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TRADEMARK PUBLIC ADVISORY

COMMITTEE MEETING

Public Session

June 3, 2004

[2:07 p.m.]

United States Patent and Trademark Office

2121 Crystal Drive  
Crystal Park 2  
Arlington, Virginia

P A R T I C I P A N T S

Trademark Public Advisory Committee Members

Jeffrey M. Samuels, Chair

Leslie Lott

David Moyer

Kimbley L. Muller

Jon C. Sandelin

Maury M. Tepper, III

Joseph N. Welch, II

U.S. Patent and Trademark Office

Jon W. Dudas  
Acting Under Secretary and Acting Director, USPTO

Anne H. Chasser  
Commissioner for Trademarks

Trademark Public Advisory Union Representatives

Howard Friedman, President, NTEU, Local 245

Albertha Jackson, NTEU, Local 243

Lawrence J. Oresky, Vice President, POPA



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

MR. SAMUELS: Why don't we go on the record.

This is the meeting of the Trademark Public Advisory committee of June 3, 2004. My name is Jeff Samuels. I'm the chairman of the committee.

Let's go around the table and around the room and have everybody introduce themselves for the record.

MS. CHASSER: Anne Chasser, Commissioner for Trademarks.

MR. MOYER: David Moyer with Proctor and Gamble.

MS. LOTT: Leslie Lott of Lott and Friedland in Miami.

MR. SANDELIN: I'm Jon Sandelin. I'm from Stanford University.

MS. JACKSON: Albertha Jackson NTEU-245.

MR. FRIEDMAN: Howard Friedman, USPTO.

MR. ORESKY: Lawrence Oresky, I'm from the professional association for (inaudible).

MR. WELCH II: Joe Welch, Pattishall, McAuliffe in Chicago.

1 MR. TEPPER III: Maury Tepper, (inaudible  
2 company names).

3 MR. MULLER: I'm Kim Muller.

4 (Impossible to hear the attendees sitting in the  
5 room.)

6 MR. SAMUELS: Very good. Welcome everybody.  
7 For the record, I want to note that members of the  
8 Trademark Public Advisory Committee met this morning in  
9 various breakout sessions about which we will hear more  
10 later this afternoon. But I think in talking to both  
11 members of the committee and Trademark Office personnel,  
12 they seemed to have been very productive and perhaps a new  
13 structure that we will adopt for future meetings as well.

14 Following the meetings of the various  
15 subcommittees, members of the T-PAC had an opportunity to  
16 tour the Carlyle facility. So we had a chance to walk  
17 around. And we were in the Jefferson building with our  
18 hard hats and in the Madison building. And we got a  
19 firsthand glimpse of what the new facility looks like.  
20 And we understand that, as of right now, it looks like the

1 Trademark Operations will be moving into the new facility  
2 around November of this year. So that's obviously very  
3 exciting.

4           We're meeting now in a formal session. And  
5 before we move on, we've been joined by Jon Dudas.  
6 Everyone knows Jon is the Acting Under Secretary and  
7 Director of the PTO. And I think Jon is going to talk to  
8 us a little bit about some of the international  
9 developments that are taking place today.

10           MR. DUDAS: Hi, everybody. I'm sorry I was a  
11 little bit late. I was going to try to touch on two  
12 issues, one international and one more domestic. And I'm  
13 happy to go into some of the other international areas as  
14 well.

15           I think there are two large goals that we have  
16 outside the primary goals for the USPTO outside of our  
17 office. I think a lot of the meeting will concentrate on  
18 what's going on inside of the administrative. A lot of  
19 international issues that (inaudible).

20           Under the domestic front, the number one goal

1 that we have right now is getting the resources that we  
2 need in our offices and so much stems from that to make  
3 sure we get appropriate resources. And the Fee Bill is  
4 really critical for that.

5 We're engaged right now in trying to implement  
6 those elements of the Strategic Plan. And there are areas  
7 where we won't be able to achieve the gains that we expect  
8 to gain under the Fee Bill until that Fee Bill passes.

9 I wanted to give you a little bit of an update.  
10 I spent a great deal of my time working with the Hill and  
11 working with the administration and outside the office.  
12 And a lot of the people are probably aware of that as well  
13 and have questions about the topics I'm talking about or  
14 otherwise.

15 The Fee Bill is moving fairly well on Capital  
16 Hill. As you probably know, there was a tremendous vote  
17 in the House of Representatives, 379 to 28. As it's gone  
18 to the Senate, we find that we have the same discussion,  
19 argument, fight, whatever you want to call it, in the  
20 Senate that we had in the House. And that's a discussion

1 about how much authority there is over our budget, how  
2 much, basically, between the appropriators and the funders  
3 and the authorizers. So the issue of diversion or the  
4 so-called "fee diversion" is alive and kicking in the  
5 Senate as well.

6           What we do see now that we've made it a good  
7 distance through the process, having gone through the  
8 House of Representatives with an overwhelming vote, no one  
9 in the House of Representatives no longer questions our  
10 office or whether it's important. At least very few do.  
11 Less than 29, 28, maybe 28 people.

12           But, you know, it was a very strong vote among  
13 appropriators and authorizers. It's a vote for an office.  
14 And everyone can waffle a bit or wonder about what the  
15 office means. But when they vote, they can't do that  
16 anymore. So then 379 to 28 is a very strong vote for our  
17 examiners, for our entire office.

18           In the Senate, that's had a great deal of  
19 difference. I think people take it very seriously. The  
20 majority leader of the house, I've had a conversation with



1 the Majority Leader of the Senate, about the importance of  
2 moving this bill. The authorizers in the Senate recognize  
3 how important it is to move it as well.

4           However, it's a separate box; and we're facing  
5 the very same fight. It doesn't matter if we get 435 to 0  
6 in one house. If you don't get it through the other  
7 house, it's meaningless for obvious reasons. If it's not  
8 signed by the President, that would be a problem. So  
9 we're working to handle that issue.

10           I guess if I had one point to make to all of you  
11 people is to try to interpret every action and every  
12 letter, and we should do that. The most important thing I  
13 think to know is that we're moving forward and that we're  
14 moving forward in a positive way. So there is a letter  
15 out there from appropriators that says we have concerns  
16 and concerns are somewhat outlined. This is letter  
17 talking about the USPTO.

18           But they talk about concerns that they have.  
19 And, again, we're working on addressing those concerns.  
20 It's a difficult year. There are conventions this year.

1 How do we get enough time on the floor when we're  
2 competing with the must-pass legislation and things such  
3 as Homeland Security?

4           But we have the right people interested and we  
5 have the right people engaged. So I would just ask all of  
6 you to keep watching it. Don't be too concerned about  
7 over interpreting the letters. It's difficult. I've said  
8 I've never handicapped legislation. I never put  
9 legislation at over a 50-percent chance. So that keeps us  
10 comfortable knowing how difficult it is to get through.  
11 We're doing everything we can. And I think we've got the  
12 right people in places. We still have the house  
13 representatives pushing to get this bill passed.

14           We have people in the Senate lined up to do  
15 that. And we also have -- we don't have. The private  
16 sectors seems very engaged because of the movement.

17           And I'll be happy to answer questions on that.  
18 That's just a slight update. The bill has moved unchanged  
19 through the Senate Judiciary Committee where it has been  
20 signed before they go to the closed sessions to the

1 discussions that resolve the issues.

2 MR. SANDELIN: Jon, do you have a time frame in  
3 your mind when there's a good chance that it will pass?

4 MR. DUDAS: I think right up until that time  
5 frame for me would be January 20 because -- and Chris can  
6 speak more to it -- the issue would be -- I would like to  
7 see it pass before October 1 because it will help our  
8 office understand how to put the money in place, et  
9 cetera. And I'd like to see us get a budget in place and  
10 an appropriations bill in place. It may well be that many  
11 of the appropriations bills will be pushed off until after  
12 the election.

13 And last year, we were one of five important  
14 issues that folks were -- the last five. We didn't make  
15 it into the last five. Three of them made it. Two of  
16 them didn't. So it's very possible that we would be at  
17 the end again.

18 I don't think there's a drop-dead date. It  
19 helps us to have it passed before October the 1st. That  
20 said, our goal is to advise that it be passed quickly.

1 Because the sooner we pass, the more we know how to plan  
2 and how to plan with those expectations in mind.

3           And the answer is: We're going to keep as much  
4 pressure on or advise as much as we can about how  
5 important it is. But knowing what's critical is getting  
6 it passed this year because we're so far through the  
7 process to get the kind of support we've gotten this year  
8 to do this again.

9           MR. TEPPER: Procedurally, having cleared the  
10 Judicial Committee, does this bill need to go to full  
11 senate?

12           MR. DUDAS: The next procedural step is to go to  
13 the Senate floor. But in the Senate, it's different. In  
14 the House, there's a Rules Committee. So there's no holds  
15 that can be put on bills, so they tend to try to get  
16 consensus ahead of time. Since there's not a Rule  
17 Committee, things can get more convoluted. And so the  
18 idea is really to try to -- what our strategy is to  
19 identify concerns as quickly as possible.

20           And thus far, that's why I wouldn't be too

1 concerned if people had raised concerns about it. It's  
2 much worse if we found out about concerns four months from  
3 now. Our goal is to keep identifying the concerns and  
4 then address the issues. If another concern comes up, and  
5 it seems like a crazy concern, that's fine. We'll address  
6 it then. It will be simple for us to address.

