we took
2 input from many who gave us possible templates for
3 the standard protective order. The increasing use
4 of phone conferencing is, again, something
5 stakeholders have requested. I think the 2007
6 amendments to the rules involved a lot of give and
7 take between the office and the bar, and we ended
8 up having a rather large meeting, about this size,
9 with representatives of AIPLA and INTA and IPO and
10 other bar groups, and the final rules that came
11 out in 2007 were amended in significant ways
12 because of the input we got from the stakeholders.

13 So similarly, we'll be very pleased to
14 get any input that we can from any bar groups who
15 want to offer plug and play options that, in their
16 experience or in the experience of their members,
17 have served them well in particular cases.

18 MS. DENISON: Judge Rogers, I just
19 wanted to add that I think the list of cases that
20 you have prepared and that I understand is now on
21 the web site is a very good place for the bar
22 groups to start to look, because there are actual

1 examples where parties have come together and
2 compromised and come up with some strategies, and
3 it's a good starting place as to things that
4 actually have been effected, so I think that helps
5 us get the ball rolling.

6 JUDGE ROGERS: Yes, and that's a list
7 which we'll update, because as I review decisions
8 that are getting ready to go out each week, final
9 decisions on the merits for the weekly summary of
10 decisions, I do take note for my own purposes of
11 cases where there is discussion of the parties
12 having agreed to stipulations of fact or
13 stipulated procedures that are more efficient so
14 that we can add to that list and give people even
15 more cases to look at. So it's got a large number
16 of cases as it is, but it's going to be continuing
17 to grow hopefully.

18 MS. DENISON: Great, well, thank you.
19 We think once we make it easier to use and people
20 become more and more aware of it, that people will
21 use it more, and it will reduce TTAB's need for,
22 you know, it will make the TTAB more efficient and

1 cases will move much more quickly through the
2 system, reduce the need for resources there. Do
3 you have a date by which you'd like bar groups to
4 submit the plug and play options in mind?

5 JUDGE ROGERS: Yes, I think since our
6 goal is to get the board's work and the
7 solicitor's office work on the manual revision
8 done within this fiscal year, and I don't really
9 want to take on another project before we've done
10 that, I would say if bar groups can be working on
11 suggestions that they want us to consider and get
12 them to us, you know, in September, by October 1,
13 so that as we start the new fiscal year, we can
14 hopefully take on that project, that would be a
15 great time to get those suggestions and gives
16 people lead time to be thinking about them.

17 And I know sometimes INTA committees or
18 IPO committees or others, AIPLA committees, you
19 know, have their own issues in terms of getting
20 input and scheduling meetings to discuss this kind
21 of thing before they can come forward with a
22 unified position and present it to the office, so

1 hopefully that would give them enough time to get
2 back to us.

3 MS. DENISON: Great; I forgot to mention
4 one thing, and that is, on the TBMP, the TTAB has
5 put up a warning to people on the web site, which
6 we're very pleased about, so that the unwary who
7 look at the old TBMP, which was last updated in
8 2004, I believe, don't use it without knowing that
9 it's a little out of date.

10 JUDGE ROGERS: Yes, and that's a pop up
11 window, and I know it works because I had one of
12 Commissioner Beresford's attorneys send me an
13 email the other day saying I tried to access the
14 TBMP and I get this pop up window which says it's
15 being revised and how do I actually get through to
16 the TBMP, and so I said, well, at the bottom of
17 that pop up window, you can click through to the
18 manual, so I know it's working, and hopefully
19 everyone on the outside who may be less familiar
20 with the rules changes that came through in 2007
21 will derive from that pop up notice that they're
22 to read the old manual, if you will, in

1 conjunction with those rules changes, and then so
2 when they click through, they'll already know
3 that.

4 And then the other thing that we've done
5 at the suggestion of the sub-committee after the
6 last meeting was, come up with a short article,
7 and again, we're trying to fill that INTA
8 newsletter I guess on the revision project and
9 that we're happy to send out to INTA or other
10 groups and have them publish for their members so
11 that they know what's going on with the manual and
12 that the revision project is underway.

13 And that's done and we're just waiting
14 to get clearance from Public Affairs and the
15 solicitor's office so that we can start
16 disseminating that to the various bar groups.

17 MS. DENISON: Thank you. John, do you
18 have anything?

19 MR. FARMER: Regarding that issue?

20 MS. DENISON: Well, or ACR.

21 MR. FARMER: I think the only thing on
22 ACR is to point out that we on TPAC are really

1 asking for bar groups to take the lead here, and
2 so INTA, AIPLA, IPO, ABA, state IP bar sections,
3 city IP bar associations, if you all really could
4 take the laboring or and put in three, four, five
5 suggestions for getting through discovery in a
6 more efficient manner or getting through case
7 resolution.

8 I think our plan, correct me if I'm
9 wrong in my memory here, Mary, is for TPAC not to
10 itself generate a list of suggested plug and play
11 options, but to have them flow in from the various
12 bar groups, and then when they all flow in, we may
13 provide some vices to, you know, which of the ones
14 appear to be most promising, because you may be
15 better off with five plug and plays for discovery
16 and five plug and plays for a dispute resolution
17 as opposed to 30. But our plan is to -- the bar
18 associations to bring their talents here, and then
19 we may sweep in at a later time, right?

20 MS. DENISON: Correct. Anybody have
21 anything from the audience? Okay. Old cases.

22 JUDGE ROGERS: Old cases, always a

1 wonderful topic for discussion at any meeting. As
2 we've discussed in some of the prior sub-committee
3 meetings, we have mined our data and come up with
4 a list of all cases that were commenced prior to
5 the deployment of the amended rules for inter
6 partes proceedings in 2007.

7 And we chose that as a benchmark, not
8 because we're looking at cases that are three
9 years old or older, but because it's in our
10 interest and I think in the interest of anyone
11 who's trying to understand board practice and
12 procedure to get all of the cases that are
13 proceeding under that old set of rules out and to
14 get them resolved one way or the other, and to
15 move forward with just one body of cases that are
16 all proceeding under one set of rules.

17 And so we took that focus, and as we've
18 discussed in the past, we've tried to sort out
19 that group of cases in two ways, one, where we're
20 sorting it out by year to kind of work backwards
21 and see how many cases within that larger group
22 are three years old, how many are four years old,

1 five years old, et cetera, and, of course, the
2 numbers decrease the further you go back, but it's
3 still somewhat distressing that you have to go
4 back to a certain number of years and still have
5 cases that are pending. So clearly we're
6 attentive to that, and we're trying to figure out
7 what status all of those various cases are in.
8 And we've discovered that a lot of them are in
9 suspended status for bankruptcy proceedings or for
10 civil actions, some maybe in extended settlement
11 negotiations, not because it's just that one case
12 that the parties are involved in, but they may
13 have global settlement issues or other matters
14 that are being discussed, and this particular TTAB
15 matter is just one of a number of matters the
16 parties are discussing.

17 But in any event, for all of those cases
18 that have been in suspended status, we've been
19 coming up with kind of forum status inquiries that
20 our paralegals can issue, and we want to find out
21 whether the civil actions are still pending, these
22 bankruptcy proceedings are still pending, whether

1 the parties are still actively discussing
2 settlement.

3 And then for cases -- we haven't focused
4 too much on cases that are not in any of those
5 suspended statuses, but are, in theory, being
6 litigated and are just getting old because there's
7 been a lot of motion practice, but that's the next
8 thing we want to turn our attention to, is those
9 cases, and to be a little more active in our
10 management of those cases. And as we discussed in
11 the sub-committee meeting yesterday, one of the
12 things that we're going to hopefully do is have
13 one or both of our supervising paralegals work on
14 this as kind of a capstone for training programs
15 that they're going through now, and hopefully
16 we'll be able to report back at the next meeting
17 that we've made some significant progress in at
18 least identifying the numbers by year, the numbers
19 by type of status, and be able to tell you what
20 steps we've taken to address various groups or sub
21 groups of this larger group of older cases.

22 MS. DENISON: I think that it is

1 difficult for the board to have to be operating
2 under two sets of laws, and so all the pre --
3 November 1, 2007 cases are operating under the old
4 system, so to the extent that you can push along
5 the resolution of those, I think it will make the
6 board's workload a lot easier. So we fully
7 support you doing whatever you can to try to clean
8 out the things that have been there five, six,
9 seven, you know, years or longer. Anybody have
10 anything on this?

11 JUDGE ROGERS: I don't think anyone is
12 going to object to cleaning out older cases, so I
13 don't think you'll expect any objections there.

14 MR. FARMER: Mary, there was a question
15 behind you. Do you want to step up to the mic so
16 folks can hear you?

17 MR. PELTON: Thank you, my name is Erik
18 Pelton. Just a suggestion on that last point, it
19 may be a little bit premature, but perhaps one of
20 these ACR type proposals could be an agreement
21 between parties operating under the old rules to
22 adopt the new rules in any way applicable to their

1 case regarding expert disclosures, other testimony
2 rules or whatever is -- obviously, certificates of
3 service and other things wouldn't really be
4 applicable, but whatever would apply to their case
5 that they could adopt the new rules and that would
6 help the board, help things to move faster,
7 hopefully help everybody.

