



Recommendations for Consideration by the Incoming Administration Regarding  
**THE U.S. PATENT  
AND TRADEMARK OFFICE**

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# Letter from Thomas J. Donohue

Dear Reader:

The U.S. Chamber of Commerce is actively advocating a growth and prosperity agenda for America. We're hard at work in such critical areas as strengthening capital markets, creating jobs through trade, and modernizing our nation's infrastructure. But all of our initiatives are inextricably linked to a fundamental belief that innovation is a vital engine for economic growth and global development, and that intellectual property rights are critical to promoting innovation.

America's innovators are continuously discovering new technologies and processes that create jobs, offer cures for deadly diseases, generate solutions for improving our energy security, provide us answers for addressing climate change, and develop novel ways to expand the information superhighway. Given the time, energy, and investment they put into their research, these entrepreneurs should expect to obtain patent rights for their discoveries promptly, efficiently, and reliably.

Over the years, successive administrations have made the protection of intellectual property one of their highest priorities. We appreciate the efforts of the dedicated leaders and staff of the U.S. Patent and Trademark Office, all of whom have worked hard to process the deluge of patent applications that has reached crisis proportions. Because the expectations and needs of America's innovators are not currently being met—putting them and our nation at a competitive disadvantage—the Chamber's Global Intellectual Property Center assembled a bipartisan panel of experts to make thoughtful recommendations about how to improve the efficiency and effectiveness of the U.S. Patent and Trademark Office.

The panel's work and recommendations are assembled in this report, which we plan to share and discuss with the incoming administration. It is our hope that this report will serve as the blueprint for reform that will continue to spur innovation, protect intellectual property, and ensure America's competitiveness well into the 21st century.

We invite you to join us in this important dialogue.



Thomas J. Donohue  
President and CEO  
U.S. Chamber of Commerce



### About the U.S. Patent and Trademark Office

For more than 200 years, the basic role of the U.S. Patent and Trademark Office (PTO) has remained the same: to promote the progress of science and the useful arts by securing for inventors the exclusive right to their respective discoveries for a limited time (Article 1, Section 8 of the U.S. Constitution). Under this system of protection, American industry has flourished. New products have been invented, new uses for old ones have been discovered, and employment opportunities have been created for millions of Americans.

The strength and vitality of the U.S. economy are directly dependent on effective mechanisms that protect new ideas and investments in innovation and creativity. The continued demand for patents and trademarks underscores the ingenuity of American inventors and entrepreneurs. The PTO is at the cutting edge of the nation's technological progress and achievement.

The PTO is a federal agency in the Department of Commerce. It occupies five interconnected buildings in Alexandria, Virginia, and employs more than 9,000 staff to support its major functions,—the examination and issuance of patents and the examination and registration of trademarks.

The PTO has evolved into a unique government agency. Since 1991—under the Omnibus Budget Reconciliation Act of 1990—the agency has been fully fee funded. The primary services the agency provides include processing patent and trademark applications and disseminating patent and trademark information.

Through the issuance of patents, the PTO encourages technological advancement by providing incentives to invent, invest in, and disclose new technology worldwide. Through the registration of trademarks, the agency assists businesses in protecting their investments, promoting goods and services, and safeguarding consumers against confusion and deception in the marketplace. By disseminating both patent and trademark information, the PTO promotes an understanding of intellectual property protection and facilitates the development and sharing of new technologies worldwide.

# Regarding the U.S. Patent and Trademark Office

## Executive Summary

The United States Patent and Trademark Office (PTO) is an agency in crisis facing significant challenges. The most significant of these are as follows:

- A 750,000-application backlog awaiting a first action that continues to worsen
- The possible reintroduction of patent reform legislation in the 111th Congress, which, if enacted, may assign new responsibilities to the PTO
- Making effective and efficient use of a \$2 billion budget derived solely from user fee revenues
- Directing more than 9,000 employees, many of whom have less than five years of examining experience, in a highly unionized and information technology-driven work environment
- Coordinating domestic programs within an international framework that is intensely divided along north/south lines

The table below illustrates the profound internal changes that have occurred over the past 20 years:

	<b>Budget</b> (\$ millions)	<b>Patent</b> <b>Examiners</b>	<b>New</b> <b>Applications</b> <b>Filed</b>	<b>Total</b> <b>Backlog</b>	<b>Average</b> <b>Pendency Time</b> (in months)
<b>1988</b>	\$144	1,540	148,000	268,000	20
<b>1998</b>	\$567	2,590	240,000	481,000	24
<b>2008</b>	\$1,915	5,960	463,700	750,600	32

Despite the best efforts of the PTO's patent examination and support staffs, prevailing perceptions within the patent community are that the quality of patents issued is declining at a precipitous rate. Rigorous patentability standards must be met if confidence in the validity of U.S. patents is to be restored.

With these general observations as a baseline, the goal of these papers is to stimulate a fresh dialogue on the best ways to improve the PTO's patent examining performance. These papers focus on the challenges facing the Patents organization within the PTO, not the Trademarks organization, and not the patent reform legislation pending in the current Congress and expected to be reintroduced in the 111th Congress.

Possible solutions that have been identified are intended to stimulate a dialogue to address the myriad complex issues that currently exist. In some cases, the ideas presented are not new, but all of them reflect the most relevant contemporary thoughts of the authors, who are leaders within the patent community and collectively possess more than 200 years of experience in the PTO. In short, the proposals are aimed at strengthening one of the most important agencies in the U.S. government—the U.S. economy simply cannot prosper without a viable patent system.





## Recommendations for Consideration by the Incoming Administration

The recommendations<sup>1</sup> focus on solutions that could do the following:

- Improve the quality of U.S. patents.
- Provide adequate resources to do the job.
- Reform the patent examiner production system.
- Improve the timeliness of administrative actions.
- Strengthen the PTO's relationship with the user community.
- Enhance organizational management.
- Appoint a well-qualified undersecretary and director.
- Permit applicants to defer patent examination.
- Rethink the current fee schedule.
- Enhance efficiency of the examination process by reforming examiner and applicant incentives.

The papers that support the attainment of these objectives are intentionally kept brief. Facts, figures, and analyses are available, but the goal of the authors at this stage is to inform and stimulate discussion among new policymakers, innovators, the business community, and stakeholders from every region and technology sector. If some of the possible solutions suggested above or other ideas and solutions from other players gain some traction, then more in-depth analysis and discussion of the details behind those solutions can take place.

Time is not an ally of the PTO. Decisions must be made, and new directions set immediately, to reverse the deterioration of the PTO. The patent community in its broadest sense stands ready to do its part to make that a reality.

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<sup>1</sup> The papers collected in this document were produced by several individuals. The views presented represent the personal opinions of the contributors and not necessarily the views of the organizations with which they are affiliated. While the suggestions represent the general consensus of the contributors, there is not unanimity among the individual contributors regarding the suggestions offered.