7           The next step is just to go to the Senate floor.  
8       So it's a matter of making sure that the Senate  
9 leadership feels that it's important, and that whoever has  
10 objections...

11           The objections right now seemed limited, the  
12 objections that we know of are limited, to the funding  
13 mechanism. And in fact, the only stated objection is that  
14 there may be a technical procedural issue from the  
15 Congressional Budget Office.

16           MR. TEPPER: At the present, the word subpoena  
17 unofficial and meeting of some of the constituents and  
18 five solutions to that problem. I'm crossing my fingers.

19           MR. DUDAS: No, no, no. That's exactly what we  
20 have to do because legitimate problems are raised.

1 Sometimes problems are raised because people don't want to  
2 see a bill move forward. I'm not certain that that's the  
3 case here. Regardless, the answer is to address the  
4 issues forward and moved (inaudible).

5           The other issue I wanted to raise -- and, again,  
6 we can talk about anything that all of you would like to  
7 talk about -- is the issue of China. Enforcement, more  
8 generally. And it's one of the issues that's critically  
9 important to this administration and to the Secretary of  
10 Commerce. And I know it's important to the private sector  
11 as well, enforcement in China.

12           This year, there was an elevated, that is, joint  
13 commission on Commerce and trade issues, IPRs, co-chaired  
14 by Secretary Evans regarding all the Commerce issues as  
15 well as trade issues. IPRs, I believe everyone that would  
16 agree, were probably the most important issue on the  
17 trail.

18           Our office put together a number of deliverables  
19 that we wanted to get from the Chinese Government, ranging  
20 from WIPO, copyright treaties, and internet treaties.

1 We're going to be working with the Trademark Office and  
2 the Patent Office and people in China. We want to help  
3 them develop laws and have QBPC, Trademark private sector  
4 folks in China. (Inaudible) Chinese government agency  
5 under -- they told it to us up front.

6           So at any rate, we're working very diligently in  
7 China. We led a delegation from here, PTO. We met and  
8 had a great meeting with the Trademark Office. And one of  
9 the things that is interesting, Chinese (inaudible)  
10 geographical positive for the United States. But there's  
11 an internal battle within their government right now. And  
12 they were seek our helping on explaining our position  
13 which we've been doing.

14           We are planning another delegation to sit down  
15 and discuss the deliverables with the government in China.

16 I think all of you recognize, whether you're within the  
17 Office or outside of the Office, the problem that China  
18 presents in the United States is vast. In the last five  
19 years, the amount of counterfeit goods that are coming in  
20 the United States -- 16 percent to 66 percent of seized

1 goods are coming from Mainland China.

2           So while they're doing, agreeing to, yield to  
3 try to address it within China, what they're doing right  
4 now is not working. And we have our own measurables and  
5 our own metrics that are showing the numbers are  
6 dramatically worse. And so it's an incredible opportunity  
7 for industry. It's also a double-edged sword.

8           So we're hoping that the TPAC can help on that  
9 really is to help us at the USPTO. We partner with  
10 industry. So much of what we need to do is explain the  
11 problems we have for U.S. industry in China. We need to  
12 help educate those companies, whether they're small or  
13 medium enterprises. In some cases, as some of you are  
14 probably aware, the large enterprises in China are not  
15 availing themselves with Trademarks protections or Patents  
16 and Copyright protections.

17           So we want to do an education effort within the  
18 United States. And we also really need industry to let us  
19 know what the problems are in China and their specific  
20 solutions to what's happening in China.



1           One issue, again, TPAC is perfectly primed to  
2 help us with that. Many that operate in China and have  
3 problems in China are anxious to ask us as government  
4 officials to raise the problem. But they're reluctant  
5 themselves within the companies either within China or  
6 even here in the United States.

7           I think they're reluctant in China because  
8 they're afraid of retaliation or that their raising an  
9 issue about enforcement in China may hurt their business  
10 prospects. And I think they're reluctant in the United  
11 States to raise it for that reason. And, also, they don't  
12 want to spread a fear that any of these counterfeit goods  
13 are coming into the United States.

14           So for us to solve this problem, we are going to  
15 need to be able to articulate accurately what the problems  
16 are. And that is going to have to be government-industry  
17 partnership.

18           So I'm giving you updates and problems. And I  
19 have some solutions to give. One solution really is to  
20 sit down with industry leaders in the areas. And that's

1 one of the things we're proposing to do is to sit down  
2 with industry leaders and discuss what are the thoughts  
3 that industry has, what are the problems that they are  
4 facing with China, what are some of the ideas they have  
5 from their business perspective.

6           And I think TPAC can really help in this  
7 government position and also having a close eye on it, to  
8 help on it.

9           Those are the two major issues, one on the  
10 domestic part and one on the international front that I  
11 tend to be focused on. I have spent a lot of time on  
12 that. I raised those two because they're not obvious as  
13 far as (inaudible) internally and how we're administrating  
14 the office. But I'm happy to discuss. There are a whole  
15 host of other issues, some external and some external,  
16 that you may want to discuss.

17           MR. SAMUELS: We'll pass them on to somebody  
18 else. Any questions? Comments?

19           MR. MOYER: Well, Proctor and Gamble has asked  
20 for your help on this. We have (inaudible) in charge of

1 globally. And so whoever in the office you can get us  
2 hooked up with. And I know we're not allowed  
3 (inaudible)...

4 MR. DUDAS: Right. Right. And that's part of  
5 it. I think if we can get industries to speak out or  
6 we'll figure out a way to work together where there's not  
7 such a fear of retaliations. It doesn't have to be one  
8 company raising the issues. It's just getting  
9 information.

10 MR. ORESKY: If 1561 does pass, what do you  
11 expect in the first year in terms of increased budget?  
12 For example, \$300 million?

13 MR. DUDAS: I think it's going to be about \$250  
14 million. I'm not ? Jo-Anne, can you answer? Do you know?

15 MS. BARNARD: I don't know the exact number.

16 (All speaking at once.)

17 MR. DUDAS: I think it's R250 million now.

18 MS. BARNARD: If you need the exact number, I've  
19 got it.

20 MR. DUDAS: We can get the exact number. But

1 some of it is based on filings, of courses, and adjusted  
2 what our filing expectations are. I think it's roughly  
3 \$250 million. And it's in large part based on Patent  
4 funds, with what the fee structure is. And we've adjusted  
5 those upwards. We probably have our updated numbers, and  
6 we can get them. But it's roughly \$250 million.

7           By the way, that's a good opportunity for me to  
8 explain to you why sometime you see numbers change at the  
9 PTO. If you see a number ever change on those lines,  
10 certainly it raises a concern-raising. One of the issues  
11 we have that is constantly ongoing -- I mean it's really  
12 ongoing. It never stops.

13           An ongoing issue is that we're constantly  
14 updating our numbers to give our best projections to  
15 Capital Hill so they can get the most accurate figures.  
16 The difficulty of that is maybe three months ago we had a  
17 different number. We see filings go up, and we expect  
18 more. So that's why sometimes you see the numbers change.

19           MS. BARNARD: Let me add, it also depends on how  
20 the bill evolves.

1 MR. DUDAS: That's for sure.

2 MR. KATOPIS: We had one congressman stand up a  
3 few months ago and said, I have a great idea for the bill.  
4 But it cost the PTO \$750 million and (inaudible) PG would  
5 have to make it up. So we didn't think it was a great  
6 idea.

7 So when the numbers change, it's also a number  
8 of congress, how they're changing the bill and the timing  
9 because \$250 million is for 12 months. We have a  
10 continuing resolution for 6 months. And sometimes they're  
11 out to dump in our lap. That's less money.

12 MS. BARNARD: And the bigger change, and I think  
13 the point Jon is trying to make, comes from filing  
14 projections. Trademark averaged about 8 percent over what  
15 we had anticipated. So that is a dramatic change. And  
16 that results in significantly more income. So we're  
17 constantly trying to update those filing projections. So,  
18 of course, we have to say what the impact would be were  
19 the Fee Bill to pass and what would the impact be if it  
20 was not to be passed.

1 MR. DUDAS: Right. And I'll follow up on both  
2 your questions.

3 Chris made a good point. And something that is  
4 critically important in that we owe TPAC and we owe our  
5 customers in the public at large is, when the Fee Bill  
6 passes and we understand what level of resources we'll  
7 get, we will revalidate our numbers. And, again, the  
8 numbers that we said at the beginning of the process are  
9 not the numbers that we see at the end of the process.

10 In part because we have hired 750 examiners and  
11 in Trademark that we hadn't put in place. So we're  
12 behind. We're behind where we would have been if the Fee  
13 Bill had passed two years ago. We have updated filing  
14 projections. So there are a number of changes. And I  
15 think that's something that is important for TPAC to  
16 understand.

17 We'll be able to show you the numbers. We can  
18 open them up. We'll welcome quizzes or questions or -- we  
19 want to make sure that everyone understands where the  
20 numbers have changed and why they have changed. That will

1 really be the critical point for us to begin measuring  
2 ourselves.

3           We know what resources -- obviously, we know  
4 what resources we have. And this is how we expect to  
5 spend them over the next year, the number of hires.

6           And I think one thing that's important is that  
7 TPAC can help us. I'll follow up on one of Jo-Anne's  
8 points. And I know this is very important to Commissioner  
9 Chasser and Anne has raised this issues many times.  
10 (Inaudible.) And make sure that we're -- deduction as  
11 well and how hard this has been and helpful as well.