8 MS. DENISON: Great idea.

9 JUDGE ROGERS: And I can say that we
10 actually have done that to a limited extent,
11 because early on when the -- at least within the
12 first year or so after the new rules kicked in, we
13 had situations where we were consolidating cases,
14 and we would have cases commenced under the new
15 rules and cases which were already pending under
16 the old rules, and whenever possible in those
17 consolidation situations, we would drag the old
18 rules cases into the new rules by consolidating
19 them with a new rules case, so there's some
20 precedent for doing that kind of thing.

21 MS. DENISON: Anybody else? Okay. The
22 TTAB has done a draft request for comments, it

1 covers three topics, one is a possible fast track
2 for TTAB opposition and cancellation cases, which
3 would be different from ACR which requires
4 consent, and it also addresses participation by
5 the TTAB in settlement, which is not currently on
6 their radar screen, and the third thing is
7 possible limits on consented extension.

8 So we have a draft of this from the
9 TTAB, and the TPAC is going to be looking at this
10 proposal and deciding if we want all these things,
11 and if we do, how we feel about the proposal, so
12 we'll be looking at that in the next month and
13 we'll be getting back to the TTAB with our
14 thoughts on moving forward on the request for
15 comments.

16 MR. FARMER: Okay. Judge Rogers, do you
17 have anything on that? I didn't necessarily
18 expect that you would, but on that last topic.

19 JUDGE ROGERS: Not particularly; but
20 again, I would echo the comments earlier in regard
21 to ACR, and that is, we're always happy to work
22 with any of the bar groups or any stakeholders.

1 And so I think we have made it clear that while,
2 as drafted this request for comments is limited to
3 three major subject areas, I think our intention,
4 unless there are any serious objections, and I
5 don't think that there would be, to make it clear
6 in any request for comments that's eventually
7 published, that we're happy to take any additional
8 suggestions.

9 Clearly, one objective or major
10 objective for the request for comments would be to
11 get suggestions from the bar groups on the three
12 major proposals that are contained in it. But if
13 there are other suggestions that the bar has for
14 process improvements, we're certainly always
15 willing to consider them.

16 And I can tell you, based on my
17 experience with the rules amendments in 2007,
18 generally the bar doesn't need to be invited to
19 make a lot of suggestions. They're going to take
20 anything that has a comment period as an
21 opportunity to comment on pretty much anything
22 that they think should be brought to our

1 attention, and you know, we're happy to receive
2 those comments.

3 MR. FARMER: Okay. Mary, anything else
4 from you?

5 MS. DENISON: No, thank you. I
6 appreciate your help, Judge Rogers.

7 MR. FARMER: Yes, on the issue, as Mary
8 said earlier, I'm not quite sure how our thoughts
9 get from here to those who have the power to make
10 decisions, but we really, really do support
11 bringing the TTAB up to full strength, to filling
12 the judgeships that are vacant and those that may
13 become vacant soon, as soon as they do, and for
14 the TTAB to get the support person that would be
15 very helpful to them on staying up on the manual,
16 for example.

17 I know that because of the recession
18 we're in, that, you know, money and hiring is
19 always a concern, but, you know, that's not as big
20 a problem on the trademark side, so it seems like
21 the funding should be there, and we just hope
22 those who have the power to make this happen will

1 make it happen soon because we think that will
2 bring good things. Judge Rogers, thanks for your
3 time today, we really appreciate it.

4 We are now going to go on to the report
5 from the -- on the financial status of the USPTO.
6 And, Karen, are you going to be doing that today?
7 Yes, we have Karen Strohecker here, who is the
8 Acting CFO, and I'll have to note that she's been
9 working really hard lately, and that we on TPAC
10 have noticed that and really appreciate it and
11 that we have a lot of trust in your abilities and
12 we're thankful that you've taken up the task.

13 MS. STROHECKER: Well, thank you very
14 much. And I have to extend my thanks and give the
15 credit for my being asked to fill the acting role
16 of the Chief Financial Officer to the good
17 management and the mentoring and the wonderful
18 experience I've gained over the years working with
19 the trademark organization in particular. It's
20 been quite an exciting experience for me to step
21 into this role; I've been doing it since January.

22 And as Director Kappos and Under

1 Secretary Barner had expressed to me when asking
2 me to take this role, their first priority for me
3 in assuming this position is to work on improving
4 the relationships with their external
5 stakeholders, not specifically TPAC, because as
6 you all know, we have a wonderful relationship
7 with the TPAC, I think even more so, Mr. Farmer,
8 since you have assumed the role of Chairman of the
9 TPAC.

10 MR. FARMER: Well, I'm going to disclaim
11 any credit right now. And also, I forgot to point
12 out, Elizabeth Pearce and James Conley are our
13 money people on TPAC, and so they get all the
14 credit, and also, they'll be running this part of
15 the TPAC agenda and chatting with Karen.

16 MS. STROHECKER: All right, thank you.
17 And I understand, having said all of that, that I
18 want to begin by first alleviating any concerns or
19 fears that anyone on the TPAC or anyone in the
20 trademark user community might have with respect
21 to the office needing to tap into trademark funds
22 to manage its operations in 2010.

1 I think everyone is very well aware of
2 our funding constraints in 2010, and I just want
3 to assure you that Director Kappos and Ms. Barner
4 have made it very clear to the department, OMB,
5 and our appropriators that we are planning to
6 manage our spending authority, that we will do
7 everything we can to ensure that we work within
8 our current spending authority.

9 Having said that, as you're probably all
10 aware, we have also made a request, which is
11 supported by the administration, to have our
12 spending authority for 2010 increased so that we
13 might make available to the agency the full access
14 to -- up to the amount of the fee collections that
15 we might receive this year. And that's ongoing,
16 we do have their support, and we are right now
17 very confident that that will end up working out
18 in our favor before the end of the year. So
19 having said that, I'll just give you a brief
20 status on the 2010 budget. Our authorized
21 spending level this year is one billion 887
22 million dollars. Our mid year has just recently

1 passed. And just to give you a sense of what
2 we're doing and why it's important, again,
3 whenever money is of consequence or of issue, it's
4 vitally important that we make certain that we're
5 exercising good financial management with respect
6 to ensuring that our current rate of spending and
7 our options through the remainder of the year lead
8 us to the ability to spend within our current
9 plan.

10 So we have just recently concluded a mid
11 year funding review of all the various business
12 unit operations with their cooperation and
13 support. What we're attempting to do is to
14 identify whether or not they are currently
15 spending to their budget plans, and to the extent
16 that there might be opportunities to perhaps
17 redirect some of their monies to other priorities
18 within the business unit, as well as within the
19 patent and the trademark operations.

20 Having said that, there are certain
21 plans that we're only able to execute this year on
22 the patent -- in the patent organization because

1 of good spending decisions that were made last
2 year, to bring in some carryover patent funding
3 into 2010, and that's allowing us to plan to hire
4 up to 250 experienced IP professionals this year.
5 At the start of the year, we were not able to do
6 that. It was only because of the good management
7 that was done prior to my coming into the CFO role
8 that funds are available to do that this year.

9 Having said that, I just also want to
10 point out that, with the exception of the
11 trademark organization, the TTAB, in fact, all the
12 areas that are not funded directly from trademark
13 funding, there are still severe limitations placed
14 on hiring and replacing vacancies that occur in
15 other parts of the organization.

16 We have redirected some spending within
17 the patent program to make certain that we can
18 sustain and plan to manage to fill our hiring
19 commitments, because as you know, hiring and
20 patents, just like in trademarks, is a multi year
21 effort.

22 So to the extent that we're not able to

1 execute on our plans this year further pushes out
2 our plans to reduce patent pendency and the patent
3 backlog, which is a big commitment that this
4 administration has made to reduce patent pendency
5 to first action by ten months, by 2013, 2014, with
6 patent disposal pendency being pushed out to 2014
7 and '15 to 20 months. We also plan and we're on
8 track to carry over a surplus this year of
9 approximately \$85 million in trademark revenues,
10 and that's based on our current spending
11 throughout the office.

12 Our fee collection estimate right now,
13 and we're pretty confident of this, we're actually
14 talking in ranges now rather than trying to be so
15 specific in terms of giving people the indication
16 that we can when we know we can't estimate exactly
17 or precisely where our revenues will be for the
18 year.

19 Understanding that we're a \$2 billion
20 operation, any fluctuation can have kind of a
21 dramatic impact in terms of specific plans in the
22 office. So our fee collection estimate range

1 right now is that we expect that we could collect
2 between \$146 million and \$232 million above our
3 current appropriation.

4 Through May 5th, patent collections had
5 exceeded \$1.1 billion, and trademark collections
6 had exceeded \$131 million. Average daily fee
7 collections for patents are in the range of about
8 \$7.5 million so far this year, and trademark is
9 roughly \$800,000 a day. I don't want to scare you
10 with this next slide. It's really not best for
11 projection. This slide was an attempt for us to
12 be able to, and it's -- there's a lot of content
13 here, it primarily addresses our ability and what
14 we look at when we're forecasting fee collections,
15 specifically patent fee collections.