# Regarding the U.S. Patent and Trademark Office

## Improve the Quality of U.S. Patents

### Issue

High-quality patents are the foundation of the U.S. patent system. In turn, high-quality examination results in granted patents that have the confidence of the public, investors, and the business community. Efforts to improve patent quality should be a primary objective of the administration, Congress, and the users of the patent system. The goal should be to do examination right the first time with thorough prior-art searches, complete first office actions with early indications of allowable subject matter, and early resolution of patentability issues. High-quality examination includes both allowing claims that are patentable as well as rejecting those that are not. Improper rejection is as much an indicator of poor-quality examination as is allowing claims that should have been rejected.

### Possible Solutions

- The PTO should create incentives for applicants to aid the examiner in the examination process by establishing programs permitting the following:
  - A pre-search interview with the examiner to discuss search and application content issues.
  - A pre-first action interview in which the results of the examiner's search can be discussed in relation to the pending claims. This process will increase the chances for first action allowances and significantly reduce the need for submission of amendments, a final rejection, or a Request for Continued Examination (RCE).
- Through fee and order of examination incentives, applicants can be encouraged to participate in these programs with benefits to examiners and applicants as to timeliness and quality of examination.
- The PTO should expand and enhance training programs for patent examining personnel. Patent examination is a highly complex process requiring both technical and legal skills. Formal classroom training, on-the-job mentoring, updated training, and technical training from experts in the field are all required to ensure a highly skilled examination staff, which will result in the issuance of high-quality patents. Additionally, patent law is continuously being reinterpreted through decisions by the Board of Patent Appeals and Interferences at the PTO as well as by the federal courts. It is essential for high-quality examination that continuous training be provided to maintain examination skills. The training materials and PTO policy changes should be published and made readily available to the public on the PTO Web site.
- The PTO should work with the patent users to jointly develop models for the attributes of drafting high-quality patent applications that meet statutory patentability criteria (35 U.S.C §§ 101 and 112, first and second paragraphs especially).





## Recommendations for Consideration by the Incoming Administration

- The quality of patents also depends upon the systems provided for the search and examination of the applications. The PTO should consider improving the quality of the search tools provided for the patent examiners, including new search engines and more patent reclassification projects.
- The PTO should work with the user community to create a new quality metric that better reflects the overall quality of U.S. patents. Traditionally, the quality of U.S. patents has been measured internally at the PTO by a quality review program. With the help of the user community, new quality metrics should be established that employ both internal and external data to measure the patents. The quality metric should include a review of both allowed applications and the advanced rejections, with transparency and focus on the quality of all actions based on the prior art and the application of case law without striving for an artificial “allowance rate.” Such focus harms applicants by removing or delaying patent rights and apparently stifles business and the economy.
- Several industry and stakeholder surveys have indicated a lack of confidence in the PTO’s metrics for measuring and reporting on patent examination quality. Consistent with best practices from other large patent offices for transparency and a quality management structure compliant with industry quality standards, a review is recommended of the methodologies utilized for quality management and the organizational structures and placement of those organizations responsible for oversight of the quality of PTO products. Such organizations would include the Office of Quality Assessment and the Board of Patent Appeals and Interferences.
- The PTO should expand the peer-to-patent pilot program. The PTO has established a voluntary peer-to-patent pilot program to elicit input from members of the public and industry on the patentability of pending applications. The program is open to applicants who volunteer to publish their applications for peer review. Expansion of the peer-to-patent program is recommended as a possible enhancement of examination quality. Any expansion of the program should include adequate safeguards that will ensure the integrity of the program. This will encourage applicants’ participation in the program while preventing third parties from turning the program into adversarial pre-grant opposition proceedings or imposing inappropriate burdens on applicants or the PTO.
- The PTO should increase opportunities and incentives for patent examiners to become lawyers or to gain expanded legal training by providing specific career path options with rotational assignments and mentoring for examiners seeking law degrees. Specific positions should be created in the Patent Examining Corps that require a law degree to assist patent examiners without law degrees in handling complex legal issues.
- A review of the current restriction practices should be considered to evaluate their correctness. The review should identify the appropriate use of restrictions and consider the impact of extensive restrictions on the pendency, backlogs, and potential loss of rights for inventors stemming from costs.
- The current duty to disclose material information to the PTO under 37 CFR 1.56 should be reemphasized without creating new requirements on applicants. The highest quality examination and the strongest patent protection occur when the PTO has all material information at the time patentability decisions are made. The applicant’s disclosure of known material information is critical to a high-quality examination process.

## Regarding the U.S. Patent and Trademark Office

- An important facet of advancing prosecution efficiently and with high quality involves the ability to schedule face-to-face interviews with patent examiners. The examining staff has dramatically increased over the past few years to address the backlog, and this has contributed to changes and challenges and raised more possible changes. Change is inevitable and provides positive advancement, but often involves trade-offs. Some concepts to consider stemming from this growth include expanding the current facilities at the PTO to accommodate the increased examining corps or developing regional office(s), with the recognition of the attendant challenges of funding, training, and location of such regional office(s). Should the PTO move to a virtual office environment, it should expand televideo conferencing to improve access to examiners who do not work at headquarters.
- The PTO should ensure that claims are adequately supported by their corresponding specification. Effectively enforcing the existing requirement to have the claims adequately enabled and described across their scope by the specification would ensure that the patent properly teaches the invention to the public, and that the boundaries of the claims are clear.



### Provide Adequate Resources to Do the Job

#### Issue

Today, the PTO faces record filings and longer pendency, while unable to address a significant backlog of applications. Public concerns over the quality of patents granted have driven a desire for new legislative and regulatory initiatives to improve the examination process. In addition, the PTO continues to face challenges of training the largest examiner workforce in the agency's history, more than 50% of whom have been on the job for less than three years. Addressing these challenges requires funding sufficient not only to cover current costs of the agency but to finance improvements.

For more than a decade (1991–2003), approximately \$750 million in user fees was withheld from the agency and diverted for use by other agencies under the Commerce-Justice-State Appropriations bill, precluding the PTO from hiring enough additional examiners over this 12-year period and resulting in a critical deficiency of experienced, well-trained examiners today. Such a void cannot be filled by Congress appropriating adequate funding to the PTO for the last three or four years. This lack of access to needed funds comes at a time when applications have increased along with the complexity of technology. Many of the pendency, automation, and quality problems facing the PTO today can be attributed in part to the lack of funds.

Users of the patent system currently are filing more patent applications, placing additional stress on the system. Also, allowance rates have decreased and, for those patents that are granted, more patent owners may choose to not maintain their granted patents for their full term, a phenomenon that has been seen at the European Patent Office (EPO). Through FY 2007, maintenance fees in the United States have been maintained through the third stage (fees paid at 11.5 years into the patent term) without a noticeable decline. A future drop-off in maintenance fee payments, in addition to a lower than expected allowance rate, may result in a loss of income that the PTO might otherwise have received through the collection of user fees.