12           And we don't just look at pendency because there  
13 are things outside of our control. And pendency, we'd  
14 love to be able to predict perfectly what filings will be  
15 and predicting in perfect life. Or if we can measure  
16 production appropriately, that is what is fairest to our  
17 examiners and fairest to the Office.

18           MR. SAMUELS: On the Fee Bill, Jon, have the  
19 Senate appropriators bought into the rebate concept? Is  
20 that --

1           MR. DUDAS: The technical issue in the  
2 Congressional Budget Office relates to the rebate. And I  
3 don't think -- I think the short answer is no. I don't  
4 think they've denied it either. But the technical issue  
5 deals with, if you gave a rebate, a rebate based on fees  
6 from one year and the rebate didn't come until the next  
7 year, that may cause budgetary problems. They haven't  
8 said, however, philosophically we agree 100 percent with  
9 the idea of a rebate.

10           The discussion that occurred in the House,  
11 originally appropriators said we don't like any idea of  
12 anything that would change our authority over  
13 appropriating. And, eventually, they came to the decision  
14 in the House of Representatives that this was a great  
15 idea. It was their idea, the members in the House. And  
16 we're hoping that the senate goes through the whole thing.

17 Or there will be another thing to do that is equally  
18 satisfactory to our user community and the PTO and members  
19 of Congress and Senators.

20           MS. CHASSER: Larry.



1 MR. ORESKY: I heard a little bit about the  
2 rebate issue. What's the PTO's answer to that?

3 MR. DUDAS: The PTO's answer to that what?

4 MR. ORESKY: To the issue of if we have funds  
5 rebated to us that it will essentially be taken away from  
6 Justice and the other agencies within our budget.

7 MR. DUDAS: We're looking at that. It may be  
8 that it's the way that's drafted. It's really something  
9 outside of our authority as far as it's Congressional  
10 Budget Office. It's outside of the Administration. I  
11 think what would be helpful in any way we can is to give  
12 advice on how that can be changed if it's a real issue. I  
13 think right now it's more of a Congressional issue. And  
14 folks in the Senate are trying to figure out is this  
15 concern real, what would the Congressional Budget Office,  
16 how would they score that. And if it does create that  
17 kind of a problem, then how can we fix it.

18 We're aware at PTO of a variety of potential  
19 ways to address that. We were not the drafters of the  
20 legislation. But we looked at it and we thought about

1 different ways that you could respond; if it had a rebate  
2 and put it in a separate box, can you give a rebate early  
3 on? And, again, this comes out in many ways.

4           How this comes to adjust the most is what would  
5 be giving a rebate be based upon. If there is a rebate,  
6 would it be based upon actual figures or projections? And  
7 the closer you are to actual predictions of time, is it  
8 for our office?

9           The short answer, which I don't intend to give.  
10 But the short answer is it's really a Congressional  
11 issue. We're trying to keep it important to people and  
12 give them the advice that's appropriate. But it's really  
13 out of our hands. And the short answer to your question  
14 is no.

15           MR. SAMUELS: Any other questions for Acting  
16 Director Dudas? No. Thanks, Jon, for being with us.

17           MR. DUDAS: Thanks.

18           MR. SAMUELS: Thank you very. We very much  
19 appreciate your being with us.

20           MR. DUDAS: Thanks very much.

1 MR. SAMUELS: Next item on the agenda is the  
2 Trademark Office update. And Commissioner Chasser will  
3 provide that.

4 MS. CHASSER: Everyone did receive a copy of our  
5 second quarterly report with the figures. But I thought  
6 for the record it would be useful to just go over these  
7 numbers for the record. And these are second mid-year  
8 results of the Trademark Operations.

9 For quality, which is our performance measure to  
10 improve the examination quality of the Trademark, is  
11 indicated by the division -- determined through an  
12 in-process evaluation statutory basis for which the Office  
13 refuses marks for registration. Our midyear results on  
14 the in-process review for first action is 9 percent  
15 deficiency rate; and for final action, 6 percent. And our  
16 Office goals for this year is 7.3 percent for first  
17 action, and final action is 5 percent.

18 With E-Government, we have two targets this  
19 year. One is to manage Trademark applications  
20 electronically as measured by the percentage of pending

1 applications that are available as electronic records  
2 through our TICR system which everybody heard about today  
3 quite a bit.

4           Our target for this year is for 80 percent.  
5 Through the midyear, we're at 83 percent. By the end of  
6 the year, we'll have about 99 percent of all of our  
7 records, close to 100 percent of all of our records,  
8 electronically managed through TICRs.

9           The next E-Government measure is the percentage  
10 of initial applications received electronically. And our  
11 goal for this years was 65 percent. The midyear, we are  
12 at 68 percent. And that's the average for the first half  
13 of the year. In the later months, we will be in the 70  
14 percent, 74 percent electronic filings.

15           Thank you very much, TPAC, for your proactive  
16 approach in trying to get your colleagues to file  
17 applications electronically.

18           Now application filings, Jon spoke a little bit  
19 about unpredictability of our trademark filings. This  
20 year we planned for a 2-percent increase over last year.

1 Through the first half of this year, we have experienced a  
2 12-percent increase. So we're looking at handling well  
3 over 30,000 more cases than we planned for this year.

4 Office of Corporate Planning, Jo-Anne mentioned  
5 8.5 percent. That is the most recent validation of our  
6 Trademark filings. Generally, in the second half, filings  
7 may fall back a little bit. It's hard to tell. We have  
8 no crystal ball. You all know the past patterns of  
9 Trademark filings.

10 In terms of our staffing, we, this year, are  
11 maintaining a staff level of examining attorneys at 250  
12 FTEs. So while we have a few more people on than 250,  
13 that is in consideration of our part-time individuals who  
14 are on extended leave, maternity leave.

15 At end of April, we were able to hire an  
16 additional 14 examiners so that we could maintain the 250  
17 of FTEs. Of those 14 that were hired, they are former  
18 examiners who had been RIFed. And we will continue to be  
19 looking at that list as we hire.

20 Right now, we are only planning for a staff of

1 250. If money becomes available, we may be able to hire  
2 towards the end of the year. But there's no guarantee.

3 Jon did talk a little bit about how we're  
4 talking about production units this year rather than just  
5 pendency as a marker. And as far as our production within  
6 the Trademark corps through the first half, we're ahead of  
7 our plan by about 6 percent. And I'm not going to give  
8 you all those numbers.

9 Pendency, first action pendency, from the day of  
10 the filing to the mailing of the first office action  
11 through the first half of the year is at 6.1 months. I  
12 have to tell you that it is going up as filings are going  
13 up and the dates of the inventory is getting older. So we  
14 do think the pendencies will be going up this year because  
15 of the increase in filings.

16 Our disposal pendency is at 19.3 months at the  
17 end of the first half. And our goal is 21.6.

18 With regard to Madrid Protocol update through --  
19 now is this through today?

20 STAFF: Through the 21st of May.

1 MS. CHASSER: Oh, through the 21st of May. We  
2 have received 920 international applications. We have  
3 received 224 irregularity notices. We have received 2,343  
4 extensions of protection, 66A applications, which we have  
5 begun to examine. Subsequent designations, we have  
6 received 13.

7 And while we're still operating a paper system  
8 under Madrid, although we're communicating with the IB  
9 electronically, we are able to turn around those certified  
10 international applications generally within a day or so.

11 We talked about our Work-At-Home. We are  
12 expanding the Work-At-Home. We are upgrading the system.  
13 We are in final testing of an upgraded system. As soon  
14 as that comes out of the testing mode, which we will be  
15 fairly soon, there will be additional 40 examiners who  
16 will be working at home for a total of 150 of our  
17 examining corps. That's 66 percent of our examiners will  
18 be working at home.

19 We're also extending Work-At-Home to some of our  
20 paralegal staff and also our office of training and

1 quality. Some of the attorneys from that office will be  
2 working at home. And as you know, our Work-At-Home  
3 attorneys, we do provide equipment for the attorneys that  
4 work at home.

5 With regard to quality and training, our  
6 training modules through the first quarter, we have  
7 delivered three training modules in the second quarter  
8 which include various topics. And I think they were  
9 mentioned in the report.

10 We had a very successful INTA training day in  
11 April, and the topic was pharmaceuticals. And it was very  
12 well received by our examiners. And I think the folks at  
13 INTA were able to get legal continuing education credit  
14 for that day.

15 And so far this fiscal year, we've provided  
16 approximately about eight hours of attorney training. And  
17 that has all been done in-house.

18 A Trilateral meeting, we had a very successful  
19 Trilateral meeting with the Japan Patent Office and OHIM.  
20 Again, that was in May. And the deliverable from that



1 meeting is a Trilateral list of identifications of goods  
2 and services. And this has been a year-long project  
3 through the three offices.

4           The initial Trilateral list contains over 7,000  
5 ID and all 45 classes. And we're in the process of  
6 working with the Japan Patent Office on the approval of an  
7 additional 17,000 identifications. And once all of those  
8 are approved, we will a have pretty extensive Trilateral  
9 list. If the ID is on this list, it will be accepted in  
10 these three offices. So this work will continue through  
11 the Trilateral cooperation effort. We're looking for ways  
12 to extend the list and publish the list in various office  
13 web sites and so forth.

14           Briefly, I wanted to mention some regulations  
15 and notices. Correction to registration certificates, the  
16 Office will amend its rule to eliminate the requirement  
17 that a request for an amendment or correction of the  
18 registration or an application to surrender registration  
19 for cancellation be accompanied by an additional  
20 certificate of registration. So the notice of final

1 rulemaking, it will be issued soon.