16 The estimate this year, the reason why
17 we are so significantly under our current
18 projection in terms of spending authority is
19 because there's been a significant increase in the
20 payment of patent maintenance fee renewals and
21 patent issues, and those are due primarily to the
22 fact that the economy actually has improved since

1 the projection was made, as the 2010 budget was
2 being completed, and the fact that patent has made
3 some significant changes in terms of the internal
4 operations, and they are now issuing more patents
5 than previously had been expected. So that's
6 primarily the source of the additional revenue
7 estimate at this time.

8 If you look at this page, there actually
9 is some information on here about trademark fee
10 collections, you have to find it. Basically what
11 it shows you here is that, based on our current
12 spending authority of the \$1.887 billion, \$218
13 million approximately was planned from trademark
14 fee collections. And our current projection range
15 within that 146 million to 232 million that I had
16 spoken about earlier basically suggests that a
17 trademark range of over collections is in the \$2
18 to \$7 million range. So trademarks is very close
19 to plan. I think that that's also a reflection in
20 terms of their ability to manage on such a
21 consistent basis their performance results for
22 pendency and examiner production.

1 The next slide is actually basically a
2 restatement of what I've just explained to you in
3 terms of trying to understand better the content
4 of the slide. We prepared this slide really in an
5 effort, the previous slide, that is, to better
6 articulate and explain to our external
7 stakeholders at the Department of Commerce, Office
8 of Management and Budget, and our appropriators
9 what it is that we consider when we're formulating
10 estimates for filings, because in order to get
11 their cooperation and have them understand why our
12 estimate now is so much above our spending
13 authority, which was revised, you know, just a few
14 months prior to the enactment of our 2010
15 appropriation, we had to basically begin educating
16 them in terms of all the various things that we
17 have to look at and what our potential ranges are
18 in terms of forecasting workload and filing
19 estimates that then generate fee revenues for the
20 office. The next slide is one that we have
21 traditionally made available to members of the
22 TPAC at their request, and it basically is the

1 cost allocation. So this is a bit different than
2 budget obligation authority. But this information
3 is basically the source of information for
4 determining the current year spending allocation
5 split between patent revenues and trademark
6 revenues.

7 So basically what we do is, we take each
8 organization, and through our activity based
9 costing models, we determine the allocation of
10 time, as well as expenditures that support
11 trademark, as well as patent services, and from
12 that we determine percentage that is then applied
13 to incoming revenues to determine basically how we
14 allocate patent and trademark revenues and
15 determine the split of resources, and it also
16 determines the extent that, within the office, we
17 can spend revenues so that we don't violate the
18 trademark fence.

19 I don't know if anyone at this time has
20 any questions regarding 2010; hopefully I have
21 alleviated most of the concerns that I have heard
22 expressed coming into this meeting about 2010

1 spending, which, quite frankly, has been a very
2 challenging year for the office, challenging in
3 ways more so for the patent operations because of
4 the significant initiatives and improvements and
5 changes that Director Kappos has made to try and
6 make a huge impact in terms of reversing the
7 unacceptably long patent pendency. Just so you
8 know, patent pendency and backlog reduction is
9 considered by this administration to be a high
10 priority performance goal, which means it's
11 getting attention that it wouldn't otherwise get.

12 And having that attention, quite
13 frankly, has been very crucial to our ability to
14 persuade the department, OMB and the appropriators
15 to support us on our request to have additional
16 spending authority in 2010 to address this high
17 priority performance goal. So it's very important
18 we've made the connection between jobs and the
19 economy when it comes to advancing intellectual
20 property protection.

21 I think we briefed you last time about
22 the 2011 budget, but just to give everyone some

1 assurance, I know there's been a lot of discussion
2 and concern about when are you all going to get to
3 see the strategic plan. And as Ms. Barner
4 indicated in her comments at the beginning of the
5 session, what you will be seeing in the strategic
6 plan is, in large part, what you have already seen
7 in the 2011 President's budget request. That
8 budget actually is a significant departure for the
9 agency in terms of not only how it was formulated,
10 but how we have articulated what's important in
11 terms of the U.S. economy, jobs, and the
12 relationship of intellectual property protection.

13 That budget request is a significant
14 increase from this year's spending authority. It
15 will be approximately \$2.3 billion should we get
16 that spending authority. And included in that
17 request is a request for \$224 million that would
18 be an interim, a patent fee increase, and that's
19 necessary for us to be able to begin executing,
20 again, on an aggressive pendency reduction plan.

21 What's different about this budget as in
22 past years, in past years, as you all probably may

1 be familiar, what we've done is, we've basically
2 set our budget to the level of fee collections
3 that we anticipated in that particular year.

4 Well, we know that we have requirements
5 that exceed our current fee authority based on
6 workloads and expected volumes. So what we've
7 done this year in order to close that gap, because
8 we fully want to cover the requirements of our
9 budget through fee collections, is to request two
10 things; the first, again, is the interim fee
11 increase, and the reason why that is so
12 significant is because legislatively we can have
13 an increase that will allow us to begin executing
14 2011 within ten days of the enactment of our
15 appropriation. Our preference really is to set
16 fees through fee setting authority so that we can
17 engage and involve the user community in those
18 discussions with respect to what's the proper fee
19 structure, as well as what kind of policy
20 consideration should be considered when setting
21 fees.

22 So setting fees through that process, as

1 you know, was pretty extensive and elaborate,
2 requires at least 18 to 24 months to do it well,
3 and we do not want to defer the improvements that
4 we need to begin making really now for patents by
5 doing that.

6 So the concept behind this budget is
7 basically we need fee setting authority for all of
8 those fees that currently now are set by statute.
9 Approximately 70 percent of the income for the
10 agency is generated from fees that are set by
11 statute, whereas only 30 percent are those that
12 are set by regulation. So it's a huge issue for
13 the agency in terms of trying to align its cost
14 with its ability to collect revenues to support
15 those costs.

16 And in the third component of the 2011
17 budget request, which again, is a significant
18 departure, is that, and it's been done in
19 trademarks, and it's demonstrated its ability to
20 help manage the agency, and that is, we are
21 consciously funding a patent operating reserve,
22 which is necessary to allow us to begin the

1 significant hiring that will take place over the
2 next two years to reduce the patent backlog and
3 pendency.

4 After 2013, if plans go as suggested in
5 our 2011 budget request, we won't need that level
6 of hiring, and therefore, the reserve will
7 actually go down in the absence of any additional
8 fee increase.

9 At the end of 2011, we expect the
10 trademark surplus to be much less than it will be
11 going into it. We expect that we're going to have
12 to use \$37 million of the \$85 million surplus at
13 the end of 2010 to cover expenses in 2011, and
14 there's a couple of reasons why.

15 One is, our expectation for fee
16 collections in '11 is slightly less than it is in
17 '10, because specifically it has to do with
18 extensions of time filings and statements of use
19 that will drive that down, you know, perhaps --
20 we're not talking a high number, we're in the \$7
21 to \$10 million range, but our requirements
22 increase, and so I use that as an example to show

1 how an operating reserve can actually mitigate the
2 need for increases in fees when there are
3 fluctuations in files and forecasted fee revenues.
4 So it's good management practice to have an
5 operating reserve. The one that we are planning
6 in the 2011 budget is just the first start for the
7 patent operating reserve. It won't get us to the
8 ideal situation, but it's one that we felt would
9 be comfortably managed given the amount of the fee
10 increase that was being requested for 2011.

11 Just to give you some overall
12 perspective in terms of where we are now with 2012
13 budget process, because as you all are familiar
14 now, we don't have just one budget year to deal
15 with at a time, we have three.

16 We have begun internally with the
17 guidance and working with the business units on
18 the 2012 budget process. We are actively engaged
19 with the Department of Commerce, and we are
20 working with OMB and the appropriators to make
21 certain as we formulate our 2012 budget request
22 that we are doing so in a manner that will allow

1 them to better understand the PTO's requirements.

2 So we are, again, doing a requirements
3 based budget. We'll identify the requirements and
4 then determine how we can fund those requirements.
5 And the second piece of that is, we are doing a
6 base review. We will break out how we are using
7 our current resources absent any additional
8 increase request so that we can display the level
9 of resources and the level of performance that is
10 basically delivered by those various functions and
11 programs in a way in which we have not done in the
12 past.

13 So we are currently in the process of
14 just initiating the 2012 budget process in the
15 April/June timeframe. We have to work with the
16 department to make certain that we are doing
17 things that will actually allow them to roll up
18 our budget request with theirs. We are not -- we
19 are making certain that all of the initiatives
20 that have been identified in the 2011 budget
21 request are a continuation.

22 We want to make certain that as we

1 formulate budgets, we're not considering just one
2 year at a time, that we actually are managing to
3 focus our attention and our plans on a five year
4 plan, which will be consistent with the strategic
5 plan once that's developed.

6 During the July and August time frame,
7 and we put, you know, two to three months time
8 frame on this because there's a lot of activity
9 here, it may not look like it from the timeline,
10 but there's far more detailed timelines within the
11 agency. We expect to, by the middle of June,
12 actually be working with this committee on any new
13 initiatives that we might have that would be part
14 of the 2012 budget process. We are going to have
15 an internal process where we have a budget
16 committee that will be comprised of executives or
17 senior leaders from each business unit to review
18 the base request, as well as the increased request
19 from every organization within the PTO to make
20 certain that all of our strategic priorities and
21 goals are well understood.