#### Possible Solutions

Possible solutions include providing adequate resources to do the job by increasing user fees as necessary to fund critical improvements in patent examination quality and timeliness and advocating for a permanent legislative end to future fee diversion.

Although the PTO's leadership has acknowledged that money alone will not address all the problems it is facing, increases in user fees would help fund critical improvements and new initiatives, including enhancing ways to measure in-process examination quality and improving training opportunities. Many patent owners and applicants have said that they would be willing to pay more in user fees if those funds were fully accessible and were used to improve quality and timeliness with measurable results.

In addition to a legislative fix to end fee diversion, consideration could be given to the more complete fix of transforming the PTO into a government corporation (see paper titled Enhance Organizational Management, page 15).

Rethinking the fee schedule may also be warranted to adjust for current patent applicant and holder behaviors as the patent user community attempts to properly claim and obtain adequate rights in new technologies.

# Regarding the U.S. Patent and Trademark Office

## Reform the Patent Examiner Production System

### Issue

The production system has not been changed since 1976. As it now stands, the system defines the amount of time, on average, that an examiner receives to appraise a patent application. There is criticism from stakeholders and the examiners that the system itself is an impediment to decent-quality examination. It is necessary for efficient application processing and to maintain or reduce pendency levels, but it needs some revisions for better quality, more efficient processing, and higher examiner morale.

Before getting into the possible solutions, it is important to understand the PTO's historical approach to setting production goals. For 40 years, the PTO has been using a mostly unchanged production goal system to drive the examination of patent applications and evaluate the performance of the patent examiners. (In the 1960s, Commissioners Ladd and Brenner instituted the PTO's current production system, based on the principle of compact prosecution.) Over this period, changes have been made in a variety of individual areas to adjust the goals for new technologies or for those that experienced significant growth and an increase in complexity, such as biotechnology.

A small, more global change was made in 1976. The production system allocates credit for only some of the actions written by the examiners in an application (examiners receive production credit for an initial patentability determination action and for the ultimate action completing work on the application). The production goal for an individual examiner in a set period of time is determined based on a complexity factor assigned to each technology, a position factor assigned to each GS-grade, and the authority level of an examiner. An award system provides monetary awards for levels of grade, and the higher than an examiner's assigned production goal while meeting at least fully successful quality and timeliness standards.

PTO management has the right to set the production goals, but the examiners' union, the Patent Office Professional Association (POPA), would have the right to negotiate the impact and implementation of any changes to the system. This makes changes difficult and slow to implement. The collective bargaining agreement (CBA) for the examiners has been in place for decades but is currently being negotiated with POPA. Considering past history, the final resolution of this negotiation will be determined through arbitration and will likely carry over into the next administration. The CBA typically includes an article that outlines performance management and allows the insertion of a separately negotiated production goal system.

The production system is a primary cause of dissatisfaction among examiners. Concerns are grounded in the system's failure to provide adequate time to conduct a quality examination of the patent applications, the inequitable distribution of the complexity factor among technologies, and similar or more complicated areas receiving fewer hours to handle an application than other areas of lower complexity.

The PTO did an experiment allowing a group of examiners to work for a period of time without a goal. The finding was that these examiners did less than the necessary amount of work. The examiners in the study themselves indicated that they required a goal to understand how much work was to be completed. Because of the large number of applications and backlogs in the PTO, a production system is essential to the efficient completion of applications and to maintaining or reducing patent pendency levels. Any changes to the production goal system must maintain efficiency and reduction of the backlog.



## Recommendations for Consideration by the Incoming Administration

Stakeholders criticize the system as a factor that detracts from the accomplishment of a quality examination. However, the evaluation system would be a very contentious and difficult to change. Nonetheless, certain changes could be made to the system to improve performance of the PTO and address some of the concerns of the patent examiners.

In addition, the PTO has failed to take full advantage of the search results available under the Patent Cooperation Treaty (PCT). The PTO received nearly 450,000 national phase patent applications through the PCT in 2006, according to the World Intellectual Property Organization's latest available statistics, each with a search report which the PTO examiners are permitted to ignore. These searches, paid for by applicants' fees, are generated by examiners in other patent offices, examiners in the PTO, or PTO contractors. Clearly, greater utilization of the PCT search results by the PTO would save examiner time, increase efficiency, and reduce the backlog.

### Possible Solutions

- Review the current production goal system and more equitably adjust the goals by relative complexity of technology.
- Consider revising the count system to change the credit given for certain applications or tasks:
  - Reduce the credit for continuation applications, but adjust goals so more time is given for a first case to provide quality examination.
  - More aggressively leverage the work done in companion applications, including the PCT or those filed in other patent offices, and reduce the credit given to the examiner for the U.S. application.
  - Take advantage of work done by other patent offices on counterpart applications.
- Provide time after final rejection to consider amendments and affidavit information, and include incentives for examiners and applicants to encourage allowance of a case without the need for filing an RCE.
  - This may include either allowance of the application or putting the application in better condition for appeal to the Board of Patent Appeals and Interferences.
- Consider a flat goal awards program.
- Reconsider counts given for each application (equal counts for first actions and disposal, should other actions be given credit? Or should more credit be given for initial patentability determinations than for disposals?).
- Encourage pre-search and pre-first office action interviews with examiners to improve efficiency and effectiveness, leading to fewer actions per disposal and RCE.

The essence of these possible solutions is aimed at revising the production goal system to provide more balanced distribution of goals across technologies. This would help ensure that more time could be allocated for the first examination of an invention.

# Regarding the U.S. Patent and Trademark Office

## Improve the Timeliness of Administrative Actions

### Issue

The processing and examination of patent applications involves many tasks conducted by various people in the PTO and other patent offices. Delays necessarily occur because of staffing limitations, and also inefficiencies and inflexibilities in the system.

It is in the interest of the public and the business community to establish patent rights within a reasonable period from the date a patent application is filed. It has been suggested, however, that not all applicants share this goal, as their interests are best served by delay so that resources can be allocated to the aspects of their invention that have the greatest commercial value. Without statutory limits on the opportunities now available to applicants to seek patent protection on an invention, some believe there is little the PTO can do administratively to curtail delaying tactics now available to applicants.

On the other hand, there clearly are inefficiencies in the present system that could be addressed in a way that is likely to lead to reduced pendency for applicants who seek the prompt resolution of patentability. In the face of these inefficiencies and the growing average number of actions issued by a patent examiner in each application before it is finally disposed of, the following actions should be considered:

### Possible Solutions

- Efforts should be continued to hire, train, and retain a qualified examining staff to meet workload needs.
- An important aspect of any examination is having the best prior art available at the beginning of the examination process. To this end, the following initiatives should be explored:
  - Outsource searches to qualified vendors with accompanying increased efficiency of examination.
  - Improve cooperation/communication among high-quality examining offices working on corresponding applications.
  - Reduce credit to patent examiners who work on applications containing a PCT search from high-quality International Search Authorities, RCE, or a continuation application.
  - Consider options for encouraging applicants to conduct a search in areas of classified patent files and/or technical literature considered most relevant and to timely submit the results to the PTO.
- The examination process, other than search, also offers several opportunities to improve efficiency:
  - Consider expanding the First-Action Interview Pilot Program.
  - Encourage greater use of First-Action Interview Pilot Program telephone interviews.
  - Recognize search results from first filing offices.
  - Consider recognizing examination results from first filing offices.
  - Reduce credit given to examiners for actions in continuation applications and RCEs.