2           The proposed requirement that a request for  
3 correction or mistake in a registration be filed within  
4 one year of the date of registration, we're not going to  
5 implement it at that this time.

6           Also we updated -- we heard loud and clear.  
7 E-Commerce mail boxes will be finally effective September  
8 20, 2004. Applicants wishing to transmit responses to  
9 examining attorney's office actions electrically will be  
10 required to use the TEAS response form rather than the  
11 E-Commerce e-mail box. So we'll be closing that down in  
12 September because of the response to office action form on  
13 TEAS is working quite nicely.

14           So that is the end of my very quick report. And  
15 I know you wanted to get into talking about the lessons  
16 learned from today's breakout sessions.

17           Does anyone have any questions?

18           MR. SAMUELS: Any questions?

19           MR. MULLER: If I heard the numbers right, the  
20 rejections of Madrid filings are going up. When we were

1 here last year, we were at 11 percent. I think I heard  
2 you say now it's up to 20 percent, 1,000 applications and  
3 rejections.

4 MS. CHASSER: No. I said irregularities  
5 notices. It's the irregularity notices that were received  
6 that were 200.

7 MR. MULLER: Oh, okay.

8 MS. CHASSER: We received 920 international  
9 applications. We certified 727, and rejected 136.

10 MR. MULLER: So that's just up a little bit.

11 MS. CHASSER: Yes.

12 MR. SAMUELS: I have a couple of questions  
13 regarding the issues. I note in the status report it says  
14 85 percent of first actions had no missed issues;  
15 obviously leaving somewhere around 15%. Are those both  
16 substantive? I see Debbie shaking her head. Are those  
17 numbers wrong?

18 MS. CHASSER: Debbie and I are both shaking our  
19 heads. It sounds kind of high.

20 STAFF: If any missed issues, we're talking

1 about substantive deficiencies than that number would not  
2 be --

3 MR. SAMUELS: I guess that was my question. Was  
4 that substantive and procedural?

5 STAFF: It must be both.

6 MS. CHASSER: It must be both.

7 MR. SAMUELS: It must be both. Okay.

8 With respect to the pilot program with the  
9 paralegals, how is that going so far?

10 MS. CHASSER: We have begun our training. And  
11 the training is to identify various issues within the  
12 SOUs. And the training has just begun. We have a go-slow  
13 approach. It will actually be a pilot over one year in  
14 October after a six-month period where the paralegals are  
15 identifying various issues in the SOU. In October we will  
16 begin with the paralegals drafting letters on procedures.

17 Now as far as substantive legal issues, those  
18 we're training the paralegal to identify them. And they  
19 will be handled by the attorneys and not by our  
20 paralegals. We got feedback from the TPAC and other

1 groups. And we will evaluate the program next March.

2 MR. SAMUELS: Maury.

3 MR. TEPPER: Just a question of rules from  
4 Madrid with respect to the electronic filing. It will be  
5 in your offices for about a month. Currently, how are we  
6 coming along on the electronic module?

7 MS. CHASSER: Well, I think the E-Government  
8 group talked about that today. And we are still planning  
9 to have those forms delivered by November 2.

10 MR. TEPPER: That's what I heard from Gary. I  
11 think is Gary here. I think that's what Gary stated at  
12 our breakout session this morning.

13 MR. MULLER: He said that's the goal.

14 In electronic responses, is the Office doing  
15 anything to enlarge the portals so that there's  
16 information when there's a large package of material?

17 MR. SAMUELS: Tom Canton is with the OCI. Is  
18 there anyone else that can answer that?

19 MR. MULLER: When you start sending JPEG,  
20 there's a lot of drawings and things. It takes a lot of

1 memory. And in responding to an office action, the office  
2 will not receive it between. We have to go back and do it  
3 all over again on paper. And it seems counterproductive.

4 We'd like to have the portals increased if we can so that  
5 it can receive any amount of information.

6 MR. TEPPER: Maybe it's part of your objective.

7 I've heard of lot of this is the file type, a  
8 multiple-page document, and a loss of images, and perhaps  
9 even the PDF file. And I don't know --

10 MR. MULLER: And multiple classes of filings,  
11 and multiple (inaudible). And you submit a response to  
12 put in a lot of information. And I think it's  
13 counterproductive to get people to try to file  
14 electronically, and then have them send in the response  
15 that's needed on paper.

16 THE REPORTER: May I ask, please, to get  
17 everyone to speak up? I'm having a difficult time hearing  
18 from where I'm sitting.

19 MS. CHASSER: And I'm sorry. We don't have  
20 microphones in here today.

1           MR. SAMUELS: This might be a good point in  
2 time, before we move into a discussion of the breakout  
3 sessions we had this morning to take up an issue that  
4 really Leslie raised with the members of TPAC, I guess by  
5 now, a month or so ago. And it involves a rule and  
6 question as to whether the rule is necessary; indeed,  
7 whether the rule is really consistent of the statutory  
8 period. I'll let Leslie explain the issue.

9           MS. LOTT: The issue is the rule that relates to  
10 filing or a Request for Extension of Time at the same time  
11 that you file a Statement of Use. And the rule is that,  
12 if you send in a Request for Extension of Time to file a  
13 Statement of Use at the same time, you cannot subsequently  
14 request a further extension of time. So that when you  
15 send in your Statement of Use, if it's found to be  
16 inadequate or if it's rejected for whatever reason, you do  
17 not have the full statutory period to prove use.

18           And the question, I guess, really is: What is  
19 the thinking behind that or where did it come from? Why  
20 is that necessary?

1 MS. CHASSER: Sharon.

2 MS. MARSH: Jeff could probably answer that.

3 MR. SAMUELS: Is this one of the rules that went  
4 in when I was here?

5 (Group laughter.)

6 MS. MARSH: This is the issuance extension. And  
7 I was a lowly examining attorney at the time I think. But  
8 I believe the Office was concerned that, once you filed  
9 your Statement of Use, it's been in examination. And to  
10 have a system where suddenly you were to continue to file  
11 extension requests and put it back in the intent-to-use  
12 process would cause serious administrative problems for  
13 us.

14 You know, you file a Statement of Use, the  
15 examining attorney issues an office action raising certain  
16 issues. You have six months to respond. And what you're  
17 suggesting is that your response would be I'm filing  
18 another extension of time; give me some more time before I  
19 have to protect this. Correct?

20 MS. LOTT: Oh, no. You still would only have



1 the limited period to respond to the office action. But  
2 as you say, it's the insurance extension. In the event  
3 that you file a Statement of Use and it is not extended,  
4 you lose the whole application. You lose your whole  
5 filing date.

6           And I have not gone back and compared the actual  
7 wording of the statute. But the statute provides for --  
8 what? -- six extensions. And you're sort of... So,  
9 theoretically, while we're continuing with the examination  
10 of that Statement of Use, you ought to still get your six  
11 extensions. You shouldn't be cut off from the statutory  
12 period you have to file that meanwhile.

13           MS. MARSH: Well, it's an interesting issue. We  
14 can take a look at it and report back to you on that soon.

15           MR. TEPPER: I would amplify Leslie's comment.  
16 And I can understand that, when the rule is first put in  
17 place, there may be some administrating difficulties. I  
18 don't know if the current systems would be able to  
19 accommodate or tolerate that. But to the extent one has  
20 36 months possibly to put a mark into use (inaudible), an

1 insurance request, and cut yourself at six months  
2 (inaudible) examine trademark use, you have now lost a  
3 good amount of time you would have otherwise have had. I  
4 can't say it's consistent with the original statute.

5 MS. LOTT: That's right. You not only lose your  
6 -- you lose your extension time.

7 MR. TEPPER: Yes, that's right.

8 MS. CHASSER: Perhaps you can frame the issue,  
9 and then we can have our folks look at it.

10 MR. MULLER: I think whichever way you decide to  
11 go on it, though (inaudible). And I don't think most  
12 people understand this until it's too late.

13 MS. LOTT: Oh, yeah.

14 MS. MARSH: It would require --

15 STAFF: In that situation, though, is that if  
16 you have an outstanding office action, you have a  
17 six-month statutory period in which to respond to that  
18 office action. So if you don't respond within that time  
19 -- you're saying you want your extension request to extend  
20 that six-months plus.

1 MS. LOTT: No, no, no, absolutely not. If you  
2 don't respond, whatever happens is a result of that still  
3 happens. It's kind of a convoluted system anyway.  
4 Because as Sharon knows, you're kind of going through on  
5 two tracks. But the statute kind of provides for that,  
6 the extension track and the examination track. But if for  
7 some reason you hit a brick wall on your examination  
8 track, your extension is cut off.

9 And, frankly, it has not been a problem for us.  
10 And I suspect since -- I suspect it's not a huge problem  
11 for anybody. But when I came across it, it did seem  
12 inconsistent and possible inconsistent with the statute.  
13 And certainly, as Kim said, people would find this out  
14 usually only after it is too late.

15 MS. MARSH: Right.

16 MS. LOTT: And the result is gargantuan. How do  
17 you need this framed to look into it?

18 MR. SAMUELS: I can just give, I think, your  
19 memo that I have in the file as it sets this forth. I'll  
20 just give a copy to Anne.