22 And it will also give both patents,

1 trademarks and our external affairs areas an
2 opportunity to tell the support areas what level
3 of service they need in order to be successful in
4 meeting their performance goals and commitments.

5 All of this is leading up to September,
6 when we need to deliver to the Office of
7 Management and Budget our first submission for the
8 2012 budget request. And then during the November
9 time frame, we would get a pass back from OMB and
10 begin formulating any changes, if necessary, for
11 completing the congressional request or the
12 President's budget request, which would be
13 finalized at least in the agency in the January
14 time frame and then made available to the public
15 by February. That's my presentation on the
16 budget. I wanted to stop and give you all an
17 opportunity to ask any questions. I know it's a
18 lot of information, and I just have to say that in
19 my current role, trademarks has made it easy for
20 me, once again. I spend very little time dealing
21 with trademark matters in this capacity. But it's
22 given me, you know, a great opportunity to have

1 exposure on issues that confront the entire
2 agency.

3 And I have to say that, you know,
4 trademarks, given its current financial situation,
5 as well as its performance situation, has made it
6 easy not only for me, but I think for others. So
7 if you have any questions, I can take that now. I
8 was going to talk just a bit before I wrap up
9 about the fee cost study that we've been doing.

10 MS. PEARCE: I have one question, Karen.
11 You are talking about the 2012 budget, and I'm
12 assuming that there is going to be an operating
13 reserve request built into that. Aren't we
14 planning on hiring -- doing significant hiring of
15 new examiners in 2013, the next year, and that's
16 part of the reason why this operating reserve
17 would be so crucial, is because there are some
18 major projects coming up?

19 MS. STROHECKER: Well, it looks like
20 Elizabeth has looked at the budget, and she is
21 correct. Elizabeth has been one of the key
22 supporters and I guess instigators of the fee cost

1 study, because it's been an issue that we have
2 been working with her for I guess the past year,
3 just over. Yes, by -- what I had mentioned
4 earlier about 2011, we expect to draw down on the
5 current surplus by about 37 million, and in '12,
6 we'll draw it down another 17 million, so that by
7 the end of 2013, we expect to only have about a
8 \$30 million surplus, and that does cover increases
9 in hiring.

10 Now, the increases in hiring are
11 presumed for two reasons, one, as you know, we
12 haven't hired trademark examining attorneys in the
13 past couple of years, and we anticipate that
14 filings will continue to increase. Along with
15 attritions at some point we'll have to resume
16 hiring trademark examiners again. So rather than
17 have to increase trademark fees, we are trying to
18 be very prudent in our management of the operating
19 reserve. Any questions? Okay, all right. Do we
20 do a presentation on this?

21 Just a brief update; Elizabeth and James
22 have been working very closely with us, as I said,

1 for the past year or so on a fee cost study. But
2 I want to give everyone just a bit of background
3 on how that came to be. The Patent and Trademark
4 Office has been using activity based cost
5 information for the past 13 or so years in order
6 to determine the relevant cost between patents and
7 trademarks. Primarily at first it was to identify
8 the cost so that we could have good financial
9 reporting in terms of managing those two
10 resources.

11 Well, what we've done is, over time
12 we've actually made a number of changes to that
13 model. It's far more sophisticated now than it
14 once was. And so we began working in trademarks
15 with members of the finance activity based costing
16 team to actually refine the models in a way in
17 which we could capture the cost of each fee for
18 which we provide or perform a service, so that in
19 the past where we might have had cost associated
20 with relatively large functions that were
21 performed at the office, our objective here was
22 that what we wanted to do is to identify the cost

1 of every single fee performed service,
2 understanding that we would have to allocate those
3 costs for which we do not receive any revenue to
4 the appropriate fee code.

5 So what we've done is, we've been able
6 to identify not only the direct cost of
7 operations, but also the allocated direct, that
8 would be things like IT systems that are specific
9 to trademarks and TTAB, and then the allocated
10 overhead, which would be those things that there
11 is not a specific direct association, but at the
12 same time, those services are necessary for us to
13 perform our work in delivering trademark
14 examination and services. The importance of this
15 study really extends beyond just trying to
16 determine what the cost of every individual fee or
17 fee code is. And the manner in which it's been
18 done gives us visibility into the source of the
19 cost or the cost drivers in a manner in which we
20 never had previously.

21 So there is huge opportunity here, if
22 you will, not only to identify these costs for fee

1 settings potentially, but also the bigger
2 opportunity here in our mind is that it gives us
3 insight so that we can actually determine how we
4 can perhaps seek to minimize our cost, if not
5 better understand the process of consuming
6 resources within the agency specific to the
7 relative cost and activities that we then expect
8 our fee payers to cover.

9 So we have shared the actual cost
10 information for the past I guess, what, two and a
11 half years now, so we have cost information from
12 fiscal '08, '09, and through the second quarter of
13 fiscal 2010. We've also been working with the
14 TTAB to incorporate their fee codes. There's a
15 lot of work that's been done and there's -- I
16 never see it as actually being completed, and this
17 is why, because as we continue to make changes
18 within the agency in terms of our management and
19 how we go about actually processing work, that's
20 going to necessitate changes in how we actually
21 identify the cost, and also just in terms of the
22 analysis, it's not just the actual capture of the

1 cost, but the analysis.

2 And the other big potential for us is to
3 put this information in front of people within the
4 agency so they're better informed about the actual
5 time they spend on various activities and what
6 that actually means to the agency in terms of
7 having to defend those costs, as well as manage
8 those cost levels.

9 So lots of opportunity there I think for
10 us to make better decisions. We will certainly
11 use it as a basis for informing -- providing
12 information to inform us on making any future
13 suggestions in terms of adjusting fees, whether up
14 or down.

15 We actually have it at a level where we
16 can identify not only the cost of things that are
17 provided to us on paper, but also things to which
18 they are filed electronically in those things that
19 we have electronic processing associated with it.
20 But as I said before, it's going to be a constant
21 ongoing process because things are constantly
22 changing in the office. And I think as we work

1 with it, there's lots more we can learn about how
2 we can make improvements to it. And it's been
3 very constructive for us working with Elizabeth
4 and James on this project to get their feedback on
5 how they view the information and how we can
6 better present it.

7 MS. PEARCE: It's been very interesting,
8 because you come in, you know, you've got to have
9 some pre- conceived ideas when you go in, and you
10 realize that as you start looking at the data,
11 it's a more complex issue than you realized, but
12 they've been kind enough, Karen and her group, to
13 provide us with quarterly updates.

14 One of the things that's still
15 challenging in this rocky economy, I assume
16 everybody knows what the stock market did
17 yesterday, and it's doing it yet again today,
18 we're hoping I think for a little bit more
19 consistency in the number of filings that we've
20 got.

21 As long as things are going up and down
22 at a dramatic rate, it's a little bit harder to

1 figure out what the realistic cost of something
2 should be. So I think we're still waiting for
3 things to even out a little bit. But by looking
4 at the data on a quarterly basis, you really do
5 start to see some patterns. And it's wonderful to
6 be able to look at particular things, drill down
7 to one particular item and be able to assess, you
8 know, is that costing what it should, and if not,
9 as Karen says, you can actually figure out why it
10 costs more than you expected it to. Is it
11 something that can be changed or is this something
12 that just simply it is what it is and perhaps what
13 you want is to not have to do as many of those
14 just by virtue of what it costs.

15 But I would like to thank, Karen, Steve
16 Porter and Michelle Picard, who's not here, Steve
17 Porter, who's seated right behind us, who have
18 worked very, very hard on keeping this information
19 up-to-date, and also thinking about creative,
20 useful ways to use the information now that we've
21 got it, and I'm very excited in what we'll be able
22 to do going forward.

1 I think it's going to continue to
2 improve the efficiencies and the effectiveness of
3 the office. I am hoping it'll make Karen's job a
4 little bit easier, because I know it's not easy
5 having to head up the CFO's office. So I'd just
6 like to thank them. And we will keep everybody
7 posted on this, and if they are able to get fee
8 setting authority in the future, which we are
9 hoping they will be able to do, then we're going
10 to be able to hit the ground running.

11 COMMISSIONER BERESFORD: I have a
12 question, Karen. The study is giving a source of
13 cost and cost drivers. As you know, trademark
14 spends an awful lot of its money on its
15 organizations of staff trademarks and on indirect
16 costs. Has this study given us the cost drivers
17 that we need to look at in order to reduce, for
18 instance, our CIO, CFO and CAO costs? Thank you.

19 MS. STROHECKER: This is a real change
20 of events, isn't it? Now I'm on the other side.
21 Now I have to anticipate the tough questions.
22 Now, you make good points, Lynne, you know. Lynne

1 actually has been very vigilant in looking at this
2 cost information, and I give her a lot of credit
3 for being one of the few people I think that
4 actually spend a lot of time looking at it and
5 understanding it.