## Recommendations for Consideration by the Incoming Administration

- Additional steps can be taken to improve the overall climate and attitude of the examining corps.
  - The Second-Pair-of-Eyes Review program was designed to ensure high quality in issued patents. However, the current program seems to be breeding a negative attitude among examiners and many applicants. The concept of quality review is essential, but the focus needs to change so that poor, unjustified decisions are not made in the alleged interest of quality.
  - Rocket docket/petitions must be revamped to improve accessibility to larger population of applicants and restore focus on national priorities (e.g., cancer research, environment) rather than making them available only to those who can afford the burdensome search and patentability analysis required today.

# Regarding the U.S. Patent and Trademark Office

## Strengthen PTO's Relationship with the User Community

### Issue

In its efforts to address day-to-day operations and long-term strategic issues, it is important that the PTO fully comprehend the ramifications of its actions and their impact on the user community. It is also important for the user community to fully understand the challenges faced by the PTO and the constraints it has in addressing them.

Traditionally, the PTO has proactively reached out to patent and trademark stakeholders and to the public to explain the problems and issues confronting it and to solicit input for addressing them. Over the last three to four years, however, the PTO has increasingly formulated policies without any significant outside input. Proposals to amend the requirements for information disclosure statements, change the format and content of briefs filed with the PTO's Board of Patent Appeals and Interferences, and impose new requirements on applicants seeking to encompass all the species of their inventions in a judicially sanctioned "Markush claim" are among the examples of policy changes promulgated by the PTO with little or no public input. These proposals all appear to be guided by a theme of "what's most expedient for the PTO," not "what's best for the patent system." Further, when proposed rules have been published for comment, PTO representatives engaging in discussions of the proposals give the clear impression that they are more focused on defending the proposals than on openly seeking comment and better proposals.

This has gradually led to a deterioration of relations between the majority of stakeholders and patent officials in the PTO. Perhaps most emblematic of this deteriorating relationship, for the first time in history, a lawsuit was filed in 2007 to enjoin a proposed rules package to restrict the flexibility of patent applicants in obtaining protection for their inventions. This suit, supported by amicus briefs from a large number of stakeholder organizations, resulted in the PTO being enjoined from implementing the proposed rules.

### Possible Solutions

- More fully explain the problems confronting the PTO and solicit the public to assist in addressing them:
  - Publicize problems the PTO is facing and convene public hearings or town hall meetings around the country to allow the public to participate in finding solutions.
  - Use speaking engagements by senior PTO leaders to further publicize the problems the PTO faces and the constraints it faces in seeking solutions.
  - Make greater use of advance notices of proposed rulemaking for significant departures from current practice.
  - Be more transparent about PTO operations, at least down to the examining group level (publish information regarding the pendency of applications, the number of RCEs, appeals, number of pre-appeal brief conferences and appeal conferences and their outcomes, reexaminations, etc.).





## Recommendations for Consideration by the Incoming Administration

- Allow adequate time for the public and users to study, reflect upon, and comment upon proposed policies and rules before implementing them.
  - Provide complete factual backgrounds and reasons for proposed rule packages.
  - Be cognizant of the needs of users, especially organizations, to consult internally, and always allow sufficient time for careful reflection and comment, taking into account vacation periods, holidays, and other PTO proposals affecting the same user community.
- Adopt more open and transparent procedures for the Patent and Trademark Public Advisory Committees.
  - Provide for a more democratic and transparent process for selecting members of the Public Advisory Committees to ensure that they actually represent the diverse constituencies mandated by statute (including inventors, industry, and academia).
  - Provide better notice of when the Public Advisory Committees are planning to meet and open more of the meetings to the public (perhaps through webcasting) so that the public will have greater knowledge of the Committee's deliberations leading to recommendations.
  - Provide prompt publication of the minutes of Public Advisory Committee meetings to better inform the public of their activities and the rationale for their recommendations.
- Openly invite and consider new approaches from industry and academia to enhance patent quality.
  - Encourage suggestions for new techniques such as “peer-to-patent” and mining of nonconfidential PTO data to develop new approaches to enhance patent quality.

# Regarding the U.S. Patent and Trademark Office

## Enhance Organizational Management

### Issue

The PTO has been in a state of organizational transition since 1991, when the concept of 100% user fee financing became law (the Omnibus Budget Reconciliation Act of 1990). Eight years later, Congress enacted legislation in the American Inventors Protection Act to convert the PTO into a performance-based organization (PBO). This provided some limited administrative flexibilities, especially in the areas of budget, employment levels, procurement, and property. These authorities, while desirable, do not exempt the PTO from a much broader range of bureaucratic controls imposed upon typical federal agencies. Stated in a different way, the PTO continues to be hampered in its commercial-like operations by an organizational framework that was not designed for the 21st century. The problem is simply this: The PTO is unable to respond as quickly or effectively as it needs to in the face of a rapidly growing demand for high-quality, timely service under the PBO framework. It is still subject to the political vagaries of the appropriation process and it cannot make strategic decisions effectively, including establishing pay and retirement systems that would make it more efficient and competitive.

### Possible Solutions

The PTO needs to be established as a corporate entity, with no diminution of its current status as an agency of the U.S. government, in order to improve the delivery of service and products to its clients. More than 60 years ago, Congress enacted legislative criteria for evaluating whether a federal agency was a suitable candidate for a corporate-style organization framework (Government Corporation and Control Act of 1945). Since then, more than 30 wholly owned government corporations have been created in separate bills because Congress deemed them to be:

- predominantly of a business nature,
- self-sustaining,
- engaged in business transactions with their clients, and
- in need of more flexibilities to achieve their missions successfully.

This solution has been pursued for almost 20 years. The National Academy of Public Administration, a congressionally chartered think tank, issued reports in 1989 and 2005 concluding that the PTO meets all of the statutory criteria of a wholly owned government corporation. Committee hearings were held and several pieces of legislation were introduced, one of which passed in the House of Representatives in 1997 (H.R. 400). The Senate companion bill did not pass (largely because of contentious issues involved in the current patent reform debate), and the PBO option was the compromise result.

The proposed solution had both supporters and opponents, and it is not without controversy. The PTO labor unions argued that a government corporation would weaken employee rights. Small entities criticized earlier proposals as being good for multinationals, but not for universities, independent inventors, or small businesses. Support for the concept will likely continue to come from such organizations as American Intellectual Property Law Association (AIPLA), Intellectual Property Owners Association (IPO), American Bar Association (ABA), National Association of Manufacturers, and other trade associations, especially those that represent the advanced technology sectors.





