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USPTO TODAY

Spring 2000



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IP CONFERENCE OF THE AMERICAS II:

Protecting Intellectual Property in the Digital Age

September 2000

Washington, DC

**Fifth Annual
Independent Inventors Conference**

October 6 and 7, 2000

**University of Maryland Campus
College Park, Maryland**

details coming soon

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Dedicated to Isaac Fleischmann



CURRENT EXHIBITS

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Intellectual Property: Imagination Made Real

Patent and Trademark Office History

Trademarks: Fingerprints of Commerce

Special exhibits on African-American and women inventors and entrepreneurs



The House that Innovation Built was the Patent and Trademark Museum's most popular exhibit. It opened during National Inventors Month--August 1998--as a tribute to American inventors.



Welcome to the first print edition of the United States Patent and Trademark Office's quarterly magazine, USPTO Today. If you have not already done so, I also encourage you to check out our monthly on-line version of USPTO Today at www.uspto.gov. I hope you will find both publications a helpful resource for staying up-to-date on developments at the USPTO and in the intellectual property world generally.

I am very pleased that the cover story of this inaugural print edition is an interview with Congressman Howard Coble (R-NC), the dean of the North Carolina Congressional delegation and Chairman of the House Judiciary Committee's Courts and Intellectual Property Subcommittee.

Although Chairman Coble often describes himself as "an AM guy in an FM world," the reality is quite the opposite.

Chairman Coble is widely regarded as the point person in Congress on intellectual property (IP) matters — and the foremost champion of IP protection. More than any other individual in Washington, he has been instrumental in securing passage of a host of important IP legislation. For example, his steadfast efforts and commitment were essential to passing the omnibus patent reform bill, the "American Inventors Protection Act of 1999." Signed into law last November, the patent reform bill makes the most significant changes in our patent law since 1952 and restructures our agency into a more business-like, customer-focused "performance-based organization." In fact, as we go to press with this spring issue, we are celebrating our new status as a PBO, setting into motion our renewed commitment to enhanced customer service while also improving the quality of worklife for our employees.

Having sufficient resources to operate effectively in this new environment is now more important than ever. As you will read in the interview, Chairman Coble is also leading the fight to stop the annual diversion of USPTO fee revenues to other government programs. In fact, he calls this his "number one priority." We are very appreciative of Chairman Coble's leadership on this increasingly problematic situation.

One of the things that I have found particularly gratifying during my service at the USPTO is the extent to which intellectual property issues are addressed in a bi-partisan manner. This is a tradition which I believe is clearly in our nation's best interest, and one for which we all owe a debt of gratitude to Chairman Coble.

I hope you enjoy the interview and the magazine.



USPTO BECOMES PERFORMANCE-BASED ORGANIZATION

by Richard Maulsby, Office of Public Affairs

April 3 dawned dark and threatening in the Washington, DC area. But over 2,000 United States Patent and Trademark Office employees and invited guests gathered in front of the agency's main headquarters building in Arlington, Virginia to celebrate the transformation of the USPTO into a performance-based organization (PBO) which took effect March 29. In a hopeful sign of good times to come the rain held off and Q. Todd Dickinson, Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office, presided

over a 30-minute program. Congressman Howard Coble, Chairman of the USPTO's oversight committee, joined Robert Mallett, Deputy Secretary of Commerce, and Morley Winograd, Senior Advisor to Vice President Al Gore, and offered comments and praise to mark the historic occasion. Deputy Secretary Mallett swore in Under Secretary Dickinson and the new Commissioner for Pat-

ented more to come in the future. Immediate steps include the elimination of sign-in sheets for all employees and an extension of flextime policies. Vowing that there is more to come, Director Dickinson promised employees a culture change. "As a PBO, we're going to strive to give you the freedom to challenge the status quo of our culture. We're going to encourage you to be creative, to

take initiative—to take risks and suggest things that should be changed."

Vice President Gore and the National Partnership created the PBO concept in March 1996 for Rein-

"I congratulate the leaders at the Patent and Trademark Office and the Congress for taking the important step of creating another Performance-Based Organization. We believe PBOs in general provide the kind of work environment where inventors and innovators can thrive. By reinventing the Patent and Trademark Office and turning it into a PBO, we can more efficiently serve America's entrepreneurs and innovators."

Vice President Gore

venting Government. The United States Patent and Trademark Office is now the second federal agency to become a PBO, following the Education Department's Office of Student Financial Assistance. As a PBO, the USPTO will become a results-driven organization committed to accountability by having clear objectives, specific measurable goals, customer service standards, and targets for improved performance. All of these factors will be included in the contracts of the two operational heads of the agency,

ments, Nicholas Godici, and Anne Chasser as Commissioner for Trademarks.

In remarks prepared for the ceremony, Under Secretary Dickinson announced a number of changes in policies and procedures and prom-



Deputy Secretary Mallett swears in Q. Todd Dickinson as Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office. Dickinson's father, John Dickinson, holds the Bible.



small today—the simple addition of the words “United States” to the official name and to the seal. But that change symbolizes the very heart of a performance-based organization—putting the customer first. The United States Patent and Trademark Office’s customers deserve the very best and the organization will deliver.



the Commissioner for Patents and the Commissioner for Trademarks, each of whom will have a five-year contract. Each will be eligible for a bonus of up to 50 percent of their salary if the measurable goals are met.

fee retention issue, however.

In his remarks on April 3, Under Secretary Dickinson noted that, “the outward visible signs of change are



Deputy Secretary Mallet and Under Secretary Dickinson cut the PBO (peach, banana, orange) cake.

In exchange for its commitment to accountability as a PBO, the USPTO has been granted new managerial flexibility that will enable it to operate more like a business. This includes greater autonomy over the budget, hiring, and procurement. The PBO status does not resolve the

“I am confident that the Patent and Trademark Office’s transition into a customer-focused PBO will improve government effectiveness and increase public confidence in government operations.”

Commerce Secretary William M. Daley



Congressman Howard Coble and Morley Winograd, senior advisor to the vice president, joined USPTO employees in the celebration.



Under Secretary Dickinson Initiates Action Plan for Business Method Patents

by Richard Maulsby
Office of Public Affairs



“A second set of eyes to ensure highest-quality patents”

Q. Todd Dickinson

Q Todd Dickinson, Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office, announced on March 29, 2000, a new initiative to ensure that patents granted for software-implemented business methods are of the highest quality and benefit to the growing electronic commerce industry.

In his remarks to the San Francisco Intellectual Property Law Association Conference on Electronic Commerce and Internet Issues, Dickinson revealed the details of a new Business Method Patent Action Plan. Among the highlights of this action plan are to formalize a customer partnership relationship with the software, e-commerce, and Internet industry and enhance quality management in the patent application process.

E-commerce related patent applications have doubled between 1998 and 1999. The issue of patentability of such software patents, while a continuing matter of public discussion in some quarters, is firmly established legally. “The patentability of

software has continued to be upheld,” Dickinson said, “therefore the role of the USPTO is to ensure that the patents issued are of the highest quality, and that means doing the best job that we can.”

E-commerce is an extremely important component of today’s booming technology-driven economy, and the need to ensure quality in the patent process has never been higher. Quality management has been the Under Secretary’s top priority since his appointment as Deputy Commissioner of Patents and Trademarks in 1998. The ability to be responsive to the organization’s customers, including the public, is the paramount rationale for recasting the USPTO as a PBO. On the issue of business method patents, the organization is responding to the concerns of its customers and the public.

Other aspects of the Action Plan include enhanced training of patent examiners; a new second-level review of all Class 705 (business method patents) applications; and the convening of a roundtable forum with stakeholders on the issues surrounding this technology area.

BUSINESS METHOD PATENT INITIATIVE: AN ACTION PLAN

INDUSTRY OUTREACH

1. Customer Partnership: Establish a formal customer partnership with the software, Internet, and electronic commerce industry similar to that in place with the biotechnology industry. The partnership will meet quarterly to discuss mutual concerns, share USPTO plans and operational efforts in this technology area, and discuss solutions to common problems.
2. Roundtable Forum: The USPTO will convene a roundtable forum with stakeholders in summer 2000 to discuss issues and possible solutions surrounding business method patents. [For further information on the roundtable, contact Gerald Goldberg at 703/305-9700.]
3. Industry Feedback: A greater effort will be made to obtain industry feedback on prior art resources used by the USPTO, solicit input on other databases and information collections and sources, and expand prior art collections.

QUALITY

1. Enhance Technical Training:
 - Enhance technical currency for examiners and continue current training efforts/partnerships with industry associations and various individual corporate sponsors.
 - Business practice specialists will be pursued to serve as a resource for examiners on alleged common or well known industry practices, terminology scope and meaning, and industry standards in four basic areas: banking/finance, general e-commerce, insurance, and Internet infrastructure.
 - The USPTO will publish the areas of training needs for comment and offers to provide such training.
2. Revise Examination Guidelines: The Examination Guidelines for Computer-Related Inventions and the relevant training examples will be revised in light of the *State Street Bank and AT&T v. Excel* decisions.
3. Expand Current Search Activities:
 - Mandatory Search: A mandatory search for all applications in Class 705 to include a classified U.S. patent document search, and a text search of U.S. patent documents, foreign patent documents, and non-patent literature (NPL), with NPL searches to include required search areas mapped/correlated to U.S. classification system for Class 705, which will provide a more fully developed prior art record;
 - Second Review: A new second-level review of all allowed applications in Class 705 will be required, with an eye toward ensuring compliance with search requirements, reasons for allowance, and a determination whether the scope of the claims should be reconsidered; and
 - Expand Sampling Size: The sampling size for quality review by the Office of Patent Quality Review will be substantially expanded, and a new in-process review of Office actions will be introduced with an emphasis on the field of search of the prior art and patentability determinations under 102/103.

It's All in the Claims

by Todd Voeltz, Supervisory Patent Examiner,
Art Unit 2761

Do you ever wonder why U. S. patents issue on inventions with titles, such as, “Electronic Wallet System”¹, “On-Line Shopping System”² or “Office-Supplies Management Systems”³? Can technology described in such common terms really be new? As an old cliché goes, “You never judge a book by its cover!” Well, the same should be said about U.S. patents. Never judge a patent by its title!—as a matter of fact, you can’t judge a patent by its title, the drawings, the abstract, or even the detailed disclosure. With respect to patents, it is the claims that count.

Unfortunately, too many pundits completely ignore a patent’s claims and make judgments based solely on the patent’s title or abstract. This is particularly true in one of the current hot-spots of intellectual property—software and business method patents. Many of those commenting on software and business method patents focus on the broad idea or concepts embodied in the disclosure with little or no analysis of the heart of the patent, the claims. Such slipshod analysis, although quick to grab your attention, is extremely misleading about the actual legal rights conveyed in the patent.

The claims in a patent describe an invention without unnecessary details and recite all essential features necessary to distinguish the new invention from what is old. It is these claims that grant the intellectual property rights, defining the metes and bounds for the protection granted in the patent, and describing what the patentee may exclude others from making and using during the term of the patent.

Claims, however, cannot be interpreted in a vacuum. An accurate reading of claims must be done in the context of the specifications by someone skilled in the invention’s technology. The burden of proof for determining the patentability of the claims in an application is on the patent examiner, who is a highly skilled professional in the technology being examined.

The claims in a patent application define the scope of the invention and serve to determine whether the invention is patentable over the prior art. Once patented, the claims in a U.S. patent define the scope of protection afforded by the patent. It is the claims and not the specification that serve to determine whether a U.S. patent is infringed upon by the actions of someone else. That determination is made by the courts.

Examination and interpretation of patents are a complex amalgam of science and intellectual property law, making it impossible for one to merely look to the title, specification, and/or drawings of a patent and pass judgment on its validity. So the

next time you see an article or commentary questioning a patent because the idea is old or well known, remember that the truth is in the claims.



Don't judge software and business method patents before reading their claims

1. United States Patent 5,987,438, Issued November 16, 1999.
2. United States Patent 5,983,199, Issued November 9, 1999.
3. United States patent 5,983,202, Issued November 9, 1999.