6 As I said previously, I think we can
7 always do a better job in terms of refining the
8 sources of the cost information, and a lot of that
9 comes with, again, getting other people similarly
10 educated and informed so that they can help us
11 make better decision with respect to how we go
12 about mapping the various activities and the
13 source cost so that we actually do get good,
14 accurate information. As you know, we have to
15 make a lot of assumptions on certain costs because
16 we just don't have the information broken down in
17 a way in which we can identify it as specifically
18 direct, we have to allocate based on various
19 drivers, hopefully the ones that are most
20 appropriate, but you're always limited by the
21 information you have to work with.

22 So to the extent, and I think we have

1 made big improvements in terms of working with the
2 CIO organization, and the way in which they have
3 defined the various activities through the
4 activity codes that people use to report not only
5 their time, but also whenever we procure or spend
6 money on things, there is a code that actually has
7 to be used that goes into the financial system and
8 becomes the source of that cost information.

9 So to the extent that we can continue to
10 work and educate people within the office, we can
11 only continue to make better improvements on the
12 actual information we get to use to make our own
13 decisions. Lynne wanted an answer like, yes, it's
14 too high, or no, it's too low.

15 COMMISSIONER BERESFORD: I'll take that
16 as we're working on it, and you know, and we'll go
17 from there. I just -- I know that the focus of
18 this study was mostly on what trademarks was
19 doing. There wasn't a particular focus on those
20 other organizations. And I know that, to pick out
21 OCIO, a very large percentage of that money is 80
22 percent or so of their costs or an infrastructure,

1 you know, and so in terms of now that we've worked
2 so hard with the trademark organization to map our
3 costs, et cetera, I hope there's an equal desire
4 to move towards the staffing organizations and
5 make sure that they have the same rigorous
6 methodology applied. Thank you.

7 MS. STROHECKER: Absolutely; and I do
8 have to share Lynne's sentiment. We do have now
9 ways of looking at what portion of CIO costs are
10 related to the direct systems as opposed to the
11 overhead, the operations and maintenance, and you
12 know, that is increasing and that's a source of
13 concern to us all.

14 Similarly, I take your point, and I
15 appreciate it, and it's one we do need to still
16 work on, continue to work on, and that is making
17 certain that the allocation distribution for the
18 support areas within the office are actually
19 reflective of the amount of effort and work and
20 resource expended in supporting trademark
21 operations and services, absolutely.

22 MR. FRIEDMAN: Just a few things, sort

1 of a bookend to some of the opening comments that
2 John made about our fees. I wanted to just make
3 clear that earlier this week, on Wednesday, at the
4 Judiciary House Oversight Committee Hearing, we
5 did submit testimony -- had submitted testimony
6 making very clear that we're against the diversion
7 of fees.

8 Further, we hope that the committee
9 would act or will act favorably on the
10 administration's request for an interim patent fee
11 increase. NTEU also supports legislative changes
12 to remove PTO from the appropriations process and
13 to make all of its fees collected immediately
14 available to PTO, and that they should be given
15 authority with appropriate safeguards to set its
16 own fee schedule.

17 We believe all these actions would give
18 the office the operating efficiency it needs and
19 are the kind of policies that should be put in
20 place. I think the focus has kind have been on
21 the revenue side, but I don't want to minimize the
22 expense side. And on the expense side, I can't

1 think of a better way to emphasize how prudent the
2 PTO, and in particular trademarks has been than to
3 focus on the amount of money that's been saved in
4 real estate in view of our telework program. And
5 I also want to use that as an opportunity to make
6 very clear that the people who work at home are as
7 productive, if not more productive than those
8 people who work here. The quality standards and
9 the performance standards are exactly the same,
10 and it's that kind of program that we look forward
11 to expanding further at the PTO and hopefully have
12 appropriate legislation passed in the very near
13 future that will help our agency and the rest of
14 the federal government. Thank you.

15 MR. FARMER: Okay, thanks. Unless there
16 are any questions or comments, I'm going to call
17 an unscheduled five minute break so that we can
18 give the CIO presentation the full attention it
19 deserves. And so I've got 2:02 on my watch,
20 12:07, excuse me, I was using middle of the
21 Atlantic Ocean time. In five minutes we're going
22 to start right off and we'll have our CIO report

1 then.

2 (Recess)

3 MR. LOCKHART: Well, we just want to
4 thank Kay very much for coming in and briefing us.
5 Both John Owens and Scott Williams are out of the
6 office today, so we very much appreciate your
7 coming in, and we had a real good meeting
8 yesterday to discuss the issues in depth. We look
9 forward to hearing the brief.

10 MS. MELVIN: Thank you very much, Tim.
11 It was a pleasure meeting with the sub-committee
12 yesterday. They gave me lots of good pointers and
13 hints for the presentation today, and I'll try to
14 follow up on as many of those as I possibly can.
15 Just to let you know, I do work in the Office of
16 the Chief Information Officer and I'm the Director
17 of the Program Administration Group representing
18 John here today. And I will start out on our
19 first slide talking about trademark next gen,
20 that's one of the first questions you had here on
21 the agenda, as to the status and the plans for the
22 new next gen, and we would like to update you on

1 where we are to date.

2 Working with trademarks very closely,
3 we've tried to arrive at or start to investigate
4 the best approach for trademark next gen, and we
5 started out by creating some teams, joint teams
6 between OCIO and trademarks. And we initiated
7 three separate studies to take a look at where we
8 are today, where we need to go in the future,
9 primarily a future look for trademarks.

10 We came up with three different
11 approaches; one was developed internally by OCIO
12 and trademark staff, two were developed by
13 external contractors. Everyone was given some
14 basic concepts. We are looking at doing things
15 like prototypes to try out the new concepts, the
16 best way forward, check things as we develop them,
17 make sure they're working prior to doing
18 development and releases. We also are looking at
19 things like using GSA contract vehicles for
20 procurement. As you know, we have certain
21 contracts here in-house, but we believe that
22 perhaps we want to look outside to some other

1 contract vehicles for some of this activity going
2 forward.

3 We're looking to use an agile
4 development process. This process is more
5 interactive, and I apologize, I don't say that
6 exactly right, that seems to be a hard word for
7 me, but that process actually doesn't take huge
8 clumps, it does break things down, but it breaks
9 them down so that we can put them and we can test
10 them, we can design them, we can prototype them
11 and then add functionality and go through again
12 another quick test of the design, the
13 functionality, and add onto it.

14 So that we don't end up developing a
15 whole module to do something, I wanted to get to
16 the end and find out we have problems and it
17 doesn't work the way we thought. So we're hopeful
18 that this new agile development will help us get
19 to that and avoid some perhaps costly mistakes
20 that have been made in prior development efforts.

21 We're looking for a system that will be
22 scaleable and flexible, gives the office, gives

1 trademarks the performance that it absolutely
2 needs for both internal and external users, and
3 we're looking to perform -- move towards 24 by 7
4 maintenance, no service interruptions. Now, what
5 some people perhaps don't realize, that for our
6 internal users today, our examining attorneys and
7 other staff in trademarks, the systems are down
8 for a considerable amount of time in the late
9 evenings, like from midnight to 5:00 a.m., and
10 while many people are sleeping, that's not
11 necessarily the case for people who are working
12 here at the Patent and Trademark Office. We'd
13 like to have those systems up and available for
14 people.

15 Also, there is some down time for the
16 external users who are filing registrations. We
17 want to make sure that those systems are up and
18 working, and we minimize, if not eliminate some of
19 those maintenance windows.

20 There are lessons learned in private
21 industry that we're looking at to bring those
22 kinds of capabilities in. So these were some of

1 the factors that were brought in when we were
2 looking at these initial studies and coming up
3 with an approach.

4 With the three different approaches that
5 have been presented to us to date, we have gone
6 back with our joint trademark OCIO teams to take a
7 look and see, is there any one approach that is
8 the best approach, or is it, in fact, a
9 combination? Did each group, whether it was one
10 of the contractors or the internal group, come up
11 with key things and key items that we believe
12 should be used in the next gen going forward? And
13 perhaps we are going to still yet again come up
14 with a fourth approach that uses the best of those
15 three to deliver what is needed by the office and
16 what would best support trademarks.

17 So that is -- currently we've completed
18 at least an initial review of those three. And if
19 we can move on to the next steps, what we're now
20 in the process of doing is working with trademarks
21 to fine tune and further determine just what is
22 the best management process forward, what is the

1 best, how do we want to define the prototype that
2 we get from this effort, and how we want to move
3 forward.

4 We're going to be working together to
5 determine the best procurement vehicle, knowing
6 what the various options are, and we need to agree
7 to a common -- to a business case. In other
8 words, to move forward on the next gen product,
9 it's got to best for the -- what's best for the
10 business, and that, too, is something that is a
11 joint effort between the two of us, and then
12 finalize that CIDP, which is our investment
13 decision paper that would be going forward to say
14 here's the timeline, here's the approach, here's
15 the timelines, the business case, here's the
16 dollars and cents, and we would be looking for
17 approval then to proceed. So at this point, we
18 are currently in this process working with
19 trademarks to nail down some of these details, and
20 until we actually have those details resolved, we
21 consider ourselves still to kind of be in the
22 conceptual phase, so we don't have a firm date

1 where this will be done or that will be done, we
2 need to complete those discussions.