## Recommendations for Consideration by the Incoming Administration

Each of the government corporations created to date was legislatively established to provide unique authorities that fit the needs and circumstances of the corporation. In the case of the PTO, there are many different options to consider in the incorporation process. The following are some of the options that should be considered in the incorporation process:

- Should the PTO be authorized to establish fees in accordance with congressional guidelines and have access to all its revenues?
- What type of governance structure should be put in place? A board of directors or a public advisory committee?
- Should intellectual property policy issues be separated from and vested in a political appointee who is not a part of the corporation?
- Should interest income on revenues accrue directly to the PTO account?
- Should borrowing authorities for things such as capital improvements be authorized?
- What is the appropriate term of appointment for the head of the corporation?
- Given the PTO's inability to retain a highly qualified patent examiner workforce, should it be authorized to establish more competitive and attractive recruitment, retention, and retirement programs?
- What safeguards should be incorporated into the legislation to ensure that PTO officials or members of the board of directors have the requisite qualifications and skills to serve?

We recommend restarting the dialogue, exploring contemporary ideas that could uniquely respond to the needs of the PTO and its stakeholders, and thoroughly analyzing all options in a fully transparent manner. The result should be an organizational solution that permanently puts the PTO on the road to recovery from its current state of operations.

# Regarding the U.S. Patent and Trademark Office

## Appoint a Well-Qualified Undersecretary and Director

### Issue

The PTO cannot achieve organizational excellence without the strong leadership and executive management capabilities of the incoming under secretary and director. Accordingly, that individual must be an experienced, highly respected leader in whom the Congress and the intellectual property, business, and international communities can place their full confidence.

Equally important, the appointment of a top-caliber, knowledgeable intellectual property executive offers the potential to reinvigorate the public/private partnership that has worked well in the past.

### Possible Solutions

With the transition plan for President-Elect Obama taking shape, a key component should be the identification of well-qualified candidates for senior presidentially appointed, Senate-confirmed positions. The following skills and attributes should be considered in selecting the PTO's chief executive:

- Experience in patent prosecution or litigation
- Experience in trademark prosecution or litigation
- Working knowledge of copyright issues
- A proven track record of successfully managing and leading a large (several thousand employee) enterprise
- Demonstrated capabilities in the areas of strategic planning, budgeting, and financial management
- Hands-on experience in congressional and international intellectual property policy issues
- Working knowledge of the benefits and risks of information technology
- A track record of working with constituencies that have conflicting goals and achieving meaningful operational improvements
- A track record of building or participating in coalitions that have produced positive outcomes

Given the current state of the PTO and the lengthy appointment and confirmation processes, it is recommended that a well-qualified candidate be identified as promptly as possible.



## Improve the Retention of Patent Examiners

### Issue

The PTO continues to experience an attrition rate of patent examiners significantly higher than that of counterpart patent offices, such as the European Patent Office or the Japan Patent Office. While the PTO has recently hired significant numbers of new patent examiners, it also experienced a high level of attrition, particularly among the newest members of the examining staff. One examiner has been lost for every two hired over the years 2002 through 2006. Of those who left, 70% had been at the agency for less than five years. A high level of attrition decreases the ability of the PTO to address the issues of pendency and quality, since more experienced examiners produce more work and have the training and experience to produce products (patents) of higher quality without supervision.

The level of patent examiner attrition is also higher than the level of trademark attorney attrition at the PTO. The reasons for this differential are not entirely clear. Some factors cited by patent examiners for their departure or dissatisfaction include production goals, an atmosphere of distrust between management and the examiners, poor communication between management and examiners with little opportunity for feedback or involvement in decisions, dissatisfaction with the nature of the job, and workload.

Better retention of examiners coupled with the current increased hiring would allow the PTO to address the twin issues of quality and pendency more effectively.

### Possible Solutions

Address the production system concerns (see the paper titled “Reform of the Patent Examiner Production System”).

- Review the current production goal system and adjust the goals (hours/balanced disposal) by technology to reflect complexity of technology and volume of search.

Develop programs to improve the overall morale and job satisfaction of the examiners, including supervisors.

- Establish programs to increase professional spirit and job satisfaction.
  - Increase dialogue and interactions among examiners worldwide.
  - Develop a program of seminars by examiners within the PTO, including some examiner seminars in technology fairs.
  - Establish regular, required meetings among examiners (in person or by conference) to discuss case law and technology.
  - Increase mentoring programs for examiners, utilizing other examiners and retired examiners and practitioners.
- Improve the communication between management and examiners.
  - Increase use of town hall meetings.
  - Provide avenue for dialogue and consultation about changes to system and programs.

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- Provide work flexibilities for better satisfaction.
  - Utilize retention bonuses in a targeted fashion to retain employees.
  - Utilize work at home to a greater extent, but ensure that adequate training of and accessibility to examiners for interviews is addressed.
- Establish avenues for communications between examiners and management and the practitioners to encourage a dialogue about the challenges and realities of the jobs on each side.
- Review the numbers of Senior Executive Service and senior-level positions and evaluate expansion of these critically important management positions, where appropriate, to retain more highly qualified patent officials.
- Use government-corporation style flexibilities to create more competitive compensation packages than achievable under the current government restrictions.
- Revise retirement plan to be similar to the old Civil Service Retirement System.

## Hiring

- Evaluate hiring criteria to ensure only hiring high-quality hires who are expected to stay in the examiner position. This is especially critical with large numbers of hires.
- Hire more part-time examiners to take advantage of new pools of talent.
- Consider issuing a call to public service to attract more employees.
- Identify particular needs or goals of workers that may vary by age, background, or other characteristics, and consider tailoring some programs and opportunities to meet those needs or goals, including reemployment of annuitants at full pay (i.e., without pension offsets).

## Training

- Revise Patent Training Academy training to include meaningful one-on-one mentoring and actual work on applications.
- Utilize retired examiners and practitioners to train junior examiners.
- Establish a hotline for accurate, immediate advice on examiners' questions or problems.
- Work with universities to provide a certificate in patent examination to ease the transition to patent examining.
- Increase supervisor training in interpersonal skills to improve examiners' satisfaction with their superiors.



## Permit Applicants to Defer Patent Examination

### Issue

The PTO has more than 750,000 unexamined patent applications. This report focuses on a few options that aim to increase productivity and quality of work. If the PTO cannot reduce its backlog through other means and the number of patent filings continues to increase, consideration should be given to allowing patent applicants to defer examination of their applications for perhaps up to three years. Such a deferred examination system exists in other countries, and allows a patent office to examine fewer applications; when faced with the need to pay examination fees, applicants will have additional information on the commercial potential of their inventions and opt to drop those applications in which they have no interest.

Depending on the model followed, a deferred examination system may require a separation of the search and examination functions and give competitors of the patent applicant the right to demand earlier examination by paying a fee. Applicants with applications already on file and awaiting examination could be given an incentive, through partial refund of fees, to opt to defer examination for three years so the PTO could concentrate its resources on those who wish immediate examination.