Brigid Quinn, Office of Public Affairs, contributed to this article.



Are Biotechnology Patents Important?

by Lila Feisee,
Technology Center 1600

In the early 1900s, the bulk of all patents covered bicycle-related technology. As the 20th century progressed, patents covered space technology, computer technology, and biotechnology. Now, genomics and bioinformatics--the technology that brings together biology and chemistry into the information technology era--are opening the door for new discovery. Advances in these areas--which are reflected in the USPTO's workload--have led to discoveries that would have been almost unimaginable only a few years ago.

Biotechnology is one of the most research intensive and innovative industries in the global economy today. While the promise of new discovery is great, this does not come without cost. It takes hundreds of millions of dollars to bring a new pharmaceutical to the market place.

That is where patents play an invaluable role.

The financial incentive of patents is critical for attracting capital for the research that is necessary for developing and marketing these discoveries. Without patent protection, there would be little incentive for investors to risk their financing--and many of the potential benefits of biotechnology would never come to fruition.



Patent protection in the area of biotechnology also benefits society by providing the means to reduce disease and suffering for both humans and animals. One such area is the detection of genes that cause or increase the likelihood of contracting certain diseases. For example, researchers have discovered genes that may hold the key for finding cures to diseases such as Parkinsons, Alzheimers, and colon, breast, and ovarian cancers, which claim millions of lives every year. Such results promote and enhance the dignity and quality of life.

The discoveries in agricultural biotechnology are also extraordinary. For example, researchers have engineered genetically modified crops that are resistant to disease and less

dependent on pesticides, fertilizers, and irrigation. These crops offer real hope for enhancing food production and feeding the estimated 800 million people world-wide who are chronically undernourished.

Biotechnology is also leading to cutting-edge discoveries where disease prevention and agricultural production converge. Scientists, for example, are now working to transfer the genetic code for the Hepatitis B vaccine into bananas in order to provide an easy and affordable method for inoculating people in poor nations.

Yes!

Biotechnology patents allow for the dissemination of potentially valuable scientific information to the public. The availability of the information disclosed in biotechnology patents enables others in the field of science to build on earlier discoveries. Not only can other researchers use the information in a patent, but by disclosing cutting edge scientific information, the patent system avoids expensive duplication of research efforts. It is only with the patenting of biotechnology that some companies, particularly small companies, can

raise capital to bring beneficial products to the market place or fund further research. In addition, this capital provides jobs that represent an immediate public benefit independent of the technological benefits. Continuing employment opportunities represent a national resource for the future as the youth of today are encouraged to become the scientists and inventors of tomorrow. The patent system not only fosters our society today, but also ensures our future ability to innovate and grow.

Innovations in biotechnology are incremental and have resulted in new areas of research and development in such areas as genomics and bioinformatics. This can be seen in such areas as the Human Genome Project and research into genes, expressed sequence tags (ESTs), polymorphisms including restriction fragment length polymorphisms (RFLPs), variable nucleotide type polymorphisms (VNTRs), and single nucleotide polymorphisms (SNPs).



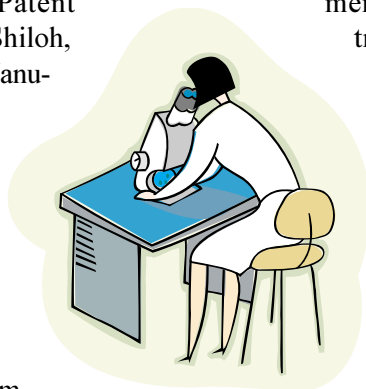
Gene discovery has been a prime area of research in biotechnology, especially as it relates to the determination of the underlying basis of human disease. One specific goal of the human genome project has been to facilitate the discovery of genes that cause or contribute to human diseases. The granting of patents to genes allows inventors to obtain private sector funding for the development of methods of disease diagnosis and treatment. This additional capital obtained from private sources (such as venture capitalists) acts to supplement the increasingly limited

funds available in the public sector (such as the National Institutes of Health and the National Cancer Institute). This synergism between private and public sector funding is evidenced by the nature and extent of subject matter that has been the object of patent protection.

For example, U.S. Patent 5,777,093, issued to Shiloh, Tagle, and Collins on January 12, 1999, is directed to nucleic acids encoding mutant forms of the gene that causes ataxi-telangiectasia (AT). AT is a genetic disease that affects the skin, nervous system, and immune system and is present in approximately 2 in 100,000 individuals. The cloning of this gene has allowed the development of diagnostic methods as well as screening procedures to facilitate discovery of drugs that might be valuable for the treatment of this disease.

U.S. Patent 5,888,722, issued to Costa De Beauregard et al., is directed to the gene that causes cystic fibrosis (CF). CF affects approximately 1 in 2,000 live births in North America and about 1 in 20 persons are carriers of the disease. The patented subject matter resulted from worldwide research efforts. This patent, while securing intellectual property rights to some mutant forms of the CF gene, did not affect the development of diagnostic methods for screening subjects for the presence of CF related genes. This patent also demonstrates the increasing support that the patent system plays in international commerce and discovery.

The international economy and its underlying support in the intellectual property arena, is facilitating cooperation between inventors. This cooperation bridges national boundaries and serves to bring together innovators from around the world. By fostering this type of interaction, cooperation between the members of the brain trust of the world is occurring at an increasing rate, and the ultimate beneficiary is the public. Inventions that serve the public good are commercially successful and benefit everyone.



The development of disease resistant plants such as cucumbers, squash, melons and pumpkins (U.S. Patent 5,514,570) is a perfect example of how the patent system promotes dissemination of information. U.S. Patent 5,780,709 claims transgenic plants that exhibit increased tolerance to drought and salt resistance. With an ever expanding human population coupled with increasingly scarce agricultural resources, agricultural innovation is an essential element of our collective futures. The patent system serves as one leg that supports continued growth in this area.

With the growth of biotechnology have come significant changes in the process of research, development, and commercialization and the emergence of entirely new areas of innovation and discovery. For example, instead of working from the sequence of a known gene, many groups are now focusing on elucidating the significance of unidentified, but uncharacterized cDNA sequences. "Data mining" provides another re-

The patentability standard for biotech inventions that has guided the USPTO since the Supreme Court's 1980 decision in *Diamond v. Chakrabarty* is that a product of nature, transformed by humans, can be patented if it is new, useful, and non-obvious, and if the patent application provides an adequate written description of the invention that enables a person skilled in the art to make and use it. Products produced from raw materials, giving these materials new forms, qualities, properties, or combinations, are patentable subject matter.

In fact, in order to ensure that patent applications comply with the utility requirement as enunciated by the Supreme Court, the USPTO has recently raised the bar on patentability through its new "Revised Interim Utility Examination Guidelines." These revised guidelines, which were open for public comment through March 22 and are available on the USPTO Website, require patent applicants to explicitly identify, unless already well-established, the specific, substantial, and credible utility for all inventions, including genes and gene products.

The USPTO is cognizant of the concerns some people have about patenting gene fragments, and the agency continues to take steps to ensure that patent applications in these areas are meticulously scrutinized for an adequate written description, sufficiency of the disclosure, and enabled utilities, in accordance with the standards set forth by our reviewing courts.

Also on the Website are new training materials on these guidelines, which will assist individuals in drafting patent applications and responding to the office when utility issues are raised during the examination of a patent application. The training materials pertain to all technologies, but they include specific examples in the biotech area.

Also new to the Website are "Revised Interim Written Description Guidelines, which were also open for public comment through March 22, and training materials on these guidelines.

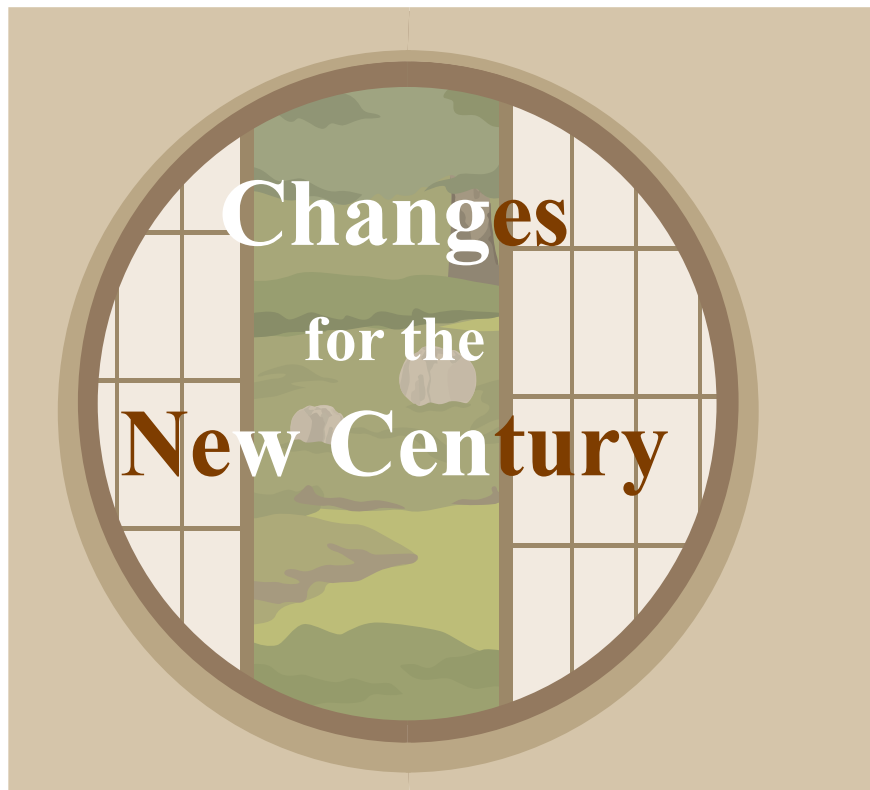
source for scientists to identify potentially useful biological molecules. Scientists are also able to discover genetic links to previously untreatable illnesses. These discoveries are not only pushing back the frontiers of medicine, but also challenging conventional assumptions regarding the feasibility of treating such illnesses.

Are biotechnology patents important? The answer to this question is plainly yes. The reality is that biotechnology research provides us with great opportunities from eliminating and treating debilitating and deadly diseases to providing sufficient food for the world's ever-increasing population. Strong and effective patent protection will encourage research

and development as they have served other areas of technological developments that have emerged. New jobs, new discoveries, new therapies, better life quality, are all supported by a strong patent system. Biotechnology is part of this system.

Tod Preston, Office of the Under Secretary, contributed to this article.

USPTO/BIO Open House October 18, 2000



by Tod Preston, Office of the Under Secretary, with the Office of Legislative and International Affairs

Recent Legislation and Its Impact on USPTO

Before adjourning for the 1999 legislative session, Congress passed landmark patent reform legislation that will have a number of significant impacts on the U.S. Patent and Trademark Office. This action came after four years of often acrimonious debate, and it represents an important step forward for the U.S. patent system and the USPTO.

The patent measures, which are part of the \$390 billion omnibus spending package signed by the President on November 29, 1999 (P.L. 106-113), contain the most significant changes in our patent system since passage of the 1952 Patent Act. They will fundamentally restructure the USPTO and alter the nature of the agency's operations. Perhaps most importantly, they will enable the USPTO to provide better services and be more responsive to its customers.

Performance Based Organization

One of the most significant portions of the patent reform bill is its restructuring of the USPTO into a performance-based organization, or PBO, which took effect March 29, 2000. In fact, the USPTO will now be only the second federal agency in history to be a PBO, after the Education Department's Office of Student Financial Assistance.

In keeping with Vice President Gore's successful reinventing government initiatives, the PBO provisions give the USPTO the flexibility and independence to operate more like a business, with greater autonomy over its budget, hiring, and procurement. As a PBO, the USPTO will be exempt from employee hiring caps, and the individuals who serve as the new Commissioner of Patents and the Commis-

sioner of Trademarks will be eligible for performance-based bonuses.