1 MS. LOTT: Great.

2 MR. SAMUELS: One other point I wanted to make  
3 for the record was that we did receive a copy of the June  
4 1 memo from Sharon to me regarding the issue we discussed  
5 at our last meeting regarding the inconsistency, alleged  
6 inconsistency, between proposed Article 20 of the  
7 Trademark World Treaty providing foreign Trademark  
8 licenses and current U.S. law with respect to Trademark  
9 licensing. And I believe I distributed copies of that  
10 memo to every member of the Committee. So you know that  
11 Sharon's conclusion is that there is an fundamental  
12 inconsistency there.

13 I note that there was a meeting of the standing  
14 committee working on the Trademark Law Treaty in April.  
15 And I believe this issue was deferred for further review.  
16 So I don't know how it will ultimately come out. Is  
17 there anybody here today that was at that meeting?

18 MS. COTTON: Amy Cotton. What transpired was  
19 that the secretariat with Australian prompting remembered  
20 that the original discussion with regard to Article 20 was

1 a much more narrow one than the provision that you got.  
2 If you read the TLP, the revised version, you see that  
3 it's very specific Articles, 17, 18, 19, and 21, talking  
4 about license reporting. And then Article 20 talks about  
5 use. So it seemed rather out of place. And so there was  
6 some confusion as to what it was intended to do.

7           The secretariat indicated that it was intended  
8 to be. And perhaps it was also intended to be broadened  
9 by something. But the original intent was that where  
10 recordal is required, nonrecordal where there's use,  
11 shouldn't be used as a basis to cancel for nonuse.

12           So the provision will be redrafted by the  
13 secretariat. And it will read something like, "Where  
14 license recordal is required by protecting the license and  
15 the license is not recorded but the mark is used, the use  
16 should accrue to the holder." And that's it. So it  
17 wouldn't apply to us. And so we kind of got out of it.

18           MR. SAMUELS: It sounds unobjectionable.

19           MS. COTTON: Yes. So with the help of AIPLA and  
20 some backdoor machinations, we got the debate to go.

1 We'll see when the text comes out in preparation for the  
2 October meeting to make sure that the secretariat has what  
3 we want it to say.

4 MR. SAMUELS: Thank you.

5 Are there any other questions or comments with  
6 respect to Trademark Office Operations?

7 If not, why don't we turn to our discussion or  
8 review of what transpired this morning at the various  
9 breakout sessions.

10 We had three breakout sessions: One dealing  
11 with quality initiatives, one dealing with E-Government,  
12 and one dealing with Trademark Trial and Appeal Board.  
13 And it might be useful just to get the discussion going to  
14 ask some of the committee members who participated in  
15 those sessions to state what they learned, any questions  
16 or concerns or comments that they may have.

17 We might as well begin with quality. And Kim  
18 and Jon attended that session. So do either of you or  
19 both have comments?

20 MR. SANDELIN: I took some notes. So why don't

1 I go through those. And then Kim and any of the others  
2 that were there can supplement.

3           We started the session with the review of what  
4 the new practices are which are the current practices.  
5 And here an issue came up that, under the old practice of  
6 clear error rate, the office is doing quite well. If you  
7 looked at the 2003 results, the error rate is 2.3 versus a  
8 4-percent target indicating that quality practices were  
9 doing well.

10           But under the new practices, it becomes more  
11 difficult to interpret them. And it appears, if you're  
12 not familiar with them, that quality may be declining. So  
13 the issue became how to more effectively communicate what  
14 these processes were and how to relate them to what is  
15 really happening in terms of involving quality.

16           We talked about the reason for these changes and  
17 to comply with the spirit of the 21st Century Strategic  
18 Plan which has an emphasis on quality in that. And I  
19 think some of the discussion there was: What's more  
20 important? Is it the quality issues or the pendency

1 issues?

2           And I think TPAC has been fairly consistent in  
3 its position that quality is of high importance. To  
4 maintain quality, pendency has to be extended a bit. But  
5 that we would see that as something that should be done.

6           The difficulty there, of course, is pendency is  
7 quite easy to measure and quality is much more difficult  
8 to define. So some further work there might be useful.

9           Then we talked about the impact of the  
10 E-Government on quality issues. And that brought forth  
11 some very good conversation, good discussion. There was  
12 an observation that the Trademark Office is in transition  
13 to a custom-designed, highly complex computer-based  
14 system. And it's fairly inevitable in that kind of  
15 transition that there will be frustrations and problems  
16 that arise. And this leads to a need for an extra focus  
17 on good communication pathways so we can identify and  
18 quickly respond to those problems.

19           And that brought forth a second issue of the  
20 possibility, or perhaps even a need, to have a more



1 focused computer support capability specific for the  
2 Trademark organization.

3           Currently, it's centralized in an office that  
4 covers both the Patent and the Trademark. And then some  
5 of us felt having a more direct response capability by  
6 dedicated staff for this kind of support within the  
7 Trademark Office possibly could be a good thing.

8           And that led to a further discussion on, as we  
9 transition to this electronic environment, it may offer  
10 some opportunities for some computer-generated automatic  
11 surveying going directly to end customers, that you now  
12 have the means of identifying and tracking and linking  
13 back actions to examiners, et cetera, and you might be  
14 able to program in the ability to do selective surveying  
15 of the end-customer community to get their feedback as to  
16 how they perceive some of the quality issues.

17           And then there was a request from the Trademark  
18 people, I guess, reflecting some of their frustrations on  
19 the ability to communicate and some of the changes and  
20 policy issues and how to do that more effectively so that

1 the end-user community is more aware of and can respond  
2 better to some of these changes in a more effective way  
3 and also then have a beneficial effect on overall quality.

4 MR. SAMUELS: Kim, did you want to add anything?

5 MR. MULLER: A little bit. Just for the record,  
6 Howard was also in on the meeting as a nonvoting member of  
7 TPAC. So he was also there, and he may have some  
8 comments.

9 MR. SAMUELS: Okay.

10 MR. MULLER: One of the things that we talked  
11 about, and it tends to be very helpful and I think our  
12 annual report would be much better if we do things like  
13 this and have the breakout sessions. The Office should be  
14 applauded for the quality control, the way in looking at  
15 it in the end-process review. And one of the things when  
16 you look at quality, you're looking at the operations and  
17 not what people normally do. That is difficult.

18 And one of the things that I heard this morning  
19 that I really liked is that they are getting back to  
20 examiners, telling them that they doing a good job,

1 they're doing a great job and excellent reviews. They're  
2 also getting back to examiners and telling them when  
3 they're not doing a good job. And that's the aberration.

4           And I think that the feeling overall is  
5 Trademark examiners are doing a good job. And I think  
6 it's borne out by the statistics that we see, the 9  
7 percent or so problems, the deficiency rates that we saw.

8           The other thing that what I've heard this  
9 morning -- and, Sharon, you can correct me if I'm wrong --  
10 is there they are actually looking now at the  
11 appropriateness of refusals. And in addition to that,  
12 they're doing a quality study on one, the weighing of the  
13 evidence and the presentation of the evidence in two  
14 different tracks. And I think that's going to be very  
15 productive for the examiners.

16           One of the questions that we had, or that I had,  
17 was whether or not they have enough people doing the  
18 quality reviewing. There was a question that went  
19 unresolved as whether or not they're hiring more people in  
20 the (inaudible). They presently have 11 examiners to do

1 this out of the addition to the 256 examiners that are  
2 currently on board and doing examinations.

3           Some of the areas that have more problems than  
4 others are drawing specimens. The Office can only deal  
5 with what the Office gets: Garbage-in, garbage-out. So  
6 if you give them bad drawings and bad specimens, the  
7 quality of those examinations are going to be a lot less  
8 than the applicants that give them drawings and good  
9 specimens.

10           And just to hit on one issue that Jon did hit  
11 on. I think it's felt that the computer support is not  
12 there yet for the Trademark examiners. And that if they  
13 could have just a segregated part of the Chief Information  
14 Offices area just Trademarks so that they can have a help  
15 desk just for Trademarks and they could ask questions,  
16 solely Trademark operations questions, I think that there  
17 would be much more productive quality that is put out.

18           Because I sense that there's a little bit of  
19 frustration from the fact that, if they have a computer  
20 problem, they talk to the same people that also do the

1 patent. (Inaudible.) And 10 to 15 percent of them are  
2 Patent people. So the Chief Information Officer probably  
3 is more attuned to answering questions on the patent  
4 issues than on the trademark issues overall just as a  
5 percentage. That's really all I have.

6 MR. SAMUELS: Howard, did you want to add  
7 anything?

8 MR. FRIEDMAN: I guess I would add a few from  
9 the examiners and also from TPAC's perspective, maybe two  
10 or three comments, some repetitive and some, perhaps,  
11 different viewpoints.

12 I think what our -- even though the topic was  
13 quality, what was pretty clear from what both Jon and Kim  
14 has talked about, is the impact automation has on quality.  
15 So just to follow up on that.

16 It sort of follows up on the E-commerce report  
17 that we had done within the last year that we had  
18 submitted to TPAC. We talked about the impact that the  
19 E-Government initiatives have. And what we've made clear,  
20 or what I've tried to make clear in our subcommittee

1 meeting today and what I would like to make clear to the  
2 TPAC group as a whole, is that we embrace new  
3 technologies. We embrace automation. We don't have  
4 issues with it. And we, in fact, as I said this morning,  
5 are willing to go out as a union on a limb to suggest that  
6 sometime down the road those automation tools will make us  
7 more efficient.