3 And I think it's safe to say those
4 discussions are happening weekly and in most cases
5 daily between the various groups to try and make
6 some of those decisions so we can come together to
7 get to a common approach going forward. I don't
8 know if there -- Lynne or you or -- I work with so
9 many people in this room on this case, I don't
10 know if you have questions or if there's anything
11 anyone would like to add before I move in to talk
12 more about the things that we are continuing to
13 do, but --

14 MR. FARMER: We'll come to you in a
15 second, Michelle. First, you guys, anything?

16 MR. LOCKHART: Well, I'll certainly
17 defer to Bob and Howard. I think maybe the best
18 approach would be just to go through the whole
19 presentation and then we'll have some questions
20 and comments, but in the interest of time, maybe
21 just go through it.

22 MR. FARMER: Okay, why don't we do that?

1 We'll take them at the end.

2 MS. MELVIN: Okay. Current trademark
3 systems, another question here on the agenda is,
4 there are some ongoing technological projects that
5 need to be completed for trademarks. Just because
6 we're looking for the next generation, that
7 doesn't mean that we are not blind to the fact
8 that there are things that need to continue to be
9 done today, and we've made those commitments, that
10 we will continue those projects to make some of
11 those changes and improvements as we go forward.

12 I think as we do that, we're also within
13 the different teams looking to see, are there any
14 components of this that will fit into next gen,
15 you know, or noting that this is a requirement we
16 want to make sure is included in that next
17 generation product, as well. So we are continuing
18 forward with some of these -- adding new features
19 or improvements and capabilities to the existing
20 systems. You can read up there trademark -- I
21 don't need to read the slides to you, obviously,
22 but the TDR that were up there, hopefully what

1 we're trying to do there is, provide the ability
2 for people to file in the different form -- in
3 different formats and then retrieve in other
4 formats as they are desired.

5 We were talking yesterday a bit about
6 sometimes people can only file or we're looking
7 for PDF format filing. In the future, we'd like
8 for you to be able to do jpeg or do XML filings or
9 whatever, and then if you need to retrieve it in a
10 different format, you can do so. So we're looking
11 at some of those kinds of things with the TDR 2.0.

12 This is also in a definition phase,
13 which means until we finish this phase, we do not
14 have an actual project plan with a deployment
15 date, but it is in that process. And they're
16 currently reviewing proposals from contractors,
17 and soon we should have some more -- a project
18 plan for that one going forward.

19 We have Madrid 1.9, it is currently in
20 testing, we're watching this one very, very
21 closely. There have been a number of issues that
22 have been raised during the testing process, but

1 we are hoping to see deployment of this sometime
2 in I'll say early summer timeframe. Madrid 2.0,
3 looking ahead again, this is a new project that's
4 in the concept phase, is targeted for later this
5 year for deployment, we're watching this one along
6 with Madrid 1.9, because we don't want one -- if
7 one gets slowed, we don't want to slow down the
8 2.0. We're very aware of the necessity to get
9 this one out, as well. So while we have not -- we
10 know we're watching them, but they're not tied
11 together. So 2.0 is proceeding also in a concept
12 phase in looking at the requirements that are
13 needed to push forward on this one, as well.

14 Fast 1.16, another project here. Let me
15 just look at my note here real quickly. We're
16 looking at changes in templates for different
17 users here. Deployment for this Fast system is
18 currently on schedule for mid August. We have
19 Fast 2, TQRS. We are currently reviewing a
20 proposal now for cost and schedule on this one, as
21 well.

22 TMEP and the -- well, here we have it

1 listed together, sixth edition, second revision,
2 seventh edition. We've talked about the TMEP a
3 couple of times this morning, and I also took a
4 note to reach out to the board and see what their
5 needs might be, because the changes in the --
6 things that we want to do with the TMEP and the
7 MPEP, they're both on Mr. Kappos' list, I'm sure
8 this one will land on there, as well, and we're
9 looking to see where we can learn and use synergy
10 from one to the other to help both operations. I
11 think we heard this morning the sixth edition will
12 be coming out this month, it is still on target.
13 We're currently working on the, what we're calling
14 the seventh for in the fall. And basically in
15 both that and in the whole Wiki process, we're
16 looking for ways to get control of the updates and
17 the changes to the TMEP to trademarks.

18 Right now the process includes some OCIO
19 support, which we just don't believe we need to be
20 into that mix with the content. We believe that
21 this is something that should reside in trademarks
22 and they should have the tools that they need to

1 be able to easily do this any time they want
2 without having to worry about testing and
3 scheduling within our office.

4 So that is the goal that we're working
5 toward here. I did follow up a little bit during
6 one of the breaks about the Wiki, to find out
7 where are we with the Wiki. A team is looking at
8 commercially available software right now for
9 that. They have done an initial market survey to
10 identify some common XML editors, develop some
11 draft schemas, and they're surveying capabilities
12 of some of these products now. It's still
13 defining the project, but my understanding is,
14 they're trying to move forward on it very quickly.
15 Yes, Lynne.

16 COMMISSIONER BERESFORD: Yes, Kay, this
17 project, TMEP, sixth edition, second revision, and
18 seventh edition is actually just, my
19 understanding, it's just the normal update to the
20 TMEP, it has nothing whatsoever to do with Wiki or
21 anything else, this is just -- this is just
22 getting a revision out, which a little more

1 quickly than OCIO had originally planned, but
2 nevertheless, it has nothing to do with Wiki or
3 HTML, TMEP or anything, it's just getting these --
4 first the update for the change brought about by
5 the Technical Corrections Act, and then the
6 seventh edition, our normal yearly update to the
7 TMEP.

8 MS. MELVIN: Yes, you're correct, I
9 apologize. Perhaps I kind of jumped into one
10 quicker than the other. The goal for the -- I do
11 believe, though, the goal for the TMEP is to go to
12 something that is much more robust, that
13 trademarks can handle on its own in the future.
14 You are correct.

15 It's with the -- the Wiki, when we
16 talked about the TMEP, Wiki, this morning, that is
17 going down a separate path right now where they're
18 defining the project, and they're trying to
19 further determine the actual release date for
20 that, which my understanding is Mr. Kappos would
21 like to see certainly this fiscal year, if not
22 sooner, so I don't doubt that that's not one for

1 -- looking at for acceleration.

2 COMMISSIONER BERESFORD: Well, I just
3 wanted to be clear. You've listed these as major
4 features being added, and I wanted to be clear
5 that we're not adding this at the time, there's no
6 ability to do that, and so since you were talking
7 about them together, I wanted to clarify that.
8 Thank you.

9 MS. MELVIN: In terms of the TTABIS
10 project right now, this is a series of small
11 changes. I think we all recognize that the TTAB
12 needs access to the systems in trademarks, our
13 systems need to talk to those two systems, TTABIS
14 and the trademark systems need to talk.

15 Some of the things that TTABIS can't do
16 today, like handle jpegs, but there are jpegs
17 available in other systems, we're trying to find
18 ways in working in this project to try and
19 identify some of those changes to start to make
20 this better for them, as well. So some small
21 changes, small improvements that things I believe
22 that all need to happen, and also things that

1 we'll be looking for trademarks and the board to
2 tell us in moving forward, where we need to make
3 additional changes and requirements. I won't
4 mention TMEP again, but I would like to tell you a
5 couple of the things that are additional
6 initiatives that the OCIO was looking at right
7 now, and one deals with Google. As you may have
8 heard, we have contracted with Google to load bulk
9 data files for free for the public onto their
10 system.

11 This is a short term measure, it's part
12 of an initiative, a presidential initiative to
13 make more information available to the American
14 public. And these are files that, in the past,
15 the USPTO has made available to the public, this
16 is nothing that hasn't already been out there, but
17 we've always charged for it in the past.

18 This is to be free distribution of the
19 bulk files. For trademarks, we're looking at
20 things like the daily image 24 hour box, the USA
21 marked back file from 1870 through 2009, and the
22 retrospective XML application assignments and TTAB

1 information. This is all bulk files currently --
2 that will be made available on Google.

3 Now, going forward, the office will be
4 contracting; there is an RFP that will be out in
5 June, and we will be contracting for someone to
6 come in and look at that data, post that data, and
7 have the opportunity that they could actually add
8 value to the data. This is a contract that is --
9 we're asking for these potential resellers to
10 support us for no cost. They will be coming in,
11 we will give them the data, they'll load it for
12 free across the USPTO, nothing at that point, but
13 they do have the opportunity to add value to the
14 data and they can potentially resell it. Anyone
15 that wants to download that data in bulk from them
16 could similarly take it and also do the same
17 thing. So that is coming, and the RFP will be
18 posted on that in June.

19 Our single laptop program, this is a
20 program that the office is embarking on that will
21 give users a single laptop to be used both in the
22 office and outside of the office as their sole

1 computer. Right now the OCIO has approximately
2 25,000 computers that we are tracking in our asset
3 system for people in and out of the office. This
4 would obviously cut down that quite a bit. No
5 longer would you have a desk top in your office
6 and a laptop at home, you would take it back and
7 forth.