### Possible Solutions

#### Benefits of Deferred Examination

- The number of applications to be examined by the PTO would be reduced, since a portion of applicants would drop out. Applicants would receive more time to determine whether they believe their inventions are commercially viable before spending money to have the applications examined. This would also allow the PTO to focus its efforts on applications deemed important by applicants (who are in the best position to make that assessment). From the applicant's viewpoint, deferred examination is beneficial in allowing the applicant to defer shaping the scope of the patent claims until the applicant or competitors have put products on the market. It can be argued that deferred examination will improve examination quality by giving the examiners more complete information with which to examine individual applications. As long as patent applications are required to be published, the specification provides a road map of possible claims that could be drafted and thus gives notice to the public. To the extent that new risks are created by adopting a deferred examination system, many of the recommendations in this report could address these concerns.

#### Drawbacks of Deferred Examination

- In a deferred system, the legal boundaries of the patent monopoly are not defined for the public for several years. A major drawback is that deferral of examination would create additional uncertainty in the marketplace, although the ability to file RCEs and continuations can already be said to create uncertainty. Competitors would face longer periods of time before they could determine whether they could safely market new products. It might be unfair to shift to competitors, as some deferred examination systems do, the burden to pay for and initiate an examination proceeding for someone else's pending patent application, and competitors often are reluctant to make known their interest in someone else's patent applications.

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- Deferred examination could lead to more patent litigation, because parties who have already invested in new products may be more willing to litigate. There is no evidence that deferred examination has improved patent quality in other countries. If a deferred examination system were to be implemented along the lines of foreign systems that have lower front-end fees, applicants would be encouraged to file increased numbers of patent applications. Also, applicants might tend to forgo searching applications in a deferred system in order to avoid the cost of searching applications that they later might decide to abandon. The cost to the PTO from an increase in filings resulting from lower front-end fees or less searching by applicants might offset the benefits of saving from not having to examine dropped applications.



## Rethink the Current Fee Schedule

### Issue

The behavior of those using the patent system has changed in recent years, in response to market forces, the development of new technologies, and increased litigation costs. These changes affect the income the agency takes in and may also cause inefficiencies in the examination process.

### Income

Although changes have been made to the fee structure in the United States, the general model put in place by Congress has remained: costs earlier in the process (at application) are lower to allow everyone into the system, with the higher fees being charged to those who obtain patents in the form of issue and maintenance fees. Thus, these higher fees paid by those who are successful in obtaining patents subsidize the examination process. Today, with the allowance rate at an all-time low, the PTO is receiving less income.

### Inefficiencies / Changing Applicant Behavior

The application process has become more complex as technology has also developed. Applicants are filing more claims, citing more references, and engaging in more proceedings before the PTO to argue for appropriate breadth of coverage of their inventions. Fees are not currently set to create incentives for a more efficient examination.

## Possible Solutions

### Rethink Current Fee Schedule

The PTO should consider proposing to Congress a restructuring of current fees to account for revenue shortfalls, to create incentives for more timely consideration of applications, and to improve the quality and quantity of information received. Changes could be proposed in a legislative package during the 111th Congress that would propose targeted revisions to 35 USC §41 and make permanent the fee structure enacted as part of the 2005 Omnibus Appropriations Act.

Each change to the fee structure should seek to address a specific income, pendency, or quality-enhancing goal. For example, consider the following:

- Adjust the level of filing, search, examination, issue, and maintenance fees to account for loss of income resulting from the lower allowance rate and for those patents that lapse. Such changes should not alter the relative difference between the maintenance and initial filing fees but should compensate for the lower allowance rate and those applications abandoned after the first maintenance fee at three and a half years.
- Create fee incentives to increase electronic filing (expand existing cost savings now available only to small entities that file electronically).

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- Charge increasing fees for successive continuations or RCE filings.
- Charge increasing fees for additional independent claims or total number of claims in a stepped fashion.
- Reduce or eliminate multiple dependent claim fees.
- Charge increasing fees for additional references in excess of 25 documents submitted with an Information Disclosure Statement (IDS) or
- Charge a modest fee for each reference submitted with an IDS or charge increasing fees for each additional reference in excess of 25 documents submitted with an IDS (excluding those cited by the examiner in a related foreign or U.S. application or during related litigation).

Patent reform legislation considered during the 110th Congress (S. 1145) proposed giving the PTO broad fee-setting authority. Many in the user community have argued against this proposal, and prefer that Congress retain this authority as a way to maintain some oversight and to ensure stability and limit changes that the agency might make to address short-term revenue shortfalls to the detriment of patent applicants and owners. Others believe that, coupled with permanent anti-diversion legislation and appropriate public and congressional oversight, authority for the PTO to set its fees would be desirable.



### Enhance Efficiency of the Examination Process by Reforming Examiner and Applicant Incentives

#### Issue

To realize an efficient patent system, the overriding goal should be for the PTO to make a final patentability determination on an original application with the fewest number of actions. This would address timeliness and provide greater certainty for applicants. Under the current system, examiners receive two production credits for an RCE sometimes without addressing the real issues in the initial prosecution of an application. In addition, applicants often do not have the incentive to submit an RCE or choose to continue to petition the PTO to review their applications multiple times in order to argue the appropriate scope of the patent right they are seeking.

#### Possible Solutions

Some solutions to this problem may be legislative, and for others authority may already exist for the PTO to make changes administratively. See paper on page 11 “Improve the Timeliness of Administrative Actions” to better address this.

#### Rethink RCEs

- RCE filings have increased from 8.3% of total filings in 1998 to 19.6% in 2007. This increase contributes to the backlog of applications to be examined at the PTO and the increase in average time of pendency. Reducing the need to file RCEs would have a positive impact on PTO backlogs and reduce prosecution costs.
  - The PTO should analyze the cause of this increase in RCE filings from both an internal and external perspective. Internally, the PTO should consider altering the current examiner incentives to seek additional production credits by extending prosecution through RCE filings and encourage early resolution of patentability issues, including credit for prosecution after final rejection. Externally, the PTO should consider addressing current applicant practices that lead to extended prosecution and increased RCE filings.

#### Continuation Practice

- PTO should consider whether it would be desirable to limit the time period for presenting broadened claims in continuation applications so that the public would have increased certainty in understanding the scope of patent protection ultimately granted to a patent family.

#### PTO-Driven Reforms

Some other changes could be made within the director's existing authority to work toward this goal of the fewest number of actions possible to reach a patentability determination. Sec. 132(b) of Title 35 currently provides the director significant flexibility to make changes by rule. For example, the PTO may consider the following:

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- Allow pre-examination interviews. The overall result of these pre-search and pre-first action interviews would facilitate early focus on the issues and speed resolution of the application, or
- Expand the current first action interview pilot to all fields of technology (first review the results of the current pilot).