8           The problem is it's perhaps likely to say that  
9 the Office feels it makes us more efficient now. And we  
10 feel the opposite. And to the contrary, we feel they make  
11 us less efficient at this particular point in time. And  
12 you have this huge tension between the offices and this  
13 administration's interest and ways to get to E-Government  
14 initiatives and to a paperless environment and whether  
15 that makes you immediately more efficient or less  
16 efficient as you go through a learning curve.

17           And I think, as Jon and Kim pointed out very  
18 aptly, we're still clearly in the stage of learning how to  
19 use all of the informational tools. Not only we, but,  
20 frankly, the outside bar is still struggling with them.

1           So that leads to sort of the Point 2 that both  
2 had raised, and that is the impact of going to  
3 E-Government and the impact of going paperless has on  
4 quality and production. And the reality is, as we've said  
5 many times, or at least I've said many times, in order to  
6 improve quality, at least internal quality, it's largely a  
7 function of training and largely a function of time. And,  
8 of course, the more time you're given, the more difficult  
9 it is or the greater impact it has on production.

10           But as the external members have made clear,  
11 based on what TPAC has talked about in the past and today,  
12 the focus, if we're choosing between quality and  
13 production, should be on quality.

14           And that leads to the third point in one way and  
15 I agree with both. To improve quality is to strengthen  
16 the CIO. And I think we struggle with its infrastructure.  
17 We struggle being the small person on the block, not only  
18 physically by being down the street from Patents, but also  
19 just being the smaller animal at the USPTO. Even if it  
20 was the USPTO, we'd probably still be smaller party.

1           We need people who support Trademarks, just  
2 support Trademarks and not Patent, so we know that when  
3 you call the help desk they know what the problem is.  
4 They know how to solve it, and they know how to solve it  
5 quickly so that the examiners can get back to examining.  
6 So it would be great over the next few months or years if  
7 this body could explore how we can strengthen the CIO  
8 infrastructure to have direct support to Trademarks. And  
9 we would welcome that very much.

10           MR. SAMUELS: Does anyone else have any  
11 comments?

12           MS. LOTT: This is a question, I think,  
13 primarily for Howard. I have heard from a couple of  
14 outside attorneys that they in turn have essentially heard  
15 from examiners that they are having problems with the  
16 electronic filings, that sometimes all the data that goes  
17 into the electronic filings is not visible to the  
18 examiner.

19           Things like by way of example, someone got a  
20 call saying what was your state of incorporation. It was



1 in the electronic filing. It was in the filing receipt.  
2 The examiner, for some reason couldn't see it, couldn't  
3 access it. And there have been a couple of examples in my  
4 staff where examiners have gone to people saying, you  
5 know, wanting information that was there. But is that a  
6 problem?

7 MR. FRIEDMAN: That is a problem. That's sort  
8 of -- Kim brought up a very similar issue today when a  
9 corporation that he represents had filed and for some  
10 reason the full name of the corporation wasn't in that  
11 particular data field which led to, I guess, frankly, an  
12 increase in pendency, because the Office had to spend more  
13 time on paper, and in filing, I guess, a response or at  
14 least an issue that they never would have had to raise if  
15 it have been in that particular data field.

16 When we talked about data, we talked about a  
17 number of issues this morning. And we can just touch on a  
18 few of them. Clearly, for any applications, drawings, the  
19 clarity of drawings seems to be an issue. And, clearly,  
20 when you're filing use-based applications, specimens and

1 clarity of specimens is an issue. So we're struggling  
2 with it. And I know, as Kim and Jon made clear, the  
3 outside bar is struggling with getting up to speed on all  
4 of these E-Government initiatives.

5           It's a hurdle for us. It's a hurdle because  
6 it's the Office. And we understand this. The Office is  
7 trying to do everything at one point in time with us  
8 grappling with the same production system or perhaps a  
9 greater production system given that we're involved in all  
10 these different classes or examining all classes that  
11 we're struggling with any new initiatives.

12           So, yeah, I mean the list would go on and on.  
13 The problem that Kim had talked about, I think, is more  
14 common from what I've heard from the examiners where  
15 applicants, and perhaps your applicants if you represent  
16 them, send information back and they get an error message  
17 back that says it's too full; you have to delete some  
18 stuff. That obviously flies in the face of doing  
19 electronic examination. I think it's affecting both  
20 internal and external customers.

1           MR. SANDELIN: I think that's where we came down  
2 to having a mechanism for rapid identification of these  
3 with a problem and then having a rapid response team which  
4 is having a dedicated service that can come in and rapidly  
5 fix it. And those are two things that I think would come  
6 to say those are perhaps important things that we might,  
7 TPAC, support as a way of helping in the quality issue.

8           MR. FRIEDMAN: And that's a really good point.  
9 We may, or the 250 examiners, may chime in to Ron to  
10 Debbie to Anne, to Sharon. But, one, they obviously have  
11 a few other things on their plate. And, two, as we talked  
12 this morning, there is an issue of time and resources.  
13 And it would be nice if TPAC, with TPAC support, would  
14 somehow work together with the Office, work together with  
15 Chris and Jon and others, Jo-Anne and Eleanor, to see from  
16 a funding and from other viewpoint if there's a way some  
17 of the resources that CIO has or whether additional  
18 resources could be allocated from CIO to Trademarks  
19 particularly because, one, we think it's more important.

20           MR. SAMUELS: At least as important.

1           MR. FRIEDMAN: As important. But, two, we are  
2 ahead of the curve right now. And while everyone is  
3 trying to get up to the same point, if we're ahead of the  
4 curve and we're willing to take the risk of going first  
5 which, of course, from those learning experiences, Patent  
6 could learn from them, you would think that would be a  
7 large reason why some of those resources or more resources  
8 could be allocated to Trademarks.

9           MR. SAMUELS: Joe.

10          MR. WELCH: I wondered if you got to your idea  
11 of surveying customers during the process. You talked  
12 about your experience at Stanford. As I understood it,  
13 new applicants, since the computer can keep track of that  
14 kind of information, new applicants be could asked about  
15 their experiences, problems they had. Could you discuss  
16 that?

17          MR. SANDELIN: Yes. There was some discussion  
18 about that. And then I learned that there are some  
19 challengers, OMB oversight of this some of these  
20 activities that create perhaps not barriers that can't be

1 overcome, but certainly makes it much more difficult to do  
2 some of the things that might be useful to do.

3 I think there was general acceptance that  
4 looking at this was probably a good thing especially in  
5 the longer term because you're going to have the tools to  
6 do this in an automated way where there can be very little  
7 labor input once the system is in place. And maybe it can  
8 serve as a very important early warning system if you can,  
9 again, identify and get a high response rate that  
10 something is a problem, then it allows you to focus in on  
11 that area.

12 MR. WELCH: It seems like a great idea for  
13 problems that came up. But to address this kind of thing  
14 at the same time as these things are happening.

15 MR. SANDELIN: I can certainly document what  
16 we've done at Stanford, what we've done a little more  
17 broadly. And that might provide some interesting ideas,  
18 at least, for people to explore and consider.

19 MR. FRIEDMAN: One of the hurdles that I think  
20 Jon was referring to when it comes to OMB, as I understand

1 it, is the reluctance of OMB sometimes to go ahead and let  
2 the agencies do the surveys because they're not quite sure  
3 what the impact would be on the customer.

4           One of the things I also understand is, and this  
5 is something we can look at, if the customer is involved,  
6 including or involved, in preparing a survey, that  
7 apparently is a good way to try and overcome a hurdle when  
8 it comes to getting support from OMB.

9           So one of the things we had talked about at the  
10 end of our subcommittee hearing, is, if we were to go  
11 ahead and try doing one of their surveys if the Office  
12 could work, TPAC or some other group of people who  
13 represents the external customers apparently that goes a  
14 long way toward satisfying whatever requirements OMB has.

15           MR. WELCH: Sure. That sounds good.

16           MR. SAMUELS: I think that would probably be  
17 very valuable. The more feedback you get, the better the  
18 systems will be. So we could provide you with that  
19 assistance. I'm sure we'll be happy to.

20           MR. MULLER: I have a question on the examples

1 that, evidently, the examiners do not read information  
2 that has been submitted electronically. This can't be the  
3 first time the USPTO is hearing that. And I'm just  
4 wondering what steps are being taken to address that. And  
5 that seems very fundamental. And, again, I'm not a  
6 computer expert on the issue on how to fix things. But I  
7 would think that would be a pretty fundamental, a pretty  
8 easy way to improve the activity.

9 MR. CANNON: Gary Cannon, Trademark Program  
10 Control.

11 (Inaudible.) In the past, there was an error in  
12 TEAS that had some problems like that. I can't remember  
13 the full list of what the issues were. Some things  
14 happened on some applications, whatever. But the problems  
15 were identified and fixed obviously. And what we were  
16 fortunate enough to have with TEAS applications in the  
17 data is if the presentation doesn't give you (inaudible),  
18 and related data and present it.

19 We have taken stringent efforts to make sure  
20 that we don't release software with a problem. And we've

1 seen this recently with the (inaudible). We've gone into  
2 Madrid to make sure we're not releasing software until we  
3 think absolutely, we've stepped up, I guess, oversight or  
4 review of it to make sure we don't have those kinds of  
5 problems, recognizing the impacts of it. That was some  
6 time ago that I think it was the TEAS 1.C. I can't  
7 remember.