The PBO title envisions the USPTO as an organization with two separate operating units: the Patent Office and the Trademark Office. The agency will be headed by an individual, appointed by the President, with the dual title of Under Secretary of Commerce for Intellectual Property and Director of the USPTO. The Secretary will appoint a Commissioner for Patents and a Commissioner for Trademarks, each for five-year terms. A Patent Public Advisory Committee and a Trademark Public Advisory Committee, each with nine members, will also be established to advise the Director on agency policies, goals, performance, budgets, and user fees. Representatives of USPTO employee unions will be able to serve as non-voting members on both committees.

Unfortunately, the PBO provisions do not solve USPTO's ongoing budget shortfalls that result from the diversion of fee revenues. This is because the USPTO is still subject to the annual Congressional appropriations process.

Pre-Grant Publication

Of all the bill's substantive patent law provisions, the pre-grant publication of patent applications will likely have the greatest impact on USPTO operations. Effective November 29, 2000, patent applications also filed abroad will be published 18 months after the U.S. filing date, unless the applicant requests otherwise upon filing and states that the invention has not been and will not be the subject of an application filed in a foreign country.

This publication will allow American inventors to see an English language translation of the technology that their foreign counterparts are seeking to protect at a much earlier point than today. It will give applicants a reasonable head start and allow others to understand the state of the art so that they can improve upon it and make wise R&D investment decisions. In addition, because the USPTO will be publishing patent applications, more prior art will be available than ever before.

The USPTO has a number of decisions to make about the nature of this publication. While the decision has been made that it will be in electronic form, the USPTO still must decide if the publication will be of the application as originally filed or as it looks later on in the process. Moreover, it has not been determined how much public access will be provided to the applications.

The USPTO's over-arching goal is

to put out a meaningful publication, at a reasonable cost, that is useful for both examiners and the public as a whole.

Term Extension

The bill's provisions to help guarantee a 17-year patent term for diligent applicants go into effect on May 29, 2000. Although this will not be an issue in most cases, day-for-day extensions of patent term will be made available for the USPTO's failure to:

- notify an applicant of rejection or allowance of a claim within **14** months after filing;
- respond to an appeal or a reply to an office action within **4** months;
- act on application within **4** months after a decision by the Board of Patent Appeals and Interferences or a decision by a federal court; and
- issue a patent within **4** months after the issue fee was paid.

Fortunately, the USPTO currently meets these time frames in most technology areas. Still, these deadlines have major financial and human resources implications.

Optional Inter-Partes Reexamination

The final, key patent law revision in the bill establishes a reexamination alternative that would expand the participation of third-party requesters. It is designed to reduce litigation in district courts and make patent reexamination a more viable and affordable alternative to litigation.

Specifically, the bill gives third-party requesters the option of inter-partes reexamination procedures, in addition to current ex parte reexam. The third party is provided the opportu-

nity to respond, in writing, to an action by a patent examiner, but only when the patent owner does so. Those third-party requesters would not be able to appeal adverse decisions outside the USPTO and would not be able to challenge, in a later civil action, any fact determined during the process of the reexamination.

As this is the USPTO's first effort at inter-partes reexamination, it presents some challenges. Rules and processes must be put into place in order to ensure timely handling of cases, while at the same time having measures in place to tackle inappropriate delaying tactics.

Patent and Trademark Fees

The final rule for the fee provisions in the statute was published in the *Federal Register* on December 3, 1999. The \$70 reduction in patent filing fees and the \$110 reduction in patent maintenance fees took effect on December 29, 1999. This is the second year in a row patent fees have been reduced, saving inventors about \$30 million annually. The adjustment in trademark fees took effect on January 10, 2000.

Invention Promotion Scams

Although the new rules for helping to protect inventors against deceptive practices of invention promotion companies have not been completed, they will provide several procedures to assist inventors. For example, filing complaints involving invention promoters, procedures for notifying the invention promoter of the complaint, procedures for an invention promoter to reply to the complaint, and public access to the complaint and the reply will help to counter scams.

Continued on page 17

New Tools to Fight Scams

USPTO embarks on a TV/Radio campaign and will publish complaints concerning invention marketing firms

by Donald Grant Kelly, Former Director, Office of Independent Inventor Programs

Skip the scam! warns the announcer on the U.S. Patent and Trademark Office's national media advertisement. Produced as public service announcements, these 30- and 60-second TV/radio spots reflect USPTO's ongoing campaign to counter the nationwide marketing efforts of scandalous invention promotion firms. Each year, such scams are known to take \$200 million or more from the pockets of would-be entrepreneurs, all too often impacting those who can least afford it—the poor and the elderly. Anxious to hear flattering feedback about their inventions, novice inventors fall easy prey to the practiced dialogue of invention promotion firm salesmen.

An initiative of the Office of Independent Inventor Programs, the USPTO's anti-scam campaign includes the distribution of the media spots for voluntary broadcasts by radio and TV stations throughout the country. Additionally, the USPTO has sponsored paid announcements in cities in the states of Florida and California where such scams are rampant.



Scandalous invention promotion firms steal millions from would-be entrepreneurs.

Partnering in the media distribution efforts will be the Federal Trade Commission, concentrating in the many regions where the FTC has offices and network connections. Others stepping in to help with this massive undertaking will be the American Bar Association/Intellectual Property Law Section, and inventor organizations under the umbrella of the United Inventors Association of the USA.

The recently passed Patent Reform Bill provides the USPTO a new mechanism to bolster continuing efforts to counter scurrilous invention promotion services. Shortly the USPTO will begin exercising its new authority to accept complaints about invention promoters. After giving the invention promoters a reasonable opportunity to respond, the Office of Independent Inventor Programs will make the complaints available, along with the promoters' responses, if any.

The USPTO will take no action against invention promoters, but the newly created complaint register will provide an invaluable point of reference for inventors and small businesses struggling to navigate the path-

way from workbench to market. Plans are to publish the complaint register on the USPTO's Home Page, and to make it readily available in the USPTO's Public Search Room.

Of course, reputable invention promoters do exist, and their capable services can be crucial to inventors seeking evaluations, market analyses, and prospective manufacturers. Recognizing the scam can be difficult for the untutored. But, there are a few common traits that should signal a need for caution.

Reputable invention promoters do not set unreasonable fees, and may often base their charges on a percentage of subsequent income from the invention. Large up-front fees, significant step-up charges, and credit schemes are typical of the scam perpetrators. While a patent search may be offered at what appears to be a competitive price, the searches by disreputable firms are usually found to be cursory and worthless.

The poorly executed patent search most often is followed by a glowing report and the hustler's push to immediately step-up to a high-priced plan, complete with a contract schedule of "easy payments." Ultimately, no useful services or promotion results are provided by the invention promotion firm, yet payments under the contracted payment plans continue to be demanded. Rip-off firms are known to charge astronomical fees, as much as \$800 for "registering" the inventor's idea with the USPTO. The registration is, in fact, no more than the \$10 filing under the USPTO's Disclosure Document Program.

The most obvious clue in identifying disreputable firms is their reluctance to name successful inventor customers as business references. This is due to the fact that successful customers simply don't exist. It is hoped that the USPTO's media campaign, coupled with the new complaint register, will raise public awareness of the dangers posed by fraudulent invention promotion firms, and that inventors will quickly learn to *skip the scam*.

For more information on these initiatives, contact the Office of Independent Inventor Programs by e-mail at IndependentInventor@uspto.gov or by telephone at (703) 306-5568. Also, check the PTO's Home Page at www.uspto.gov and "click" the Inventors Resource button.

Changes continued from page 15

Implementing all of these changes in the statute is going to be quite an undertaking and will cost between \$10-\$20 million. Given that the USPTO's fiscal year 2000 budget is \$30 million less than requested, and that Congress has limited our access to fees earned from incoming work in excess of our projections, the USPTO faces some difficult decisions in the months ahead.

Of course, even with these difficulties, the statute's organizational and patent law changes will go a long way in helping the USPTO and the U.S. intellectual property system meet the challenges of the 21st century. Taken together, the provisions represent an important step forward for the agency.

Key Provisions of P.L. 106-113

- **Title A** provides new measures to protect inventors against deceptive practices of invention promotion companies.
- **Title B** reduces patent filing fees by \$50 and patent maintenance fees by \$110. This is the second year in a row patent fees have been reduced, and it will save inventors about \$30 million annually. Title B also allows adjustment of trademark fees to ensure that trademark operations aren't subsidized by patent fees.
- **Title C** provides a limited defense against patent infringement to inventors who developed and used a business method prior to that method being patented by another party.
- **Title D** guarantees a minimum 17-year patent term for diligent applicants, so that they are not penalized for certain USPTO processing delays or for delays in the prosecution of applications pending more than three years. Day-for-day extensions of patent term would be available for delays in issuance of a patent due to interference proceedings, secrecy orders, and appellate review.
- **Title E** requires publication of patent applications 18 months after filing, unless the applicant requests otherwise upon filing and states that the invention has not been the subject of an application filed abroad.

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Quality is Up at the USPTO

*from PTO TODAY Online,
January 2000,
Commissioner's Page*



Business at the USPTO is booming. Patent filings are up over 25 percent in the last two years, and trademark applications are up nearly 25 percent this year alone. In fact, our workload is up over 60 percent since the beginning of the Clinton/Gore Administration.

This past year we received 270,000 patent applications and granted 161,000 patents. We received 290,000 trademark applications and registered 104,000 marks.

The challenges of managing this growth, improving the quality of the work we do, and preparing our intellectual property systems for the demands of the global electronic marketplace are significant. Thanks to the dedication and commitment of all our employees, however, the USPTO is rising to meet these challenges.

Our overarching goal at the USPTO is to provide our customers with the highest level of quality and service in all aspects of our operations. Our customers, of course, determine quality.

That is why for the last four years the PTO has mailed out comprehensive surveys to our patent and trademark customers. In 1999, for example, we mailed out more than 7,500 patent surveys and received re-

sponses from 35 percent of those surveyed. Of the respondents to the patent survey, 66 percent were from law firms, 16 percent were from large businesses and 11 percent were individual inventors. About 75 percent of the respondents contact the USPTO often during the year. Over 80 percent of the respondents are continuous customers and another 7 percent are frequent customers.

In Trademarks, 1,200 surveys were mailed out with a 41 percent response rate. About 75 percent of respondents in Trademarks were from law firms, 12 percent from large businesses, and 3 percent were individual applicants. Over 70 percent of trademark respondents identified themselves as continuous customers of the USPTO and 8 percent as frequent customers.

What were the results of these surveys? Well, I am very pleased to report that our customers have given us good news: quality is up at the USPTO — in virtually every area. Overall, customer satisfaction in the patent and trademark areas increased by 5 percentage points and 6 percentage points, respectively. Below are the results of the surveys in more detail.

I am extremely pleased with the overall outcome of this survey. USPTO employees have worked hard over the last year to improve

pendency, quality, and customer services. We have achieved success in many areas. As pleased as we are to see customer satisfaction increase, however, we recognize the need for even greater improvement. Therefore, our efforts to increase quality in all areas—particularly those of customer concern—will continue throughout 2000 and beyond.

Customer Survey Results

Patents

In the patent area, overall satisfaction stands at 57 percent, up from 52 percent a year ago. That is the largest increase in the history of the surveys. Not only that, the dissatisfaction rate dropped 5 percentage points — to below 20 percent. Additionally, all the key drivers of customer satisfaction showed significant improvements, between 7 and 11 percent. Responses to 27 of 29 items in the patent area improved over last year, and the majority of the improvements are in the 6 to 10 percentage point range.

Satisfaction with the quality of our patent searches, one of the key drivers of overall customer satisfaction, increased 8 percentage points. In fact, we have seen a nearly 20 percentage point increase in satisfaction with search quality in the last three years.

In looking at the patent survey overall, respondents were most satisfied with the courtesy of the USPTO staff, the application process, the outcome of the examination process, and examination quality. All of these key items are indicative of the high level of interest Patent employees have demonstrated in providing good customer service. Respondents were least satisfied with the handling of problems, timeliness of the process and certain timeliness standards such as status letters, faxes and filing notices. The USPTO continues to work to improve these areas.