8 And we've been looking to examine all
9 the applications for both patents, trademarks and
10 others in the office. These applications, many of
11 which will need to be upgraded to work on Windows
12 7 on these laptops. And the laptops that we're
13 proposing will be top of the line, having much
14 higher capability and opportunity for the people
15 using them than some of the equipment today. A
16 lot of our equipment today is very old and
17 outdated, causing problems for people either
18 working from home or working from other sites. So
19 we see this as an opportunity to replace a lot of
20 that old equipment and give some of the best
21 that's currently available to our examiners and
22 our attorneys.

1 We're in the process of doing that
2 evaluation now. There are no -- once that's done,
3 we'll know how many and which applications, both
4 in trademarks, as well as in patents. We'll need
5 to be either redesigned or somehow modified to
6 work on the systems. And once we have a good feel
7 for that, we'll be able to make some clearer
8 determinations as to exactly when that project
9 will begin.

10 We will continue to work with trademarks
11 in testing. It's been very -- it seems to be the
12 best way to go actually to have the users test
13 these applications out, to tell us if they're
14 working or if they're not working. And we've
15 also, of course, involved our unions in letting
16 them know what's going on, so taking into account
17 all of the questions and the interest throughout
18 the office and with our staff on that. PTONET
19 upgrade, we are -- this is our on campus upgrade
20 of the network, it is almost complete, it's
21 running a little ahead of schedule. On this one,
22 we have actually been replacing a lot of old

1 equipment, preparing ourselves for expanding and
2 band width and capability to handle some of the
3 collaboration tools and other things that we're
4 using here now. And it's also given us some added
5 security protections that we have needed here and
6 we want to continue to strengthen going forward.

7 So once this is completed, we'll be
8 starting to look at the external connections from
9 the internet and other increasing band width
10 there, but our first step was to get the internal
11 infrastructure here around the campus shored up.
12 So I think we have -- and we're almost at that
13 point. So I am at the conclusion here and ready
14 for any questions and comments. Thank you.

15 MR. LOCKHART: Okay. First of all, I
16 want to thank you for a great presentation, very
17 comprehensive and very informative, so thank you
18 for giving us that information. In particular, I
19 want to commend you and OCIO for where you have
20 developed targets dates, for telling us what the
21 target dates are. And we know that sometimes
22 those dates can change, but where you got the

1 target dates developed, it's helpful for us to
2 know what they are. And likewise, where you're in
3 the process of developing target dates, if you can
4 just, as you did, identify that and say we don't
5 yet have a date, but we're working through it,
6 that's also, again, very helpful, because, you
7 know, we in the public are always very interested
8 in when these particular initiatives are going to
9 be rolled out.

10 And I really want to take note of these
11 two very helpful handouts. And I assume that
12 these were prepared, Lynne, by your office.

13 COMMISSIONER BERESFORD: Uh-huh.

14 MR. LOCKHART: And are these posted yet
15 publicly?

16 COMMISSIONER BERESFORD: These are the
17 trademarks next generation ideas that we've
18 collected into our mailbox, and they have not been
19 posted publicly. We're still collecting and
20 sorting, and we will -- I don't know whether we'll
21 post them or when we'll post them, but I wanted to
22 make sure TPAC saw what has been coming into the

1 mailbox.

2 MR. LOCKHART: Right; well, I had just
3 gone through these briefly. We have 29 pages of
4 ideas from external sources, all sorts of groups
5 that contributed, INTA, AIPLA, some private law
6 firms, I'm pleased to see, obviously, the TPAC
7 suggestions on here, the ABA, so a very wide
8 variety of folks out in the trademark community
9 have contributed. These look like they're
10 excellent ideas. Likewise, we have ten pages of
11 ideas from the trademark office internally, and
12 again, these look great.

13 I think we've got, you know, between the
14 two, we're off to a real good start on gathering
15 all these different ideas. And, Lynne, if I heard
16 you correctly, you're still in the process of
17 collecting ideas and updating these lists. Are we
18 going to have a cutoff on that or is this an
19 ongoing process while the OCIO continues to refine
20 the system architecture?

21 COMMISSIONER BERESFORD: Well, the
22 cutoff date was actually April 15th, but we had

1 some -- ABA, for instance, came in after that
2 date, and, of course, as long as we're still
3 working on the list, we're going to take the
4 suggestions that come in. Actually, what we're
5 going to do now is, these are kind of -- we've
6 organized them in a certain way, and now we're
7 going to go through and I think group them a
8 little more to see -- to put like ideas together
9 and maybe try to summarize the functionality that
10 the ideas have in them. So we'll be -- I just got
11 finished -- just got finished compiling this list
12 two days before the meeting, I wanted to send it
13 out. We're going to do some more work on it and
14 then we'll send it out to TPAC again, asking for
15 your comments. Once you read through it, you're
16 going to see there are some diametrically opposed
17 comments in this list.

18 Many people wrote in and said, please,
19 please, please, get the assignment records
20 integrated with the records that are in TRAM and
21 TAR, and get the assignment documents fully
22 visible online. Others wrote in and said don't

1 you dare do that, we don't want you to do that.

2 And so there are some things in here
3 that you will find, we're going to have to sit
4 down and we'll talk with the committee about it,
5 you know, where do we want to go here and what's,
6 again, my view is, what can we do that's best for
7 trademark owners and the trademark bar. Our users
8 pay us to collect this information, we should make
9 it as available as possible.

10 So we're going to -- but we're going to
11 have to have discussions about that, so this is an
12 ongoing effort. We'll have a fairly finalized
13 list I would say in the next month and we'll ship
14 it out to TPAC. And then we'll probably start
15 trying to prioritize more, what really do we want,
16 what's so important that we need to make sure that
17 it comes first. Yes.

18 MS. PARK: Lynne, I just wanted to say,
19 taking a quick look at it, I did notice that there
20 was a lot of disagreement in terms of priorities
21 and what steps should be taken in the comments, so
22 I'm glad that we'll have a chance to help you on

1 that. But at some point will you also go back to
2 some of the bar groups on that? Because I would
3 think some of the sub-committees like the INTA
4 sub-committee would be a valuable resource in
5 addition to whatever feedback we could give you.

6 COMMISSIONER BERESFORD: Yes, in fact,
7 that's a very good idea, that's coming up in the
8 not too distant future. And maybe shipping off
9 this to that sub-committee would give them a
10 chance to look at it and maybe formulate some
11 ideas. But, no, I plan to, as always, talk to the
12 various bar groups about all of these suggestions
13 and counter suggestions and things of that nature
14 to get a sense of what, in general, you know,
15 we're not going to be able to do something that
16 makes everybody happy, but what's going to be best
17 for the system, what do most people want, that's
18 what I'll be looking for.

19 MR. LOCKHART: And, you know, Lynne, I
20 don't know if from a timing standpoint it will be
21 possible to do this, but assuming that we meet
22 again in roughly three months, if you feel, and

1 OCIO agrees, and you know, we're all on the same
2 page, if it's possible to give the TPAC a briefing
3 on, at least at a high level, what some of the
4 ideas are, where there seems to be a consensus
5 about important things to do, and maybe some of
6 these areas where there is disagreement, because
7 reasonable people can disagree, and maybe we see
8 where there are points of disagreement, and I
9 think it would help guide everyone on the way
10 forward.

11 COMMISSIONER BERESFORD: No problem,
12 we'll be working on that.

13 MR. FARMER: I had a couple of quick
14 questions. Is there a present target cutover date
15 for bringing the new TNG system live, or if it's
16 not all at one time, a series of cutover dates?

17 MS. MELVIN: No, not at this time,
18 there's not. What we're trying to do right now,
19 we still need to fine tune exactly what those
20 capabilities and what the functionality is that we
21 need in trademark next gen. And I think as we
22 continue to work together to figure -- to come up

1 with some of the information, we will be coming up
2 with a detailed schedule and project line for how
3 this is going to roll out, and as soon as we have
4 that, we'll be very happy to share that with you.
5 But I think that's part of our current process in
6 meeting with trademarks, is to figure out what is
7 the best way forward to manage this and to get the
8 system up and running.

9 MR. FARMER: I'm wondering, though,
10 whether you have any rough ballpark time estimate.
11 I mean I get the impression it's years before this
12 new system goes live, as in probably several, not
13 a couple; does that sound about right?

14 MS. MELVIN: I think that sounds about
15 right. I could say less than five, I could say
16 less than three, but it's -- I would say that it's
17 not going to be overnight, you're not going to see
18 it in FY '11 as a completely new system. We have
19 a lot of work to do, and I think it behooves us to
20 really work closely with trademarks and make sure
21 that we're doing things right and doing right for
22 them and doing right for the people who need to

1 use these systems, because a lot of us depend on
2 them.

3 So I think if we spend the time now and
4 get it right, we may see the development go very
5 quickly, I just don't know until we answer a few
6 more questions down the road, but it won't be --
7 it'll be more than two, how about that?