8 MR. MULLER: These are not recent examples, six  
9 months ago.

10 MR. CANNON: Which means it would have been  
11 filed a year ago.

12 MR. MULLER: It could be.

13 MR. CANNON: We did have a release. And we  
14 found problems and addressed them. We do as much as we  
15 can to fix them. (Inaudible.) And we are certainly  
16 trying to be very stringent, rigorously tested and proven  
17 to be reliable.

18 THE REPORTER: I'm sorry to interrupt. I need  
19 everyone to speak up. I'm having a very difficult time  
20 hearing people's comments.



1           MR. SAMUELS: And we probably need to move along  
2 in light of the time. Why don't we address some of these  
3 E-Commerce and E-Government initiatives. David and Maury  
4 were in this session. David, would you like to start?

5           MR. MOYER: Yes. I can talk about it.

6           We saw the FAST system. It's very efficient. I  
7 understand that by summer it's going to be available for  
8 all actions and not just first actions. So that should  
9 improve efficiency. The goal is to have the new  
10 electronic filing forms done by November 2, 2004.

11           There was talk about a fully integrated  
12 E-Commerce workflow hopefully done by the year 2005.  
13 Currently certain things get done electronically,  
14 (inaudible) and then get handed off before the mark  
15 actually gets published. And one would think it could be  
16 an even E-Commerce flow from application all the way to  
17 publication to issuance of the registration. So there's a  
18 good plan in place for that.

19           The TICR system -- and I'm not sure what that  
20 acronym stands for completely. But to me it's everything

1 is available sort of on one program as opposed to having  
2 to go out and get your work done by going to many  
3 different programs, minimizing one and maximizing the  
4 other. And there's no target date for when that could be  
5 accomplished by. So I know that there is work being done  
6 on that. But if there's not a target date, then things  
7 may not move as quickly as they otherwise would.

8           There's one piece of information that I know  
9 outside attorneys would like to have. And that is more  
10 information on office actions, even the nature of the  
11 office action. And that evidently is also a work in  
12 progress. I said, if it frustrates me to not have that  
13 information, I know that it frustrates the people who do  
14 this work day-in, day-out. I don't have a very heavy  
15 docket. So that would be great to move that one along.

16           The priority is a centralized docket. There was  
17 a little bit of discussion about co-pending cases. And it  
18 would be nice if two applications by the very same company  
19 that are very closely related could get assigned to the  
20 same attorney, the same examining attorney.

1 Chris Donniger said that he thought that PTO was  
2 waiting for something from the TPAC to describe what a  
3 co-pending is to give criteria as to how something should  
4 go to the same examining attorney. I could understand how  
5 this could be a problem. It's easy to figure out all the  
6 co-pending applications of a particular applicant. But  
7 among those which one should automatically go to the same  
8 attorney.

9 And I can see how electronically, these are all  
10 coming in. To have a system to go out and grab these two  
11 to go to the same person, for example, the wordmark on the  
12 exact same wordmark and design could go to the same  
13 attorney. I think that would be an easy one. Everyone  
14 would just nod their heads and say those two all out to go  
15 to the same examiner.

16 But, again, electronically, to get computers to  
17 do that, I'm sure that's not that easy to do. And it is  
18 something that users are interested in. And then you  
19 would get less inconsistency in the examination of two  
20 very closely related Trademarks.

1           The last thing is there's a big challenge. We  
2 saw Carlyle. And it's up and running cables and wires and  
3 everything else in there. And it's getting like new  
4 computers. And they were talking about moving a lot of  
5 computers and a lot of equipment.

6           That's a real challenge. Not only will there be  
7 a blackout period in terms of any changes going on so they  
8 can get up, get moved, and then get up and running again.

9           So that's a big challenge for the Office coming up. And  
10 I'm sure it will all go extremely well and issues will get  
11 addressed and life will go on.

12           I want to complement -- and I know that Jon  
13 suggested the interactive. I got more out of this session  
14 today than I did in the previous six than I've been to  
15 these meetings. With all due respect, we found certain  
16 questions and we got some things to talk about. It was  
17 much more informal, and I felt more comfortable in getting  
18 good answers than I have in the past. And I want to  
19 compliment you on that.

20           MR. SAMUELS: And I think the smaller meetings

1 sort of lends itself for more questions or dialogue than  
2 the session we're having right now.

3           Was the Office looking to us for how to define a  
4 co-pending case? Or is it more of an automation issue of  
5 how do you assign those co-pending cases to the same  
6 examining?

7           MS. COHN: I think -- and I don't think it was a  
8 TPAC issue. I believe it was in an USPTO Sub-Committee.  
9 And we were actually looking for some input --

10           MR. TEPPER: We sent that to Bob. I remember  
11 this conversation from a year ago when INTA was meeting.  
12 We were invited to provide that definition, and we did.  
13 Actually, we sent in a proposed (inaudible) on how to be  
14 handled. I can probably dig that out. I was about to  
15 ask...

16           DEBBIE COHN: I don't think we've seen it yet.

17           MR. MULLER: It hasn't.

18           MR. TEPPER III: I was going to change the  
19 subject.

20           MR. SAMUELS: Yes, Kim.

1 MR. MULLER: Let me just add one thing to  
2 David's report. The one thing I would add was moving to  
3 the centralized docket. Did you refer to that? Somebody,  
4 I think, referred to that earlier.

5 MS. CHASSER: Our plan is, when we move to the  
6 new facilities, that the way the new facilities are  
7 structured is that right now we have a docket for each law  
8 office. And now we're moving into one centralized  
9 docketing system.

10 As a follow-on, the E-Commerce saw that  
11 examiners pull cases electronically and it would be the  
12 first-in, first-out. But it's divide by law offices. So  
13 it's not necessarily (inaudible).

14 So in order to have greater predictability for  
15 pendency in the long run and also because of the new  
16 electronic systems, we are pulling all of the inventory  
17 into one consolidate docket. And we will be putting that  
18 on-line this summer because we have to make sure that it's  
19 working properly before we get to the new facility. So  
20 the consolidated docket is scheduled to go testing in

1 July, the beginning of July.

2 STAFF: It's planned to be in operation in July.

3 MS. CHASSER: It's planned to be in operation in  
4 July. So the immediate effect of that, because we will  
5 probably have very, very old cases will be thrown out, we  
6 will see a jump in pendency initially and eventually  
7 evening out. Because right now, the way we measure  
8 pendency is we average among each office. And so it will  
9 be. Does that answer your question?

10 MR. MULLER: Yes.

11 MS. CHASSER: And if I could just say something  
12 else. David was talking about the desire to have all the  
13 data information available on the web so you could check  
14 off the status of that application. That is the TICR  
15 system which is Trademark Information Capture and  
16 Retrieval System for those of you who don't know the  
17 acronym. And that is their entire data base of all  
18 actions taken within the Office. And it is our goal to  
19 get that available on the web as soon as possible,  
20 although we don't have a target date at this point because

1 we are hearing loud and clear from our constituency that  
2 this is an important expectation.

3 MR. SAMUELS: I think David made a good  
4 suggestion at the meeting, and I think maybe you had left  
5 before he made this comment. This is regarding checking  
6 the status of an application. And correct me if I'm  
7 wrong, but your idea was, next to the statement that  
8 there's an office action, that there would be some  
9 indication whether it's 2D or 2E, something that is  
10 relatively simple.

11 It would seem to be simple to implement as  
12 opposed to -- at least initially to get the access to the  
13 office action. And that would be down the road. In a  
14 more immediate basis to at least know without having to  
15 call up somebody locally to go and get the file whether  
16 this is a 2D issue or a 2E issue or some other issue.

17 MS. COHN: We think it's an easy issue to put  
18 TICRS on the web.

19 MR. TEPPER: If I could just raise a question  
20 and a comment. But I think it's important. (Inaudible.)



1 David touched on the electronic workflow  
2 capabilities. And this is something that the involvement  
3 of the TPAC (inaudible) but other committees I know it's a  
4 big part of the Strategic Plan. (Inaudible.) And the bar  
5 made with the user community, quality and efficiency was  
6 dependent on the ability for the Office to realize  
7 electronic workflow. And I heard very clearly (inaudible)  
8 is staying constant. Filings are going up. And pendency  
9 is going to increase. At the same time, our support for  
10 funding and (inaudible).

11 The other big thing to solve this problem is  
12 that the electronic workflow system, for lack of the full,  
13 correct name, that was originally to be launched last  
14 November. I know that the Madrid forms are complicated.  
15 I am concerned about where we stand. I've not heard a  
16 thing about the development of that capability.

17 And I see -- and when we hear these pendency  
18 numbers -- head counts staying the same and filings going  
19 up. And I would at least like to understand what, if  
20 anything, is being done about that system; or if nothing,

1 what can we do to (inaudible) crucial part of what we  
2 bargained for in fees and funding. I don't know if this  
3 is an information office issue or where it goes somewhere  
4 else.

5 MS. COTTON: The system was to provide the case  
6 files as well as work-flow rules behind the movement of  
7 the case files. We still have an expectation that it will  
8 being desirable to have that as one of the benefits. And  
9 we don't have it implemented.

10 As you pointed out, we have implemented one  
11 portion, and that is workflow, which is access to the  
12 electronic file for the first action which is the system  
13 called FAST (inaudible.) Demonstrated, moving out because  
14 we have a project right now scanning the application files  
15 into TICRS and making all the application data available  
16 on-line.