In comparing survey results to 1998, over one-third of respondents reported better service in the timeliness of filing receipts, the timeliness of the patent grant, and in the proactive, individualized service they now experience. The only area where about one third reported inferior service was in the accuracy of filing receipts, and the USPTO has a new quality initiative dedicated to improving this area.

Trademarks

In the trademark area, overall satisfaction increased by 6 percentage points to 69 percent and dissatisfaction declined by 3 percent. This is the largest increase in customer satisfaction we've ever seen in trademarks. All comparable items improved in satisfaction over 1998 levels and 15 of 27 items improved by more than 5 percent.

In looking at the trademark survey overall, respondents were most satisfied with the courtesy of the trademark staff, the use of the phone by employees to deal with examination issues, and the amount of time needed to submit required information. Respondents were least satisfied with handling of delays and with the amount of time needed to get classified and unclassified paper copies to the Trademark Search Library.

The timely mailing of abandonment notices, fairness of the examination process, and the timely response to status letters and phone calls had the largest increases in satisfaction from 1998. Eighty-seven percent of the respondents expressed satisfaction with the courteousness of their treatment, and 77 percent indicated satisfaction with the clarity of examining attorney communications.

The Trademark Electronic Application Filing System (e-TEAS) also received high marks from its users. Even though there was a small number of respondents in this area, 80 percent of those responding were satisfied with ease of access to the electronic filing system, ease of use of the on-line form, clarity of instruction, and ease of payment.

Our Customers Told Us...

Respondents were given the opportunity to write in their comments about positive and negative experiences with USPTO services. Patents respondents used this opportunity to tell us how we are doing, as did 69 percent of trademark respondents. This is a very high written comment response rate for a survey of this type. We are very pleased that our customers want to have their voices heard.

Let me share some actual quotes from the surveys with you. You will notice that the comments are consistent with the quantitative findings.

Our patent customers told us:

- *"I am pleased with the customer approach to processing patent applications as opposed to the previous, sometimes adversarial approach."*
- *"Examiners seem flexible and interested in working with applicants to allow patentable subject matter to grant."*
- *"Improvements in performance and professionalism among USPTO examiners and staff have been noticeable over the last 5 years. Costs have also been managed well. We continue to be impressed by the quality of our patent office, particularly in comparison to some foreign patent offices where expediency, economy, and courtesy are seldom encountered."*

Our trademark customers told us:

- *"The examiners are often eager to work with you, and to explain their positions."*
- *"Examining attorneys seem to make an effort to handle informalities over the telephone which often accelerates the registration process 6 or more months."*
- *"The trademark examining attorneys are knowledgeable, helpful, friendly. They are proactive. They all care about the process and about the ultimate client, the applicant! Far more helpful than the typical U.S. Government employee."*

You Should be Filing Trademark Applications Online!

by Jessie Marshall, Office of the Commissioner for Trademarks

The USPTO's Trademark Electronic Application System saves applicants time and money.

The U.S. Patent and Trademark Office is pleased with the success of TEAS—the Trademark Electronic Application System. Although only about 6 percent of trademark applicants are using TEAS now, as more people learn of the advantages to using TEAS over paper filing, they are using the electronic system very effectively. Electronic filings have increased dramatically over the past year. In September 1999, 2,602 applications were filed using e-TEAS up from 968 filed in December 1998.

TEAS allows an applicant to fill out an application form and check it for completeness on-line. Using e-TEAS, an applicant then submits the application directly to the USPTO over the Internet, paying by credit card or deposit account. Or, using PrinTEAS, the applicant prints out the completed application for mailing to the USPTO, paying by check or deposit account.

When you use e-TEAS, a temporary receipt with the serial number is issued moments after filing, and an electronic message is sent via e-mail to confirm receipt. The web site server is open 24 hours a day, 7 days a week, 365 days a year and issues a filing date up until midnight EST.

Electronic filing has many advantages over filing on paper via mail or express delivery services, including:

- A dramatic increase in the speed with which applications can be filed;
- The ability to receive a filing date up until midnight EST rather than an earlier time (often 5 p.m.) using the U.S. Postal Service Express Mail certificate procedure;
- Saving a great deal of money on Express Mail postage and fax charges and/or courier delivery costs, because electronic applications are created, reviewed and filed electronically using the Internet; and
- More efficient review of applications because they are in a standard format recommended by the USPTO.

Many attorneys express a concern about obtaining the signature of their client on the application because the client is in another city. This concern was resolved by making the application “portable,” which means that it can be filled out by the applicant’s attorney and e-mailed to the applicant for signature, and then returned by e-mail to the attorney for filing at the USPTO. The signature that is used is any combination of alpha-numeric characters placed between two forward slash symbols (/). For example, /john smith/ or /js/ or /s123/ would all be acceptable signatures. This is

totally at the discretion of the signatory, and does not require approval by the USPTO.

[NOTE: Effective October 30, 1999, the Trademark Law Treaty Implementation Act eliminated the specification of the appropriate person to sign on behalf of an applicant, which makes the signature requirement less cumbersome.]

Because electronic applications can be prepared and passed around via e-mail almost instantaneously, the speed for filing can increase dramatically. For example, a large multinational corporation based in Europe that has used the system extensively has cut the average time to file an application from five to seven working days to less than two. In the past, they drafted applications on a word processor in the United States, e-mailed them to Europe to be printed out, signed, and then faxed or mailed them back to their U.S. office to be filed at the PTO. Their e-TEAS applications are filed by counsel in the U.S., sent via Internet e-mail to Europe, signed electronically, and returned to counsel in the U.S. for immediate filing. In one urgent situation, an application was drafted in the United States, sent via e-mail to Europe, signed, returned, and filed at the U.S. Trademark Office in just 32 minutes.


The extended operating hours of the e-TEAS system also offers substantial benefits. Because six-month Paris Convention priority deadlines are statutory, being able to file so

quickly and getting the benefit of up to seven extra hours before a filing date passes may be crucial. Using the paper system, a filing date may be lost if the application is not filed at the USPTO by 5 p.m. EST, or at least mailed via Express Mail by the time the post office closes. e-TEAS enables you to file until midnight, providing applicants on the East Coast an extra seven hours and those on the West Coast an extra four hours for filing.

Finally, cost savings may be substantial. A company or law firm that files

a large number of applications each year can essentially cut the out-of-pocket postage and/or fax expenses for filing an application from \$15-20 down to nothing, simply by using e-TEAS and the Internet. For example, it may cost \$3-4 in long distance charges to fax an application to a client for review and signature and have it faxed back. It then costs \$10.95 to use Express Mail to forward the application to the USPTO; e-TEAS costs nothing. The application is created electronically, sent via e-mail to the client for review and signature, returned via e-

mail, and filed electronically. Savings could be substantial over the course of filing hundreds of applications.

Through the development and implementation of TEAS, e-TEAS and PrinTEAS, the USPTO has established itself as a trend-setter in the information age. It will continue to move into the new millennium with electronic patent filing, paperless assignment recordation and other innovations yet to be imagined. 

First Trademark Application of Y2K Filed Electronically by Washington Area Woman

by Jessie Marshall, Office of the Commissioner for Trademarks

The U.S. Patent and Trademark Office received its first trademark application for 2000, filed electronically on January 1 by Lori Mares of Springfield, Virginia, for the mark THEPIANOSCHOOL. She plans to use the mark for services related to "private piano instruction." Not only is Mares' application the first and only trademark application to have been filed in the USPTO on January 1, 2000, it is probably the first and only one filed in the world since national trademark offices around the world were closed for the holiday.

Although the USPTO is closed on national holidays, the on-line Trademark Electronic Application System (TEAS) is available almost 24 hours a day, 7 days a week. Even the New Year's Day holiday doesn't stop the electronic trademark application filing process. But

this year was different. All USPTO computer systems had been shut down for the Y2K change over throughout the New Year weekend. They were activated for a few hours on Saturday, January 1, 2000, so that USPTO employees could test the systems to make sure that the Y2K fixes that had been deployed were functioning properly before coming back up for business as usual on Monday morning. During the short time that the TEAS system was being tested, Mares filled out her on-line trademark application form and hit the SEND command.

Ms. Mares said that she had no intention of being the first trademark applicant of the millennium. She had

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from left: Lenny Seidel, Mares' father; Under Secretary Dickinson; Lori Mares; and Commissioner Chasser

photo: Dennis Forbes

by Ruth Ann Nyblod
Office of Public Affairs

The U.S. Patent and Trademark Office was about to make history. Not only was it becoming a performance-based organization but also patent law was significantly changing after several years of dramatic debate. I was curious about the man who had championed the patent reform effort, and in February I had the pleasure of visiting with Chairman Coble in his Capitol Hill office. With the beautiful Capitol building in the background and spring beginning to break, I may have been distracted under any other circumstance. But I was charmed, not by the southern gentleman, but by the legislator--the “pit bull” as someone had called him, truly a term of endearment. Chairman Coble’s devotion to the intellectual property community is fierce, and he will fight to the end for inventors--all inventors.

Here’s what he had to say...

Q. Mr. Chairman, Thank you so much for sharing your valuable time with USPTO TODAY readers. Some of us know you only as Mr. Chairman. Would you mind telling us a little bit about your life before Congress?

A. I was born in Greensboro and reared in rural Guilford County which is in the center of the state. My dad was with the Belk Department Stores, a merchant. My mom worked in a hosiery mill. She wasn’t an owner, she was a hosiery mill worker, a machine operator. I have one brother. I attended the public schools of Guilford County and attended Appalachian State University in Boone, over the crest of the Blue Ridge Mountains—my favorite part of North Carolina. I was graduated from Guilford College, a small school in Greensboro, and then law school at the University of North Carolina at Chapel Hill. Then I was elected and served in the legislature back home for four terms. I was elected to the Congress in 1984.

Q. North Carolina ranks within the top 20 states receiving the most patents over the last couple of decades. Did this creative and inventive spirit inspire your support of intellectual property rights?



Photo Dennis Forbes

Congressman Howard Coble, Chairman of the Subcommittee on Courts and Intellectual Property