See paper on page 9 “Reform the Patent Examiner Production System” on strategies to reduce the number of office actions needed to reach a patentability determination.



### Contributor Biographies

#### Dana Robert Colarulli

Dana Colarulli has served the Intellectual Property Owners Association as a director of government relations, and before that legislative counsel, since August 2002. The IPO is a national trade association representing owners of patents, trademarks, copyrights, and trade secrets. The association represents more than 250 companies and 10,000 individuals involved in the IPO through its company, law firm, or other member classes and is active in its committee structure and participates throughout the year in conferences and other events. He has more than 12 years of experience working in and with the federal government and the U.S. Congress.

Prior to his position at IPO, Colarulli served briefly on Capitol Hill as an assistant legislative counsel in the office of Senator Maria Cantwell from Washington state addressing technology and intellectual property issues. He was also employed for three years at the Washington, D.C., law firm of Verner, Liipfert, Bernhard McPherson & Hand (now a part of DLA Piper Rudnick) in the Federal Affairs and Legislative Practice Group. His clients included small Internet start-ups, associations, and large corporations with intellectual property and Internet-related interests. Prior to this position, he served in the federal government for five years at the U.S. Small Business Administration in the Office of Entrepreneurial Development and at the U.S. Department of Health and Human Services, Administration for Children and Families in various positions.

Colarulli is a member of the Massachusetts Bar. He received a J.D. from American University's Washington College of Law in Washington, D.C., and a bachelors of arts from Boston College in Chestnut Hill, Massachusetts.

#### Q. Todd Dickinson

Q. Todd Dickinson is the executive director of the American Intellectual Property Law Association, a bar association of more than 16,000 members and one of the world's leading policy and advocacy organizations in the field of intellectual property. He has more than 30 years of experience in all aspects of intellectual property, having previously served as both vice president and chief intellectual property counsel for the General Electric Company, where he had corporate-wide responsibility for intellectual property matters, and under secretary of commerce for intellectual property and director of the United States Patent and Trademark Office under President Clinton. He was also a partner in the Howrey law firm, where co-chaired its intellectual property practice.

Dickinson has written and spoken extensively on intellectual property issues. He has testified before Congress, the Federal Trade Commission, and the National Academy of Sciences on intellectual property administration and policy.

Dickinson was previously vice-chair of the Intellectual Property Law Section of the American Bar Association and on the Executive Committee of the Intellectual Property Owners Association has been named one of the "50 Most Influential People in Intellectual Property" three times by *Managing Intellectual Property* magazine.

# Regarding the U.S. Patent and Trademark Office

He earned his J.D. in 1977 from the University of Pittsburgh and his B.S. from Allegheny College in 1974. He is admitted to the bars of the District of Columbia, Pennsylvania, Illinois, and California, The United States Patent and Trademark Office, and the Court of Appeals for the Federal Circuit.

## Nicholas P. Godici

Nicholas P. Godici has served as the executive advisor in the law firm of Birch, Stewart, Kolasch & Birch, LLP (BSKB) since May 2005. Prior to taking his position at BSKB, Godici served as the commissioner for patents at the PTO from March 2000 to March 2005. As commissioner, Godici was responsible for all aspects of the patent-granting process for the United States. In addition Godici served as the Acting Under Secretary of Commerce for Intellectual Property and Acting Director of the PTO from January to December 2001.

Godici has more than 36 years' experience in the field of intellectual property protection, starting as a patent examiner in 1972. He has testified before congressional committees of both the House and Senate on a variety of intellectual property issues, including business methods patents and PTO operations. He has represented the United States in a number of international meetings and negotiations involving intellectual property issues.

## Brad Huther

Brad Huther is the senior advisor of the Global Intellectual Property Center at the U.S. Chamber of Commerce. The Global Intellectual Property Center is dedicated to championing intellectual property as a vital engine of global development, growth, and human progress. Huther joined the Chamber in January 2005.

Huther is also the president and chief executive officer of the International Intellectual Property Institute, a not-for-profit organization committed to strengthening intellectual property systems. Before his tenure at the Institute, Huther worked on intellectual property issues as special attaché at the World Intellectual Property Organization, as senior advisor to the U.S. Department of Commerce, and as associate commissioner and chief financial officer of the U.S. Patent and Trademark Office.

Huther earned his B.A. in business administration from the University of Miami and his M.P.A. from American University. He is a senior fellow of the National Academy of Public Administration, a congressionally chartered public policy think tank, and formerly was a distinguished adjunct professor in residence at American University.

## Esther Kepplinger

Esther Kepplinger is Wilson Sonsini Goodrich & Rosati's director of patent operations. Her responsibilities include serving as the firm's liaison to the PTO ensuring that all of its patent filings are conducted in the most efficient and defensible manner, and enhancing the firm's inter partes PTO practice.

Prior to joining the firm in 2005, Kepplinger served as deputy commissioner for patent operations in the PTO





## Recommendations for Consideration by the Incoming Administration

in Alexandria, Virginia, for five years. As deputy commissioner, she oversaw the nation's patent-examination process, with all the patent examiners in the United States reporting to her. She managed a budget of \$700 million and was responsible for the day-to-day operations of the country's seven patent technology centers, including about 4,500 people. During her tenure, patent applications increased dramatically, and in 2004, the PTO received more than 350,000 patent applications and granted around 170,000 patents. Kepplinger also played a pivotal role in establishing the policies and strategic direction of the patent examining corps, helping to implement the PTO's goals for improving quality and efficiency of service. With the PTO since 1973, she has held a variety of other positions, including patent examiner, supervisor for a biotechnology art unit, and group director for the chemical and materials engineering group. While at the PTO, Kepplinger received a number of awards, including the Presidential Rank Award in 2002 and the Department of Commerce Gold Medal in 2004.

Ms. Kepplinger received a Certificate in Advanced Public Management from Syracuse University and a B.S. in biology from Indiana University of Pennsylvania, where she also did two years of graduate study in biochemistry. She is a member of the American Intellectual Property Law Association and the Editorial Advisory Board of *World Patent Information*, published by Elsevier.

### Michael K. Kirk

Michael K. Kirk served as executive director of the American Intellectual Property Law Association (AIPLA) from April 1, 1995, until his resignation on August 31, 2008. Before joining AIPLA, he served as deputy assistant secretary of commerce and deputy commissioner of patents and trademarks, capping a career of more than 30 years in the PTO. During that time, he led and served on numerous U.S. government intellectual property delegations to meetings conducted under the auspices of the World Trade Organization, the World Intellectual Property Organization, the United Nations Conference on Trade and Development, and the Organization for Economic Cooperation and Development, as well as on numerous bilateral negotiations on intellectual property and trade matters. He was the chief U.S. negotiator on Trade-Related Aspects of Intellectual Property Rights (TRIPS) from 1990 until the conclusion of the Uruguay Round.