17 So our focus right now is extending FAST through  
18 the status of the examinations and eventually pushing this  
19 workflow model out to the entire trademark office. The  
20 two milestones that are provided by CIO is based on their

1 resource availability and (inaudible) extended out and  
2 further support for examinations.

3 I think talking about the volume and talking  
4 about what goes into it as well as these statuses we  
5 talked about going to registration. That part puts the  
6 date on that for preregistration.

7 STAFF: I would say the early part of next year.

8 STAFF: I don't have this schedule right here.

9 And then the July of 2005 date, which is what  
10 CIO has provided, that they believe they can write the  
11 software in extending the workflow on all registrations.

12 The planning scheduled we've got now, as we  
13 highlighted a few minutes ago, it is very important that  
14 our system puts one foot in front of another rather than  
15 because the calendar says we put it up. So we're moving  
16 forward on that.

17 CIO negotiated by contracts three milestone  
18 dates. So we're still moving forward on it, and we're  
19 going to be working incrementally to release delivery.  
20 And we are planning something just over a year long here.

1 That's the current plans.

2 MR. TEPPER: Given that that's really two years  
3 beyond the original roll-out date.

4 STAFF: Right.

5 MR. TEPPER: Does that impact or do we to need  
6 to look at other areas of resource staffing? It's a long  
7 time to be counting on those efficiencies not to have  
8 them. And if it's a question of attending to other  
9 priorities, I very much understand that. And I very much  
10 agree with you that you need to get it right rather than  
11 just get it.

12 At the same time, I'm still bothered by the fact  
13 that it's two years if this was really an essential part  
14 of the (inaudible) and around the edges. I sort of see a  
15 disconnect that I'm not getting to the bottom of.

16 MR. SAMUELS: Well said. I think that's  
17 something we can address in our report. But we need to  
18 move on to the next issue. Howard?

19 MR. FRIEDMAN: Not following up directly on what  
20 you said on pendency. And I just want to get something

1 out here. Because when we internally, I guess not  
2 internally, but sort of went back and forth on the reason  
3 in our final report why pendency went up and that the  
4 Office had focused on increased filings and I think the  
5 TPAC took a little different bend. It may have been  
6 increased filings. But there were a number of other  
7 reasons.

8           And I think it's important to get out there for  
9 a number of reasons that, in the last 32 months, if you  
10 get my drift, since September of 2002, obviously, we heard  
11 today that the pendency or the filings have gone up about  
12 11, 12 percent this year. And I guess they went up a few  
13 percentage points last year, but meanwhile, pendency,  
14 first action pendency, has gone up about 45 percent.

15           And that's clearly another disconnect that I  
16 think was part of your question that I think has to kept  
17 being put out there on the forefront as we focus on the  
18 reason pendency keeps going up as we focus on what's  
19 really most important, quality or pendency. And,  
20 obviously, as you well know, there are probably a million

1 other things I could say. But I just want to get that  
2 particular fact out before the TPAC.

3 MR. SAMUELS: The last group that met this  
4 morning dealt with issues before the Trademark Trial and  
5 Appeal Board. And Leslie, Joe, and Maury attended.

6 MS. LOTT: I'll be very brief given where we  
7 are. The meeting was wonderful, and we thank you very  
8 much for your time.

9 Three main issues. First of all, just a status  
10 report of where we are. The TTAB pendency is good. It's  
11 where it should be. There were some glitches in the  
12 recent past in terms of understaffing and a couple of  
13 issues with converting over from hard paper to electronic  
14 filing. But for the most part, these have been  
15 identified, they've been worked through, and everything is  
16 moving in the right direction and looking good.

17 There were two sort of new things that we, as a  
18 TPAC, need to focus on and be included in our report.  
19 First of all, there is the proposal for mandatory initial  
20 disclosure of discoverable documents and information. And

1 we have asked -- there's a very, very well written 30-page  
2 memo that sets out all the details for doing that. There  
3 may be an executive summary of that so that we can  
4 circulate that and get comments on it and we hope to  
5 include a thoughtful feedback and recommendation in the  
6 final report.

7           And then the other thing is the proposal for an  
8 accelerated case position in the TTAB. And once again,  
9 between now and the time we prepare the final report,  
10 we're going to need to circulate a proposal and talk about  
11 it, probably on-line, maybe a conference call. And those  
12 are the issues, should be the issues, that we discussed  
13 this morning.

14           MR. WELCH: Well, one thing that was encouraging  
15 to hear is that electronic filing of new oppositions and  
16 cancellations and ex part appeals, you can do that  
17 electronically now. It just started up last month and  
18 already is having a very large percentages of filings  
19 being electronic. So it's a success story, I think.

20           MR. SAMUELS: Maury, did you want to add

1 anything?

2 MR. TEPPER: I'd like to amplify. And this is  
3 the second chance. We came up here in February and we had  
4 a chance. And as David said, it was extremely helpful, I  
5 think, just to get this kind of information to get a  
6 better understanding of the workflow.

7 Joe touched on the facts that the electronic  
8 systems are extremely (inaudible). TTAB, and in fact,  
9 some of the statistic on use are really stunning when we  
10 consider it has only been out barely a month. And we're  
11 already seeing 24 to 32 percent use of forms that have  
12 just emerged and with no advanced publicity about it. I  
13 think some of the benefit of all the TEAS operations that  
14 some people are aware of electronic action in the TTAB is  
15 extremely well received. (Inaudible.)

16 They do have electronic filing workflow at the  
17 Board. And I commend them for that. And I think a case  
18 study for us to see how that impacts efficiency. The  
19 Board has done an excellent job of planning their work  
20 efforts. And the staff has sort of been resource-oriented



1 in reducing those staff areas over the last couple of  
2 years largely due to attrition. And so there appear to be  
3 some deficiencies in staffing that they realize and adjust  
4 to over time in a smooth manner. And I think, from the  
5 user community, they are uniformly positive experiences  
6 with the electronic system.

7           The only other issue I'll raise is because of  
8 the time issue. We can take home the two proposals we  
9 have before us. But the other thing that came to us, and  
10 this was not at the Board saying we need this, asking  
11 about how things. Resources are tight throughout the  
12 office, staffing (inaudible).

13           One thing they simply don't have in the budget  
14 that allows for now is training and education. And if you  
15 look at the amount of change that's occurred in the  
16 workflow and processes, it's stunning they're able to do  
17 as well as they're doing. But I think we need to consider  
18 and talk about how can we accommodate this.

19           And this is probably not just a Board issue, but  
20 in the Office is the need for ongoing training both here

1 within the Office and also with the bar and the user  
2 community.

3           And I'll be involved in other associations. I  
4 think that we can play some role in that in getting the  
5 word out to users what's out there, and how you can use it  
6 effectively. And it's an issue for us to discuss in the  
7 future.

8           MR. SAMUELS: Thank you. Does anybody else have  
9 any comments?

10           Okay. Let's turn to future plans. I guess a  
11 couple of things that we need to address first and  
12 foremost in light of Maury's comments regarding getting  
13 back to the Board with respect to David's proposal on  
14 mandatory disclosure and accelerated consideration of  
15 cases. We need to start focusing on that proposal. Will  
16 there be an executive summary ready within the next of  
17 weeks on that?

18           VOICE: Yes.

19           MR. SAMUELS: Okay. So why don't you forward  
20 that to me, and I'll forward it to everybody. And then we

1 could, amongst ourselves via e-mail, try to hammer out a  
2 position and get back to the Board relatively quickly but  
3 before the end of this fiscal year which ends by September  
4 30.

5           Our annual report is due November 30. And as we  
6 did last year, if no one has any objections to this, I  
7 would propose that the various committee members be  
8 assigned to do at least a first draft on various issues,  
9 probably those issues that we focused on this morning  
10 during those breakout sessions.

11           I'll be then in charge of trying to massage and  
12 put it all together into a cohesive piece which will then  
13 be distributed for further comment. And I would propose  
14 that probably in connection with our next meeting we try  
15 to set aside some time then to sort of polish the document  
16 so we can get it to the Office in time to meet the  
17 necessary deadlines.

18           With respect to the next meeting, given the fact  
19 that Trademarks is going to be moving in October, Anne and  
20 I discussed this, we probably do not want to meet in

1 October. Probably the best time to meet would be early  
2 November given the fact that our report is due at the end  
3 of November and given the fact that I am told that the  
4 INTA-midyear meeting this year is one week earlier than  
5 normal. So I'll be taking a look at the calendar and  
6 getting back in touch with everybody with possible dates.  
7 We're probably looking at that first week in November.

8           Do we have any other business that we need to  
9 take care of before we adjourn?

10           If not, then I think we are adjourned.

11           [Meeting was adjourned at 3:29 p.m.]

12   -oo0oo-

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CERTIFICATE OF STENOTYPE REPORTER

I, Jane F. Hoffman Stenotype Reporter, do hereby  
certify that the foregoing proceedings were reported by me  
in stenotypy, transcribed under my direction and are a  
verbatim record of the proceedings had.

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JANE F. HOFFMAN

86

1 \*\*I-N-V-O-I-C-E\*\*\*\* \*\*\*\*I-N-V-O-I-C-E\*\*\*\*

2 JANE F. HOFFMAN

3 TODAY'S DATE: 7/4/04

4 DATE TAKEN: 6/3/04

5 CASE NAME: Patent & Trademark Public Advisory Committee

6 Meeting/Closed session

7 **TOTAL: -- PAGES:** 97

8 DELIVERY: Conference Rate