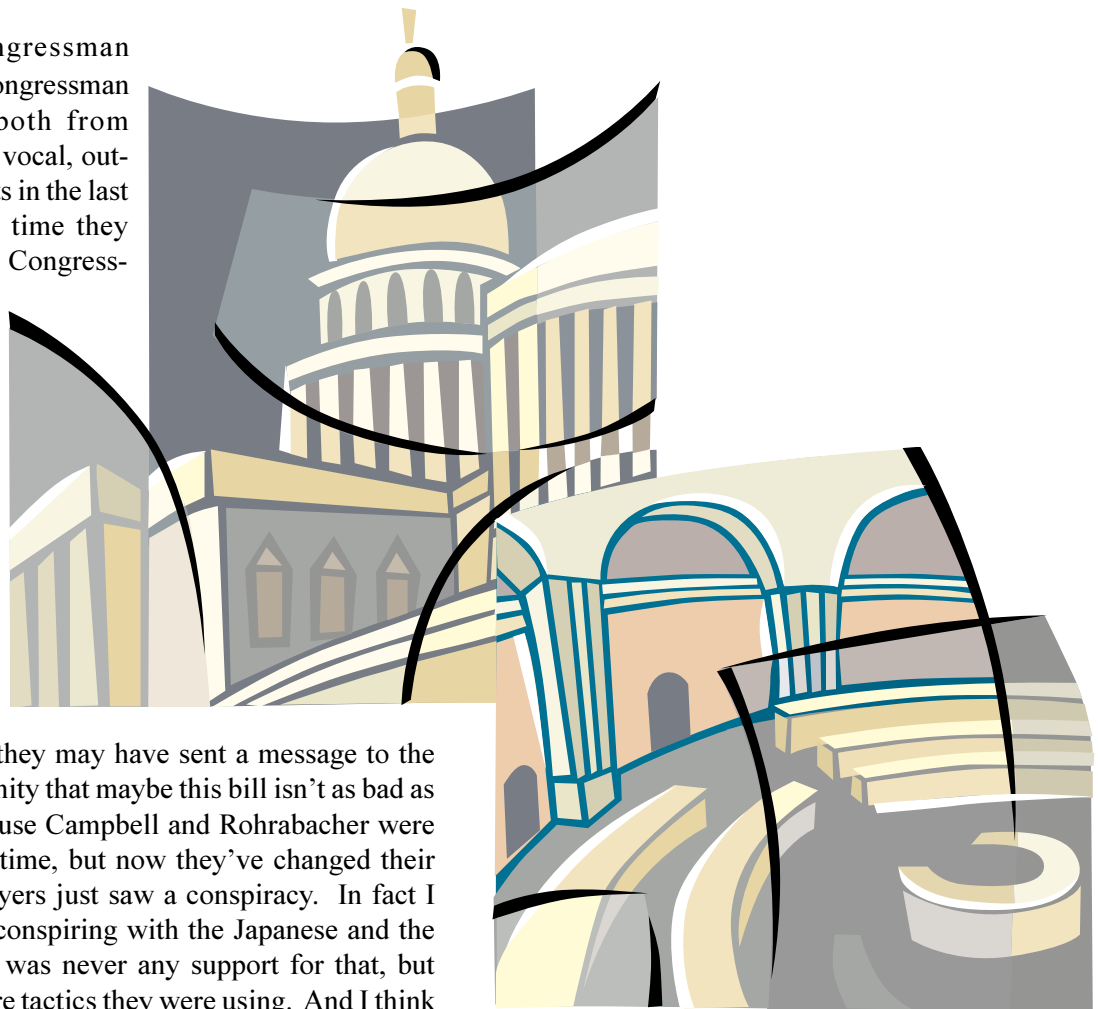
A. Yes. When I assumed the chair of this subcommittee, I made it clear to Chairman Hyde and to Newt Gingrich, then the Speaker, that I am not an intellectual property lawyer. I said I would like very much to chair the subcommittee. I’d served on the subcommittee since I’d been in the Congress, so I was familiar with the subject matter. But I didn’t want to lull them into a sense of false security thinking they had some hot shot IP lawyer who could just waltz into it unopposed. I told them also that I would not campaign for the job. I’m not going to have people calling you at 10:00 at night telling you what a great guy Coble is. That may be why they appointed me. Having served on the subcommittee since I’ve been in Congress, it became apparent to me early on the favorable, obvious contribution the intellectual property community directly makes to our trade balance and our profitability in this country.

Q. You have had some major accomplishments this past year, one of which was the passage of the patent reform legislation. After years of debate, what broke through the logjam?

A. Well, Congressman Campbell and Congressman Rohrabacher, both from California, were vocal, outspoken opponents in the last Congress. This time they came our way. Congressman Manzullo from Illinois was opposed to it last time. So we had—particularly in Campbell and Rohrabacher—two vocal respected members who had changed positions. And I think with that, they may have sent a message to the inventor community that maybe this bill isn't as bad as we thought because Campbell and Rohrabacher were not with us last time, but now they've changed their position. Naysayers just saw a conspiracy. In fact I was accused of conspiring with the Japanese and the Chinese. There was never any support for that, but those are the scare tactics they were using. And I think that the more it was exposed to the light of day, people concluded that this isn't such a bad proposal after all, and American inventors will benefit from it.

I'll never forget that in the last Congress when we passed the bill in the House, and it died in the Senate, a reporter from San Francisco called and he said, "I've been covering the law of patents for 15 years." He said "it is the most dull, boring, esoteric area of the law—until now. Keep it going!" He was referring, of course, to the heated arguments we were having and particularly how Republicans were arguing against Republicans, Democrats arguing against Democrats.

I would also say we had good bipartisan support on our subcommittee from the ranking member, Howard Berman from California; Bill Delahunt, Massachusetts; Zoe Lofgren, California; John Conyers, the Ranking Member from Michigan. And then, of course, on our side, we had Bob Goodlatte from the Roanoke Valley; Chris Cannon from Utah; Eddie Pease from Indiana; Bill Jenkins, Tennessee. We had just a good bipartisan effort that took that thing forward.



We still had that vocal group that opposed us. On final passage in the House, someone came up to me and said, Howard, don't get a record vote—it may not pass. I said, no, I want a record vote so the Senate will know the margin of victory. If it had gone to voice vote, some of those Senate people would not have known how strong the support was. I think that helped our getting it passed. We also had some good work done by the different representatives from the different industries, corporations actively involved in patent operations that helped us tremendously on the Senate side because there were four or five Senators last session—and also in this session—who had just been convinced by these naysayers that it was bad legislation.

The IP community celebrated the passage of the patent bill with a reception. Someone told me that night that the new law will do more to affect the law of patents than any legislation since 1952.

Q. What are your goals for this year?

A. Well, database protection is very important. We've put many difficult hours in on that. We got it through the House, twice last time, and then only to see it die in the Senate. We're having some problems with the Commerce Committee now, but they have a different version of a bill. I believe that our version does far more to afford protection to the database owner than does the Commerce bill. Some people are opposed to our bill because they want to be able to commit piracy on a database and waltz away from it. It would be nice to get it free—I don't blame them, I'd like to do that, too. So we're going to be pushing real hard on the database issue.

Protecting the PTO money wise is very important to us. The folks down on the other end of Pennsylvania Avenue want to get their grubby paws on the PTO monies, and it is my contention that the PTO monies are not tax monies. I mean they're user fees, paid by inventors. And I don't think the Administration should take one penny from the PTO. In fact, we're going to do our darndest to keep that from happening.

Q. What is your vision of the Patent and Trademark office after the effective date of the patent reform bill [March 29]?

A. Greater autonomy, more flexibility, probably a better turnaround time for the people you all serve down there. That I think will be a direct result of the bill that was passed. I know you need more examiners, and I hope that will be forthcoming.

You know that the Administration wants to divert those monies—I mean millions of dollars—they want to plow into other programs. That money should be off limits. They are PTO monies exclusively, paid into the coffers by inventors.

Q. I understand you will hold a PTO oversight hearing in March. What issues will be you looking at?

A. We'll probably get a response from you all to see how things are going. To see if my words are prophetic, if there is better autonomy, better flexibility. We need to figure out a way to work with the appropriators to make sure that no more money is going to be diverted. That's the number one patent priority for us. That's a nagging problem, as you know. Every session of Congress it happens. We need to nail that down.

Q. We know you were instrumental in getting House passage last year of legislation implementing the Madrid Protocol. What do you think the prospects are for Senate passage?

A. There are going to be some technical tweaks that need to be done now that I understand the voting issue has been resolved. You're familiar with the EU [European Union]—they were looking at a vote for each country and an additional vote for the EU. I think that's all been resolved, so I'm hoping that it will be favorable.

Q. Is there anything else you would like to tell our readers? Words of wisdom?

A. I want to express thanks to you all at PTO. As I said, I think the average citizen—and I was guilty of this before I came to this committee—I don't think they appreciate the good work that occurs within the walls of the PTO.

America benefits from those hours that are put in down there. A t-shirt that someone gave me the other day says "Inventors Make Things Happen," and I believe that is true.

We just appreciate the good work the PTO does. In fact, I'm remiss. I told the Commissioner I want to come down there and look around. Perhaps before the end of spring I will do that.

Q. Mr. Chairman, thank you again. And, please do come and visit the USPTO. I'd love to show you around.

A. Thanks for coming by.



Secure and Confidential Access to Patent Application Information Now Available on the Internet

by Laura Cannon Maddix, Search and Information Resources Administration

The U.S. Patent and Trademark Office recently launched the Patent Application Information Retrieval (PAIR) system. The PAIR system makes it possible for applicants, and their designated agents or attorneys, to securely obtain up-to-the-minute information on their pending applications with Public Key Infrastructure (PKI) digital authentication.

With a few quick mouse clicks, PAIR provides information on:

- whether a patent application filing date has been recorded;
- current status of the pending application;
- name of the examiner working on the application and examiner contact information;

- the patent application prosecution history; and
- other helpful information.

To take advantage of the PAIR system for pending patent applications:

- A requestor must be either the applicant or an officially designated representative of the applicant.
- The requestor must complete a Certificate Action Form. See the USPTO Electronic Business Center Web site at <http://pto-ebc.uspto.gov> for the form and instructions. The requestor must also have a customer number. Only those cases that are associated with the requestor's customer number can be accessed using PAIR. Request forms for a customer number are also available on the USPTO Electronic Business Center Web site.
- The requestor will need to install PKI software on their computer.

Pending application information cannot be accessed without the PKI software. Functions of the PKI software include encryption and a digital signature. This is done in order to ensure the confidentiality and integrity of the application data. The USPTO will provide the PKI software free of charge to those individuals approved for use of the PAIR system.

To take a test drive of the PAIR system, go to USPTO's Electronic Business Center at <http://pto-ebc.uspto.gov>, and select the PAIR option. Enter any patent number to see for yourself the information that can be accessed readily via the Web. There is also general information available on the PAIR system, answers to frequently asked questions, and instructions on how to request PAIR access for pending applications.



National Intellectual Property Law Enforcement Coordination Council Holds Inaugural Meeting at PTO

by Vicki Allums, Office of Legislative and International Affairs

Under Secretary Q. Todd Dickinson chaired the inaugural meeting of the National Intellectual Property Law Enforcement Coordination Council on January 21, 2000, at the U.S. Patent and Trademark Office. President Clinton signed into law the Treasury/Postal appropriations bill on September 29, 1999, which contained a provision creating the first inter-agency group specifically charged with the mission of “coordinating domestic and international intellectual property law enforcement among federal and foreign entities.”



Left to right: Timothy J. Hauser, Deputy Under Secretary of Commerce for International Trade; Alan P. Larson, Under Secretary of State for Economic, Business, and Agricultural Affairs; James K. Robinson, Assistant Attorney General, Criminal Division; Q. Todd Dickinson, Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office; Richard Fisher, Deputy United States Trade Representative; and Raymond Kelly, The Commissioner of Customs.

The Council’s statutorily-designated members are: the Assistant Secretary of Commerce and Commissioner of Patents and Trademarks, the Assistant Attorney General (Criminal Division), the Under Secretary of State for Economic, Business and Agricultural Affairs, the Deputy United States Trade Representative, the Commissioner of Customs, and the Under Secretary of Commerce for International Trade. The Council is also required to consult with the Register of Copyrights on copyright and related rights and matters. Under Sec-

retary Dickinson and Deputy Attorney General Robinson co-chair the Council.

The NIPLECC members began formulating a mission and activities for the Council, which will include working with intellectual property owners on such challenging and cutting-edge issues as enforcing intellectual property rights on the Internet. Other Council activities will include the coordination of U.S. Government technical assistance in the intellectual property enforcement area worldwide to ensure that U.S. Government funding dollars are wisely spent and have some measurable impact on the enforcement regimes of developing countries.

Where Trademarks and Domain Names Intersect

by Jessie Marshall, Office of the Commissioner for Trademarks



individual's simple e-mail address, but rather the IP address is, initially, a string of numbers that identifies an entity's location on the World Wide Web and, in turn, on the Internet. However, it became apparent quite early in the evolution of the World Wide Web, that people had trouble remembering long number strings (usually 10 numbers in length), so these numbers were translated into words - the words of domain names.

The domain name system was developed to make the World Wide Web user-friendly for those who wanted to construct a Web site or home page. In order to have a site "on" the World Wide Web an entity—whether an individual, organization, institution, government, or business—must be connected to a server, either their own or someone else's like America Online®. Once connected to a server, an entity can connect to the World Wide Web using an I.P. (Internet Protocol) address. This is not an

Domain names were divided into categories for easier administration - .COM, .ORG, .NET, .EDU, .GOV, and .MIL. These became known as top level domains or TLDs. It was also decided that the categories of .COM, .ORG and .NET could and should be administered by private organizations. So for most entities, the selection of a TLD was as easy as checking off the appropriate box when registering their domain name with the registry organization. The second level domain (the word or words to the left of the TLD) became a critical choice. Understandably, a commercial entity would want to use a

word or words that the public already recognized and associated with that entity. What would make more sense than using its already well-established trademark or service mark as its second level domain? And that's when the problems started.