Kirk has received numerous awards, including Lifetime Achievement Awards from the National Inventors Hall of Fame and the Giles S. Rich American Inn of Court, the Jefferson Medal, the Malcolm Royal Award for Distinguished Service, and the ABA/IPL Chair's Award. He has an undergraduate degree from The Citadel, a JD degree from Georgetown University Law School, and a M.P.A. from Indiana University.

# Regarding the U.S. Patent and Trademark Office

## Stephen G. Kunin

Stephen G. Kunin is the former deputy commissioner for patent examination policy with the PTO. He has more than 38 years of expertise in intellectual property rights protection and 24 years of organizational management and leadership experience. He was appointed to his former position in March 2000 and has served in a similar capacity since November 1994, under the position's prior title, Deputy Assistant Commissioner for Patent Policy and Projects.

Previously, beginning in July 1989, Kunin served as deputy assistant commissioner for patents. He participated in the establishment of patent policy for the various patent organizations under the commissioner for patents, including changes in patent practice, revision of rules of practice and procedures, and establishment of examining priorities and classification of technological arts, and oversaw the operations of the Office of Patent Legal Administration, Patent Cooperation Treaty Legal Administration, and the Office of Petitions. In January 1993, Kunin was designated by the secretary of commerce to perform the functions of the assistant commissioner for patents on an acting basis until a new assistant commissioner for patents was appointed in 1994.

As a partner at Oblon, Spivak, McClelland, Maier & Neustadt, P.C., Kunin serves as a patent consultant who advises clients on patent prosecution and policy matters and prepares infringement and non-infringement opinions. He also serves as an expert witness on patent law, policy, practice, and procedure.

Kunin also serves as the intellectual property program director at the George Mason School of Law, where he is an adjunct professor who teaches patent law and intellectual property law classes.

Kunin graduated with honors from Washington University in May of 1970 with a B.S. degree in electrical engineering. He attended the National Law Center of the George Washington University, receiving a J.D. with honors in May 1975. He is a graduate of the Harvard University Kennedy School of Government SMG Program.

## Gerald J. Mossinghoff

The Honorable Gerald J. Mossinghoff is senior counsel to Oblon, Spivak, McClelland, Maier & Neustadt, P.C., a leading intellectual property law firm in Alexandria, Virginia. He advises the firm and its clients on a broad range of intellectual property matters, including international, legislative and policy issues. He is a former assistant secretary of commerce and commissioner of patents and trademarks and a former president of the Pharmaceutical Research and Manufacturers of America. He is a Cifelli professorial lecturer at the George Washington University Law School. Mossinghoff has served as United States ambassador to the Diplomatic Conference on the Revision of the Paris Convention and as chairman of the General Assembly of the United Nations World Intellectual Property Organization. He is a former deputy general counsel of the National Aeronautics and Space Administration.

As one of the world's premier intellectual property specialists, he advised President Reagan concerning the establishment of the Court of Appeals for the Federal Circuit, which has strengthened and brought certainty to patent law in the United States. He also initiated a far-reaching automation program at the PTO to computerize that office's enormous databases.



## Recommendations for Consideration by the Incoming Administration

Mossinghoff received an electrical engineering degree from St. Louis University and a J.D. with honors from the George Washington University Law School. He is a member of the Order of the Coif and Eta Kappa Nu Electrical Engineering Honor Society and is a fellow in the National Academy of Public Administration. He is the recipient of many honors, including NASA's Distinguished Service Medal and the Secretary of Commerce Award for Distinguished Public Service. In 2007, he was inducted into the Intellectual Property Hall of Fame. He is a member of the Missouri, District of Columbia, and Virginia bars.

### Charles E. Van Horn

Charlie E. Van Horn chairs the patent prosecution section at Finnegan, Henderson, Farabow, Garrett, & Dunner, LLP and has a strong working knowledge of the specialized areas of patent reexamination, patent term extension, and procedures under the Patent Cooperation Treaty.

Van Horn joined the firm after a 31-year career at the PTO. During his tenure, he served in a variety of leadership positions relating to patent policy and practice. He served as the director of the patent examining group responsible for inventions in organic chemistry and biotechnology. In his position as deputy assistant commissioner, he established the policy and practice for examining patent applications. Just prior to joining the firm, Mr. Van Horn assisted in developing the legislation and implementing the regulations and procedures for the patent-related changes mandated by the General Agreement on Tariffs and Trade TRIPs agreement.

Van Horn represented the United States internationally in areas of protecting biotechnology inventions, regulations, and practice for implementing the Patent Cooperation Treaty as well as at the first segment of the Diplomatic Conference to conclude a Patent Law Harmonization Treaty under the auspices of the World Intellectual Property Organization. He was responsible for decisions in over 10,000 annual petitions filed to the commissioner concerning procedural aspects of patent practice, including abandonment of a patent application, reinstatement of a patent, reexamination, patent term extension, and issues arising under the Patent Cooperation Treaty. He testified before Congress in hearings on such topics as reexamination, process patent protection, and patent term extension. He was a frequent spokesman for the PTO on patent policy and practice matters including biotechnology and chemical patent practice and duty of disclosure. Van Horn also lectured extensively on the changes in patent practice resulting from the introduction of provisional patent applications, a 20-year patent term, and the ability to prove a date of invention based on activity outside the United States.

Van Horn received the Jefferson Medal in 2001 and the Department of Commerce Gold Medal in 1983. He is a member of the American Intellectual Property Association and the Intellectual Property Owners Association.

# Regarding the U.S. Patent and Trademark Office

## Herbert C. Wamsley

Herbert C. Wamsley has been executive director of The Intellectual Property Owners Association in Washington, D.C. since 1983. Founded in 1972, the IPO is a trade association with more than 200 corporate members from all major industries that own patents, trademarks, copyrights, and trade secrets. More than 10,000 individuals are involved in the association through their companies or as law firm or individual members. A majority of the association's members are based in the United States, but a growing number are abroad, and the association's 2008–2011 strategic plan calls for a major expansion of international programs. The IPO created an educational subsidiary, the IPO Education Foundation, in 2005. The foundation is devoted to increasing public awareness of the economic importance of intellectual property rights.

Wamsley is the chief executive officer of IPO and its foundation. He is a registered lobbyist with the U.S. Congress. He is also editor of the *IPO Daily News*, which summarizes every precedential patent and trademark opinion of the U.S. Court of Appeals for the Federal Circuit.

Before he came to the IPO, he was with the PTO for 18 years in a number of positions, including chief of staff to the head of the agency and director of trademark examining.

He received a J.D. from Georgetown University, where he was an editor of the law review, and an L.L.M. from George Washington University. His undergraduate degree was in electrical engineering. He is a member of the District of Columbia and Virginia bars.

He is a member of the Advisory Board of Bureau of National Affairs' Patent, *Trademark and Copyright Journal* and the Advisory Council on Intellectual Property of Franklin Pierce Law Center. He is a frequent writer and speaker on intellectual property topics. He is a recipient of the Patent and Trademark Office Society's Federico Award, given for service to the patent and trademark systems.





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