8 MR. FARMER: Okay, that's helpful. A
9 related thing is that my understanding is that the
10 legacy current systems are pretty stressed and
11 strained; are you all pretty confident that your
12 current systems are going to remain perfectly
13 capable and in good working order so that you're
14 not going to potentially run into problems there
15 since you apparently have to stretch the systems
16 two, three, four years?

17 MS. MELVIN: Well, we're trying not to
18 make any shortcuts with our operations and
19 maintenance of the existing systems, that's for
20 sure. And we have made a commitment that, as we
21 see anything that needs any particular shoring up,
22 as we see changes that need to be made, we're

1 working with trademarks to prioritize and to put
2 those in place. So it's not our intent to just
3 let it kind of languish, you know, in a frozen
4 mode, so to speak, we're going to have to do
5 things to it, without a doubt.

6 Some of the infrastructure changes that
7 we're making here at the USPTO will help with some
8 of that stress. But in other cases, we're
9 monitoring and watching and we're going to do our
10 best, the very best that we absolutely can. We
11 can't afford to let these systems go down, they're
12 way, way too critical, and we recognize that. So
13 we're working very closely with trademarks. We
14 need their help to help prioritize perhaps some of
15 the things that need to be done sooner rather than
16 later, and we're working together to make sure we
17 do the right thing.

18 MR. FARMER: Okay, thanks. The last
19 question I had is related to your collaboration
20 with Google. I have to admit, maybe I wasn't
21 paying close enough attention, so that I'm not
22 confident of the entire universe of documents

1 they're going to be helping you out with.

2 But I was curious as to whether that's
3 going to result in a lot more dissemination of
4 email addresses of those who are having a
5 corresponding address with the office, because, as
6 you may have noticed earlier in the program, there
7 is some concern about people all of a sudden
8 getting email solicitations that can kind of sound
9 like it's an offer you shouldn't refuse. And
10 also, should we move in the future towards
11 examining attorneys having email addresses on
12 office actions? That potentially -- then if it's
13 all going to be up there, be an issue for them
14 also.

15 MS. MELVIN: I'm not going to pretend to
16 be a business expert on the trademark business, I
17 can only assume that there may be addresses in
18 this data that we're putting out. Like I say,
19 today we sell it in bulk, and it's been sold for
20 many, many years in bulk. That data has gone to
21 third party resellers for the most part who have
22 put it into other data base services which are

1 purchased. So the big difference here with this
2 particular data is that people will potentially
3 just go to Google and download it rather than pay
4 us for that data.

5 I don't know that a lot of companies are
6 equipped or really want to download in bulk, I
7 have no idea. It could take some load off of our
8 systems from data miners that we did talk about
9 also earlier. The impact on the email, I have --
10 I'm really not sure, and perhaps someone on
11 trademarks can help me with that, but --

12 MR. FARMER: My guess is that within
13 this bulk of data would be all filed applications
14 including correspondent information and then
15 office actions. And so it sounds to me like the
16 answer is, yes, it's going to be disseminated a
17 good bit more, and so we've got an email issue to
18 keep our eye on there.

19 MS. COHN: Yes, the answer is, yes, any
20 information that's available on an application
21 will certainly be available in Google with this
22 particular process, so --

1 MR. LOCKHART: Another way to put it is,
2 all information that is publicly available now
3 will be publicly available through Google. So
4 it's not like they're putting out more information
5 than they're putting out now, but it will be
6 easier to find it perhaps through Google. Access
7 may be a little easier, but it's not like they're
8 going to be putting out information that they're
9 not now putting out.

10 MR. FARMER: And my guess is then it
11 will not only be easier to access as opposed to
12 making them go to the PTO web site one by one and
13 download the PDF office action, but it'll be
14 easier to amalgamate and assemble email lists off
15 of.

16 MR. LOCKHART: That's probably true,
17 however, you know, you could speculate that a
18 company that is in the trademark business, if you
19 will, a company that now has a desire to acquire
20 the information is simply buying it, so it's not
21 like they're waiting for it to be on Google before
22 they engage in this business, they're doing it

1 now. I'm not sure the impact -- on the email
2 question, I'm not sure the impact would really be
3 that great. I think we'll just have to wait and
4 see what the experience is.

5 MR. FARMER: Yes, what that may lead to
6 is us studying how email stuff is even put out
7 there in formats now, but that's an issue we're
8 just beginning to get our teeth into. Any
9 questions, comments from TPAC members that we
10 haven't brought out so far on our IT issues?

11 ELI: Yes, I have -- Kay, I just wanted
12 to clarify something. On page two, you say for
13 next gen you're employing GSA contract to select a
14 main contractor; on page three, it indicates
15 you're defining a procurement vehicle for the
16 prototype; it sounds to me like you've already
17 defined it.

18 MS. MELVIN: Well, on page two, what I
19 was referring to was, when we first set out with
20 the teams to look at things, the team direction
21 pretty much was, we need to determine do we want
22 to use existing contracts, do we want to use

1 another vehicle for these contracts, and I think
2 that that is a decision we still want to make sure
3 that both OCIO and trademarks is comfortable with,
4 but we, in making that determination, we have gone
5 and found that GSA does have -- has a contract, it
6 has about 59 different vendors that have already
7 been preapproved on that contract vehicle that
8 could be used for developing the different
9 prototypes and the different parts of next gen.
10 One thing I think we talked about even yesterday
11 is that often times we get contractors and we're
12 locked into one for a very long period of time.
13 We believe that in order to keep going forward
14 with the next generation of systems here, if we
15 can get better documentation, and we don't have to
16 necessarily lock us into one, so we want to see
17 if, again, using this vehicle at GSA or using
18 something similar where we're able to have other
19 people involved, a multitude of contractors, not
20 just one or two, if that wouldn't be better for us
21 in the long run going forward. But I think that
22 is still up for a final decision-making between

1 the two groups.

2 ELI: And just a quick question, 25,000
3 computers are inventoried; if the agency has maybe
4 12,500 employees, that would be two computers per
5 employee. Do you really have to wait until you
6 buy laptops to start getting rid of some
7 computers?

8 MS. MELVIN: I turned mine in this week.
9 I think on a voluntary effort, we don't have to
10 wait at all. But I think -- I don't know that the
11 office is ready yet to make this a mandatory thing
12 that examiners or attorneys that currently have
13 one or 1.2 or two computers give up one to go to
14 the other. Plus, we need -- and we need to take
15 that into consideration, how people are using
16 these things today, and let's make sure when we do
17 this that we are doing it smartly and people have
18 the applications on the machines that can get the
19 work done. So -- but I did try to decrease it by
20 one this week, okay, Rob, and I'll continue and
21 encourage my colleagues, if they're not using them
22 and they'd like to do something different, they

1 can certainly do that. Thanks.

2 MR. FRIEDMAN: Yes, I was going to say,
3 I think it's great that we're down to 24,999.
4 Three quick comments, for the single laptop, I
5 would hope that the CIO working with the
6 director's office, and, of course, in consultation
7 with the trademark office, will give serious
8 consideration when it's ready to roll out that
9 program, to roll it out first or very early in the
10 process to trademarks.

11 We obviously have a reserve, we're
12 nimble, we a tad smaller than patents, so we hope
13 serious consideration will be given to that. We
14 also know and see from your presentation that
15 CIO's plate is full between current projects and
16 the next generation, but we hope what doesn't get
17 lost in the shuffle over the next year or two is
18 -- and we know you, and we know trademarks is
19 struggling with web casting things so that people
20 don't have to come into the office, but we really
21 hope there's some emphasis or greater emphasis
22 given on that topic to improve web casting and

1 similar tools so that training can be offered,
2 people don't have to come in, and then they can be
3 that much more productive by not having to come
4 in.

5 And then finally, I couldn't help but
6 notice in the cursory review of the TM next
7 generation internal sources that all of NTEU 245's
8 ideas were excellent, and so I have nothing to
9 add.

10 MR. FARMER: Anybody else? Okay. Thank
11 you very much, we appreciate it, Kay, thanks for
12 coming in. Now it's open mic night. Anyone from
13 the public who's attended here have any issues
14 they want to bring up before TPAC? Okay. Hearing
15 none, thank you, everybody, thanks for those at
16 home who are watching. We've tentatively started
17 identifying our next meeting date, I won't put it
18 on public record yet just so I can get it out, but
19 we'll get it out very soon, and it should be
20 around the end of summer time. All right, thanks,
21 everybody.

22 (Whereupon, at 12:45 p.m., the

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22

HEARING was adjourned.)

* * * * *

1 CERTIFICATE OF NOTARY PUBLIC

2 I, Carleton J. Anderson, III do hereby
3 certify that the forgoing electronic file when
4 originally transmitted was reduced to text at my
5 direction; that said transcript is a true record
6 of the proceedings therein referenced; that I am
7 neither counsel for, related to, nor employed by
8 any of the parties to the action in which these
9 proceedings were taken; and, furthermore, that I
10 am neither a relative or employee of any attorney
11 or counsel employed by the parties hereto, nor
12 financially or otherwise interested in the outcome
13 of this action.

14 /s/Carleton J. Anderson, III

15

16

17 Notary Public in and for the

18 Commonwealth of Virginia

19 Commission No. 351998

20 Expires: November 30, 2012

21

22