So, domain names are merely easy to remember replacements for number strings. Their purpose is to identify a location on the World Wide Web of a particular computer. Any other purpose or significance attributed to them has nothing to do with their technical origins as location identifiers. On the other hand, the purpose of a service mark is to identify and distinguish the services of one entity from the services of others and to indicate the source of the services. It has nothing to do with identifying the location of that entity on the World Wide Web.

The purposes of domain names and services have a very small intersection. In fact, their primary purposes are antithetical to each other. A domain name identifies a specific location in cyberspace. A service mark identifies services and indicates that they originate with a particular entity. Under trademark law, a designation that func-

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Faces of the USPTO

Anne Chasser

Anne Chasser was appointed by the secretary of commerce and sworn in as commissioner for trademarks on April 3, 2000.

“It is a great honor to be here at the beginning of a new era for the USPTO” said Chasser. “In our increasingly global and electronic economy, trademarks are becoming even more important. They are the street numbers on the information superhighway. Trademarks are critical for protecting consumers as they navigate the Internet, as well as for ensuring the Web’s commercial integrity. In this environment, a good name is exceedingly valuable.”

Most recently, Chasser served as the assistant commissioner for trademarks. Before joining the department, Chasser of Columbus, Ohio, was the director of trademarks and licensing services at The Ohio State University, one of the nation’s largest public research universities. At the time of her nomination she was also president of the International Trademark Association, a trade association of leading trademark owners with over 3,600 members from 120 countries.



Nicholas P. Godici

On April 3, 2000, Nick Godici was appointed by the secretary of commerce and sworn in as commissioner for patents.

“I feel incredibly honored, as a career USPTO employee, to be selected to lead the patents organization into the next century and to be the first person to serve as commissioner for patents in the new performance-based organization,” said Godici.

“I am extremely pleased at Nick Godici’s selection for this important position,” noted Under Secretary Dickinson. “It comes at an opportune time. Nick’s experience and leadership in our patents business are tremendous assets and will be invaluable as we continue to manage the USPTO’s explosive growth, while assuring quality products and services.”

Nick Godici, of Alexandria, Virginia,

has over 25 years of experience in the intellectual property rights protection arena. As the principal advisor to the assistant secretary and commissioner of patents and trademarks, he is responsible for managing all aspects of the patent business organization including examination, search, and procedural functions and the patent documentation organizations, which includes international responsibilities, such as agreements with other countries negotiated through the World Intellectual Property Organization.

Prior to his present position, Godici served as the acting assistant com-



missioner for patents. Godici had been nominated by the president for the position of assistant commissioner for patents and was in the process of Senate confirmation when the PBO came into effect. In addition, he has served the PTO in several other capacities including director of a patent examining group, supervisory patent examiner, and patent examiner.

Clarence Crawford

Clarence Crawford, formerly associate director of administration at the Office of Management and Budget (OMB), became associate commissioner and chief financial officer at the USPTO on November 8, 1999. His title changed to chief financial officer and chief administrative officer on March 29, 2000, the day the USPTO became a PBO.

“Clarence Crawford brings to the PTO a superlative record of government service and a wide range of experience that will be helpful to the agency as we face the challenges of the years ahead,” stated Commissioner Dickinson.

Prior to coming to the USPTO, Crawford was the principal advisor to the director of OMB on internal management matters, managing the agency’s budget, information technology, human resources, physical and personnel security, publishing, procurement, parking, and facilities programs. He also served as the chair of the Investment Review Board, and ensured OMB’s compliance with the Ethics in Government Act, Freedom of Information Act, and the Privacy Act. His experience prior to OMB includes lengthy service in a variety of positions with the General Accounting Office, the Internal Revenue Service, and the Washington, D.C., Metropolitan Police Department, where he began his career as a police officer.



Richard J. Apley

Richard Apley, a long-time employee of the USPTO, is the new director of the Office of Independent Inventor Programs (OIIP). Established in March 1999, OIIP aims to meet the special needs of independent inventors.

The Office of Independent Inventor Programs, which was formerly headed by Donald G. Kelly, establishes new mechanisms to better disseminate information about the patent and trademark processes and fosters regular communication between the USPTO and independent inventors. The OIIP also runs training programs and maintains a strong presence at independent inventor conferences by exhibiting and participating in seminars.

“I am extremely pleased that Richard Apley has accepted this important position,” noted Commissioner Dickinson. He went on to say, “It comes at a most opportune time. America’s independent inventors are a valuable intellectual and economic

resource and Richard Apley’s tremendous experience and leadership in this area are wonderful assets as we work with independent inventors to nurture this boundless creativity by simplifying their access to our patent system.”

In fiscal year 1999, America’s independent inventors filed about 15 percent of all the patent applications received by the agency.

Apley is a native of Brooklyn, New York. He received a bachelor’s degree in civil engineering from Rensselaer Polytechnic Institute in 1966 and began his career at the Patent and Trademark Office imme-



diately thereafter. In 1974 Apley received a juris doctor degree from the University of Baltimore. He became a Supervisory Patent Examiner in 1982 and has supervised art units in mechanical and chemical engineering, computer controlled teaching apparatus and simulators, biomedical and surgical devices and methods. Apley has been training coordinator, lecturer, instructor, and mentor on and for a variety of USPTO issues and programs.

A Budget for All Seasons

by Clarence C. Crawford, Chief Financial Officer

[editor's note: In March the President submitted to the Congress his proposed federal budget for fiscal year 2001. We thought a primer on the federal budget cycle may bring this complex process to light. We'll keep you posted in the following months on the progress of USPTO's budget.]

As certain as the seasons change, each year the federal government cycles through an elaborate process that produces a budget to guide and fund its future activities. Although at certain levels, the budget process can challenge even the most seasoned analyst with its arcane and mind-numbing detail and distinctive vocabulary, we do well to keep in mind that overall the federal budget is made up of the same elements as that of any household or small business. Simply, those elements are:

1. where income is coming from and how much will there be,
2. what items to spend this income on and in what amount, and
3. what will be accomplished by spending the specified amount on the designated activity or item.

Winter 2000

During the winter months of 2000 the USPTO worked on three annual budgets simultaneously. They are:

- **Fiscal year 2000.** This is the current fiscal year that began on October 1, 1999. For fiscal year 2000, the PTO is authorized to spend \$880 million. These funds are being used to address the Under Secretary's highest priorities, which are enhancement of the quality of patent and trademark products and services through quality management, training, and customer outreach; maintenance of production at 1999 performance levels; and first

year implementation of the American Inventors Protection Act of 1999 (Public Law 106-113).



- **Fiscal year 2001.** This fiscal year will begin on October 1, 2000. At this point in the budget process, USPTO prepared and submitted its corporate plan for 2001 to the Congress for their consideration and approval later in the year.

- **Fiscal year 2002.** Although this fiscal year won't begin for another 18 months, the USPTO is already preparing for the 2002 corporate planning process. New ways to address operations, means to keep the agency abreast of a rapidly changing and expanding economy, and activities to coordinate with other federal agencies, international counterparts, and customers and stakeholders are being planned.

Winter is a particularly important time in the budget cycle. The law requires that, by the first Monday in February, the President submit to the Congress his proposed federal budget for the next fiscal year, in this case fiscal year 2001. The White House's Office of Management and Budget (OMB) prepares the budget proposal, after receiving direction from the President and consulting with his senior advisors and officials from Cabinet departments and other agencies. As a part of the Department of Commerce, USPTO works closely with OMB in the formulation of the President's budget.

The USPTO is small in comparison to many other federal agencies, but it commands more than its share of budgetary attention because of its financing characteristics. Since 1993 the USPTO has been financially self-sufficient, generating fee revenue from the sale of its products and services to cover all of its costs without an

appropriation from taxpayer revenue. The USPTO will generate more than \$1.1 billion in revenue in fiscal year 2001 and must demonstrate to the administration and, later to Congress, that USPTO's plans for use of these funds will lead to greater productivity and improved level of service to the agency's customers. Thus, built into USPTO's budget request are numerous quality enhancement activities such as the independent inventors program, expanded training for patent and trademark examiners, and a continuation of the prominent quality management program.

In addition, USPTO's fiscal year 2001 budget includes a continuation of the programs of upgrading the agency's information technology infrastructure and implementing the provisions of the American Inventor Protection Act, signed into law on November 29, 1999. But perhaps most importantly, the USPTO budget reflects efforts to keep up with the growth in demand for intellectual property protection that has been going on for a decade, but has accelerated sharply in recent years.



Spring 2000

In the spring, Congressional budget review shifts into high gear. The President and the Congress decide how much to spend and tax in any one fiscal year. The President's budget is his plan for the next year, but it's just a proposal. After receiving it, Congress has its own budget process to follow. Only after the Congress passes, and the President signs the required spending bills has the government created its actual budget.

Congress first must pass a budget resolution—a framework within which the members will make their decisions about spending and taxes. It includes targets for total spending, total revenues, and the deficit, and allocations within the spending target for the two types of spending—discretionary and mandatory. Permanent laws authorize mandatory spending, which accounts for two-thirds of total federal spending, not by annual appropriations bills. It includes, for example, entitlements

and interest on the national debt.

Discretionary spending, which accounts for one-third of federal spending, is what the President and Congress must decide to spend for the next year through the 13 annual appropriations bills. It includes money for such activities as the USPTO, as contained in the annual bill put forward by the House and Senate's appropriations subcommittees on Commerce, Justice, State, and the Judiciary.

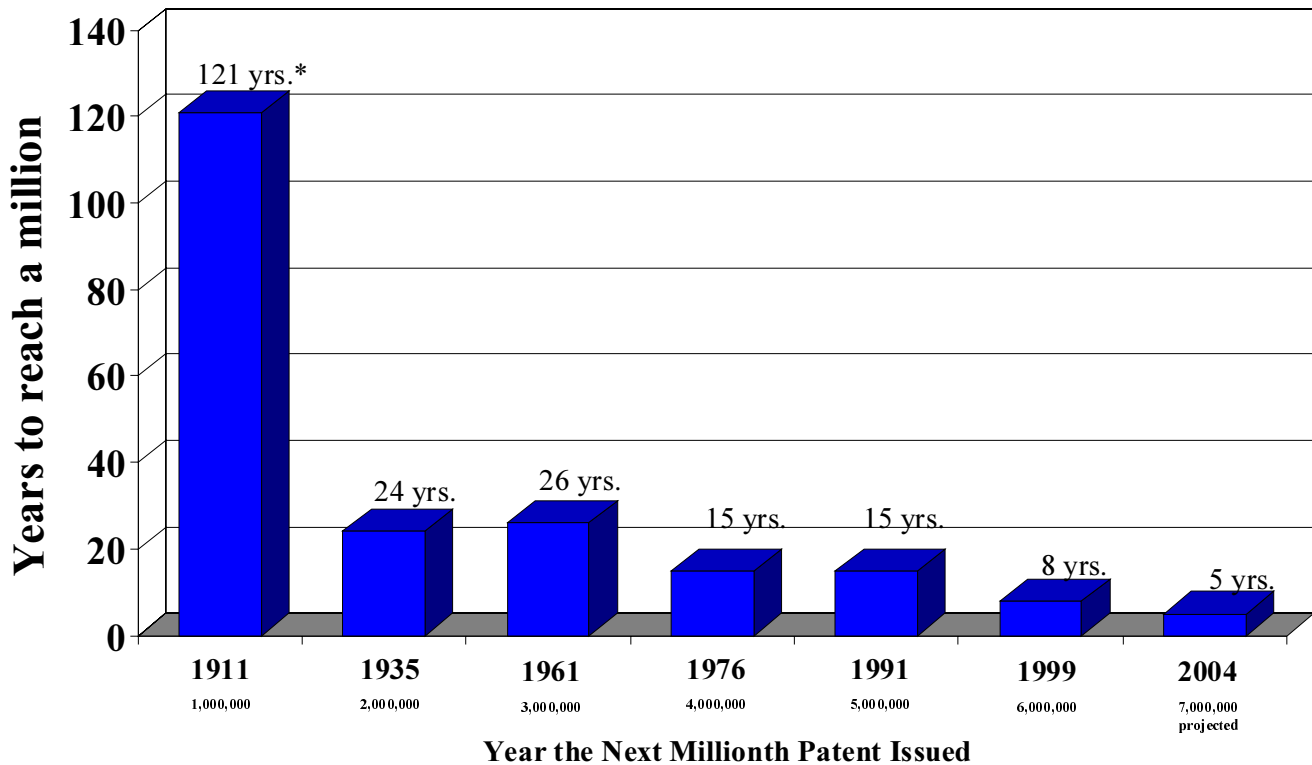
Currently, the law imposes a limit, or cap, through 2002 on total annual discretionary spending. Within the cap, however, the President and the Congress can, and often do, change the spending levels from year to year for the thousands of individual federal spending programs. In addition, the law requires that legislation that would raise mandatory spending or lower revenues—compared to existing law—be offset by spending cuts or revenue increases. This requirement, called “pay-as-you-go,” is designed to prevent new legislation from increasing the deficit.

Once Congress passes the budget resolution, it turns its attention to passing the 13 annual appropriations bills and, if it chooses, authorizing bills to

change the laws governing mandatory spending and revenues. Congress begins by examining the President's budget in detail. Scores of committees and subcommittees hold hearings on proposals under their jurisdiction. The budget director, Cabinet officers, and other administration officials work with Congress as it accepts some of the President's proposals, rejects others, and changes still others. Congressional rules require that these committees and subcommittees take actions that reflect the overall budget resolution.

Throughout each spring and into the summer, USPTO senior officials are busy working with the staffs of the responsible congressional committees and with OMB and the Department of Commerce, to make sure that USPTO's budget request is properly justified and that all parties thoroughly understand the agency's program priorities and the needs of its customers. This year

Patents by the Millions



*The first U.S. patent was issued in 1790; however, the Patent Office did not number patents until 1836.

It is difficult to comprehend the growth magnitudes involved here. One dramatic example illustrating this growth is the time to issue a million patents. More than 70 years passed before the first million numbered patents were issued; throughout most of the 20th century patents were issued at the rate of one million every 20 years. On the other hand, in the 21st century the first million patents will be issued by the end of 2004 – a rate of one million every five years, four times faster than the rate prevailing in the previous century.

USPTO staff will be particularly interested in making sure that USPTO's need to invest in the future is highlighted. The agency's ability to support continued technology-driven economic growth depends critically on these investments—in new patent and trademark examiners, in process re-engineering and E-commerce, in cutting-edge information technology—and considerable effort will be spent in reinforcing this message on Capitol Hill and elsewhere.

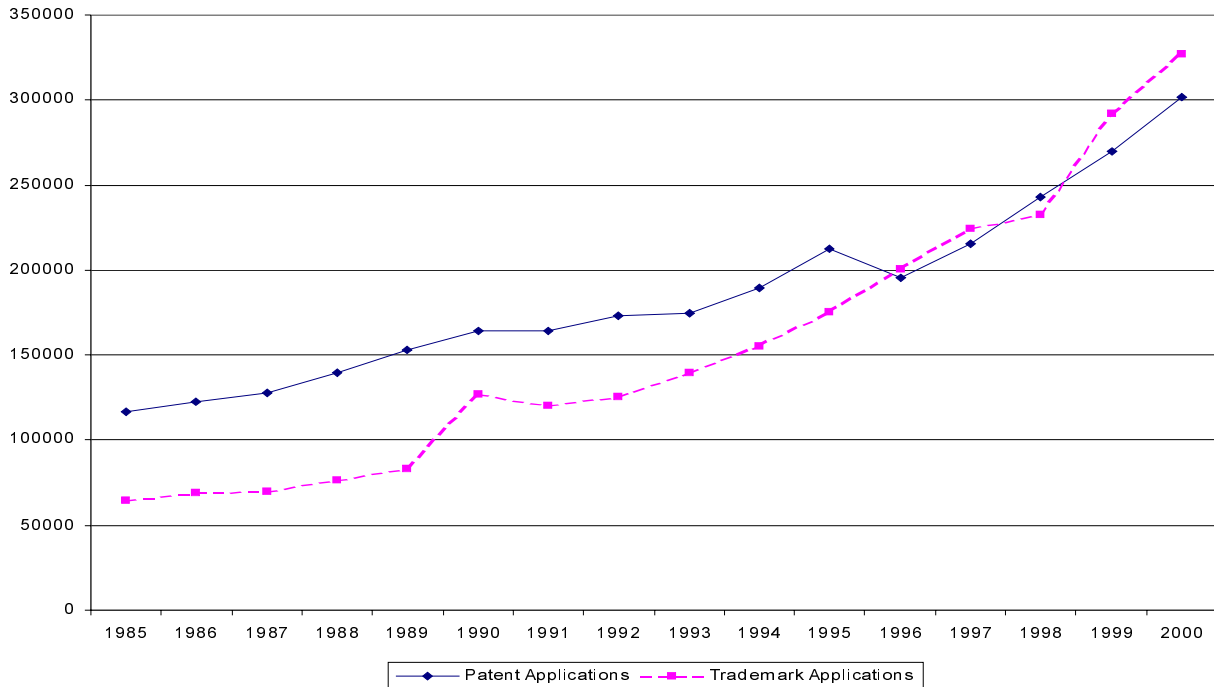
Summer 2000

During the summer, budget emphasis shifts ahead a year as USPTO prepares to submit its 2002 Corporate Plan. This year the agency will use the planning-budget process to address numerous important issues. One such issue is to improve funding authority. The USPTO will request authority to access all fees collected from its customers to augment the level of service delivered to

customers as well as ensure that future operational viability is not put at risk. The agency's ability to function as a performance-based organization is predicated upon its ability to secure a stable and dependable funding course.

In addition, it is clear the USPTO needs to continue and expand its reinvention efforts. The future needs of USPTO's customers cannot be met indefinitely simply by expanding human resources. In the past, the agency has made progress in adjusting its operations to meet demand while maintaining quality, but these efforts will no longer be sufficient to achieve out-year performance goals. Undoubtedly discussions of the 2002 budget will address the return on investment to be realized from critical reinvention and automation efforts and the directions they should take.

Annual Growth of Patent and Trademark Filings



Specifically for 2001, the USPTO is forecasting utility, plant, and reissue patent applications of 335,400 and trademark applications of 363,700. If these forecasts are realized, they will mean that patent applications have increased by more than 75 percent in five years and that trademark applications have more than doubled in six years! Such growth rates have presented challenges as well as opportunities to the USPTO, and will continue to do so. In particular, the agency has found it very challenging to recruit, train, and retain the large numbers of skilled science and engineering personnel necessary to handle such rapidly expanding workloads.

Autumn 2000

October 1 will mark the beginning of the 2001 fiscal year. Although budget execution is performed throughout the year, no time is more important for this component of the budget process than budget initiation. Not only is the USPTO involved in finalizing plans for the new fiscal year and in setting up controls and procedures, but also other agencies are looking over its shoulder as well. Once the President and Congress approve spending, the government monitors the USPTO budget through OMB; through the appropriate congressional committees; and through the General Accounting Office, the auditing arm of Congress.

This oversight is designed to ensure:

- that agencies comply with legal limits on

spending, and that they use budget authority only for the purposes intended;

- that programs are operating consistently with legal requirements and existing policy; and, finally,
- that programs are well managed and achieving the intended results.

Throughout the year, USPTO will perform its budget execution responsibilities to ensure that its customers and the American people as a whole receive full value for the money USPTO is authorized to spend. Fortunately, the USPTO has a capable staff of budget analysts and managers and, in addition, its senior program management recognizes the criticality of the process and is willing to devote much essential time to it, whatever the season.

Helpful Hints

for patent applicants...

Before you apply for a patent:

- ✓ Make a record of your idea. Keep a working record of progress on development of your invention.
- ✓ Search the pertinent prior literature in the field of your invention. Searches can be performed at the PTO's public search room, patent and trademark depository libraries, or on the Internet.
- ✓ Develop a business plan. Understand your financial needs, prepare a marketing scheme, and investigate the financial soundness of your invention.



for biotech or design patent applicants...

- ✓ Any paper may be hand-carried to and received by Technology Center 1600/2900's Customer Service Center. If you are using a courier service please use the following address:

U.S. Patent and Trademark Office
Technology Center 1600/2900
Crystal Mall 1, 7th floor
1911 S. Clark St.
Arlington Va. 22201

Technology Center 1600/2900 can charge fees in house so your paper will not have to leave the Tech Center. However if you wish to pay with cash, then you must submit your correspondence to the Attorney's Customer Service Window located in Crystal Plaza 2, lobby level between the hours of 8:30 a.m.- midnight Monday-Friday, except on federal holidays.

- ✓ The following information should be cited in the heading of your facsimile:

- ❖ Application serial number
- ❖ Art unit to which the application the assigned
- ❖ Filing date of application
- ❖ Examiner assigned to application
- ❖ Title of the invention
- ❖ Attorney docket number

Use the following FAX numbers:

(703) 305-3014
(703) 308-4242

(703) 308-2742
(703) 305-3592

(703) 305-1935

If the paper you are faxing requires a fee to be paid, you must have a deposit account and that deposit account number along with authorization to charge the deposit account must be cited on your correspondence.

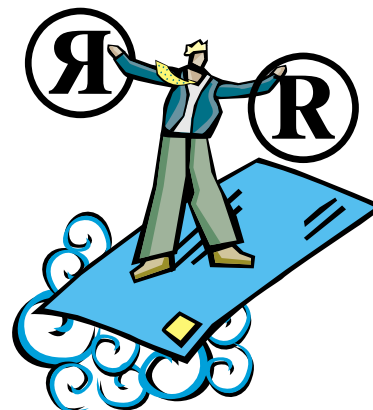
for trademark applicants...

✓ To change the correspondence address in a trademark application, submit a written request to the current location of the file. Submitting a new power of attorney or a response on letter head with a different address is not sufficient. You must specifically request a change of address.

✓ To have a trademark application issue as a registration in the name of a new owner, you must file a written request for the mark to register in the new name. When an assignment is recorded in the Assignment Division, the application record is not automatically updated with the name of the new owner. If your request is part of another document (e.g., response to an office action), make sure the request to have the registration issue in the name of the assignee is clearly visible (e.g., use heading or bold print).

✓ Use the USPTO's forms whenever possible for anything and file as much as possible using the Trademark Electronic Application System (TEAS).

✓ Once an application has been assigned a serial or registration number, place this number clearly on the top right corner of each page of anything sent in to the USPTO. Also, include an address to which any return office correspondence should be sent on each document you submit to the office.



Y2K trademark application continued from page 21

lots of free time on New Years Day and took advantage of that time to do something she had been working on and intending to do for a long time—file her trademark application. “The application process couldn’t have been simpler,” she stated. “It took 20-25 minutes to do it!”

Lori Mares represents a group of customers that the USPTO has been hoping to reach through the TEAS system - small entrepreneurs who recognize the value of having a registered trademark but who have been hesitant to get involved in the registration process. The goal of the TEAS project has been to make the process

fast, easy, and accessible to anyone who wants to start the trademark registration process by submitting an application for registration. In Ms. Mares, the USPTO has realized that goal. As she said, “You can register your dream in less than half an hour.”

Anne Chasser, the commissioner for trademarks, is particularly pleased with the TEAS service provided to individuals like Lori Mares. “This is the future - it is here, it is now, it is happening,” stated Chasser during her conversation with the first trademark applicant of the new millennium.



Business Is Booming

by Bruce Kisliuk, Office of the Commissioner for Patents and
Jessie Marshall, Office of the Commissioner for Trademarks

Managing growth—while improving quality—is high priority for USPTO

The U.S. Patent and Trademark Office is experiencing tremendous growth in application filings for both patents and trademarks. The patent filing growth rate for the previous five years has been 8 percent annually. In fiscal year 1999, however, USPTO experienced almost a 13 percent growth rate. Similarly, the growth rate in the trademark area for the previous few years has been about 12 percent annually. In fiscal year 1999, however, trademark filings were up 25 percent.

A number of reasons could account for this increase in growth rate. The shift in the world's economy to the Information Age is one. Many new high-tech businesses, such as computers, software, the Internet, and biotechnology rely disproportionately on intellectual property to protect their inventions. In addition, intellectual property systems have been strengthened world-wide, and the subject matter eligible for patentability has been expanded to areas such as gene sequences, software, and business methods. The increase may be partially attributed also to a strong

belief in the quality of the products and services that USPTO offers.

Staffing

One of the ways the USPTO is addressing this growth is by expanding its staff. Fortunately, the agency is on the cutting edge of hiring practices with the use of electronic job applications. For example, applicants for patent examiner positions can apply for a job over the Internet, 24 hours a day, 7 days a week.

The USPTO hired 728 patent examiners in fiscal year 1998 and another 801 examiners in fiscal year 1999 bringing the patent examining corps up to over 3,000 individuals. A majority of these examiners are in the electrical and computer-related arts.

In Trademarks, 230 new examining attorneys have been added to the examining corps since November 1997, almost doubling the size of the workforce in 18 months. Currently, the trademark examining corps totals 367 individuals.

In order to compete in a very competitive job market, the USPTO has supplemented the generous government benefits and flexible work

schedules already provided to employees. For example, recruitment bonuses and relocation reimbursements aid in the hiring program. Expansion of these types of programs may also encourage patent examiners to stay once they come on board.

Another selling point for recruitment is an examiner work-at-home pilot in the Trademark area. Under this program, trademark examining attorneys work from their homes on specific days of the week. They have access to all of the computer systems available in the main offices and can perform all of the day-to-day functions of an examining attorney while off-site. This year, the highly successful Trademark Work-at-Home program will be expanded from 18 examining attorneys to 80. A successful work-at-home program will help USPTO manage the growth of its staff and the associated space requirements.

Automation and Information Channels

Another way the USPTO is managing its growing workload is through aggressive automation and enhancement of examiner resources.

Improvements to examiner's search capability resources enable more access to prior art than ever before. Today, from a desktop computer, patent examiners can search the full text of over 2.1 million U.S. patents issued since 1971; images of all U.S. patent documents issued since 1790; English-language translations of 3.5 million Japanese patent abstracts; English-language translations of 2.2 million European patent abstracts; IBM technical bulletins — a key database in the software area; over 5,200 non-patent literature journals; and more than 900 databases, including Westlaw, Lexis-Nexis, and Chemical Abstracts.

Trademark customers are now using their favorite Web browser to file more than 2,000 applications per month, without ever leaving the comfort of their home or office. *Yahoo Magazine* has selected the Trademark Electronic Application System (TEAS) as one of the most useful sites on the Internet. One satisfied customer said that it was the "nicest interaction" she ever had with the federal government.

To take full advantage of TEAS and improve customer service, USPTO will fully implement the concept of "one stop electronic shopping" in the Trademark Examining Operation. Under this new system, electronically filed applications will be routed directly to an e-Commerce focused law office for all initial processing, examination, intent-to-use processing, and publication for opposition. The applications will receive prompt examination, probably much faster than their paper counterparts, and applicants will be encouraged to use electronic communication to handle all examination activities associated with the application. The e-Commerce law office will be available to applicants sometime next year.

On the patent side, the USPTO launched the Patent Application Information Retrieval (PAIR) system. This now allows restricted Internet access of patent application status to patent applicants or their designated representative without compromising the confidentiality or security of the data. The PAIR Internet site also contains a link to general information on the USPTO and a phone listing of patent examiners.

Electronic filing of patent applications is now in a trial phase. In December the USPTO received its first utility patent application filed in electronic form. Since September 29, 1999, the USPTO has been equipped to receive electronically application data for certain biotech patent filings. With the successful receipt of an Internet filing of a gene sequence listing for a pending biotech application, EFS-BIO was officially inaugurated. These pilots will be expanded to offer electronic filing for all patent applications by the end of 2000.

At the same time, more and more data is available to our customers via the Internet. The USPTO Web site is one of the most honored and widely used government Web sites on the Internet. In fact, it has been named for the second year in a row to *Popular Science Magazine*'s "50 Best of the Web."

All of these automation improvements are helping the USPTO be more responsive to its customers.

Quality

In addition to adding staff and automating USPTO operations, the agency is also focusing a great deal on quality. Under Secretary Dickinson has placed a major focus on agency-wide quality issues and has established an Office of Quality Management that reports directly to

him and coordinates all quality improvement efforts.

One area of focus is expanding examiner training. Last year, the USPTO devoted over 100,000 hours to training new examiners in USPTO procedures. The existing examiner corps received over 20,000 hours in legal training, over 30,000 hours in training on how to use USPTO automated search systems, and over 5,000 hours in technical training.

The USPTO is also reaching out to understand its customers' requirements and meet their expectations. For example, Under Secretary Dickinson has established a new Office of Independent Inventor Programs, which helps address the special needs of independent inventors. The USPTO also conducts annual customer surveys and uses this feedback to measure and improve its service performance. These programs are in addition to focus sessions, customer outreach programs, and internal quality and customer service measurement systems.

The challenges of managing growth while keeping high quality standards, are significant. Through staffing, automation, and quality management, however, the USPTO will meet these challenges and continue to provide the quality of products and level of service that its customers expect and deserve.

Tod Preston, Office of the Under Secretary, contributed to this article.



Dear Editor,

I read the first issue of the on-line PTO TODAY with great interest, especially the article on the electronic filing of the first utility patent application. I am very much interested in reviewing the feasibility of filing patent applications electronically. I understand that there is software I can download from the USPTO Web site. Is that so? If possible, could you please send me information on the electronic filing? I will be most obliged. Thanks in advance.

Please also accept my hearty congratulations for providing the patent community with a great online, information-filled, and extremely useful publication. I look forward to reading the future publications.

Respectfully submitted,
Sudhir Deshmukh

Dear Mr. Deshmukh,
Currently, USPTO is accepting a controlled number of new utility patent applications of limited complexity as part of the Electronic Filing System (EFS) pilot program. This program, started in December 1999, will run through November 2000, after which the EFS will go into production mode.

The USPTO has limited EFS pilot participation to several firms and inventors in the immediate Washington, DC area. During the early pilot stages, the participant's proximity to USPTO allows EFS project staff to make frequent site visits to answer EFS questions, assist in the filing process, and gather feedback on the effectiveness of the EFS products.

This feedback will allow the USPTO to work out legal, technical, and processing issues of electronic filing. Both the number of participants and the amount of applications filed are managed by the USPTO to closely monitor the submission and processing of these applications during the pilot program.

Although pilot participation is limited, PTO expects to expand participation after August 2000, and interested parties are encouraged to review the USPTO Electronic Business Center's Web site (<http://pto-ebc.uspto.gov/>), which provides an overview of USPTO's electronic commerce activities and the specifics of the EFS pilot program. In particular, the Web site provides instructions for obtaining both a digital certificate and the Public Key Infrastructure (PKI) software, which ensure secure transmittal to USPTO and are mandatory prerequisites for participation in EFS. Those interested in participating in the pilot program may also e-mail the USPTO at efs@uspto.gov, providing a contact name, organization, phone number, and e-mail address. [see story on p.39.]

Dear Editor,

Read with interest your article on electronic filing of applications. Our office is currently evaluating various data base management systems, and one of the questions that has come up is how do the various systems interact in the importing/exporting of data entered by different software? We are investigating systems which purport to provide a fully integrated version of the USPTO forms. What

platforms are the USPTO using in the electronic filing pilot program?

Thank you for your attention to this matter.

Theresa C. Walker
NASA Langley Research Center

Dear Ms. Walker,
The USPTO is in the process of releasing a Request for Agreements (RFA) to facilitate opportunities for partnerships with industry to support electronic filing of patent applications and related correspondence. Through this initiative, we plan to work with the database and tool vendors to define and incorporate the standards supporting the creation of electronic documents for communications with the USPTO. The USPTO's approach is based on the use of documents formatted using standard eXtensible Markup Language (XML). The specifications for a number of types of XML documents have been defined and are currently being evaluated through various pilot and prototyping efforts being conducted by the office. Our goal is to partner with industry so current and new systems used by our customers are capable of generating and incorporating information in formats compatible with our Electronic Filing System.

Dear Editor,

You mentioned that a change in the name of an applicant may be accomplished by a written request [January Helpful Hints for Trademark Applicants. Also see p.35.] Is there a particular form online to accomplish

the same? What is the address for the Assignment Division?

Thank you,
Marlon Hill

Dear Mr. Hill,
There is no form. Send the request to the examining attorney assigned to the case. There must be an assignment recorded in our Assignment Branch in order for the request to be honored. The mailing address is:

*Commissioner of Patents and
Trademarks
Box Assignment
Washington, DC 20231*

Or fax to the U.S. Patent and Trademark Assignment System
703/306-5995 [see p. 19 February PTO TODAY online].

continued from page 17

- Title F provides for an optional inter-partes reexamination process for reviewing patent validity.
- Title G establishes the USPTO as a performance-based organization, subject to policy direction by the Secretary of Commerce, with substantial autonomy in decision-making about the management and administration of our operations. It allows us to exercise independent control of our budget allocations and expenditures, personnel decisions and processes, and procurements and other functions.

First Utility Patent Application Filed Electronically

Electronic Filing System pilot moves USPTO closer to offering full service e-commerce

by Maria V. Hernandez, Office of Public Affairs

In December 1999, the USPTO received its first patent application filed in electronic form. The representing law firm successfully transmitted the appropriate form, a fee transmittal, a complete specification of 29 pages with claims, 7 sheets of informal drawings, and a signed declaration and power of attorney. All were received in complete and readable form, and a filing date was granted.

This accomplishment comes on the heels of another successful electronic filing of a gene sequence listing for a pending biotechnology application. That filing inaugurated EFS-BIO, one of the components of the evolving electronic filing system. EFS-BIO eliminates the cost and delay of physically handling, processing, and delivering gene sequence listings.

Unlike trademark applications, patent applications are confidential, presenting the USPTO a special challenge. The USPTO is using ePAVE, a computer application developed by the agency to provide its customers with a means to enter transmittal information, bundle it with the gene sequence listing, compress the package, and transmit it. To address the confidentiality and integrity of the information as it is being transmitted over the Internet, ePAVE leverages USPTO's recently deployed Public Key Infrastructure to digitally sign and encrypt the information.

The USPTO plans to offer electronic filing of most patent applications by the end of the year.


continued from page 27

tions ONLY as a locator (such as an address or telephone number) cannot be registered as a trademark. In order to be considered a valid mark, the designation must be used as a trademark, must identify goods and services and indicate their source. However, a domain name can do both - serve as a locator as well as a source indicator.

The U.S. Patent and Trademark Office does not participate in any way in the process of registration of domain names as locators, that is, as URLs. That is done by Network Solutions, Inc. (NSI) and, now, by other organizations cleared to perform this function by the Internet Corporation for Assigned Names and Numbers, or ICANN. When a domain name is the subject of a service mark application, it must comply with established trademark law in order to be approved for registration. Its function as a URL is immaterial to this determination.

Clearly, trademark law must be considered when developing a domain name. However, it must be remembered that the spheres of purpose of these two mechanisms (for want of a better word) are very different and only have a slim intersection. They cannot be equated and treated the same way for both purposes. But the intersection is an important one. A trademark owner should register its mark with the USPTO whether or not it is going to be used in domain names. The earlier a mark can be registered, the more effective it will be in ensuring the ability to use that designation as a domain name or to stop others from using it in their domain. Before developing marks, whether they are going to be domain names or not, it is wise to search the World Wide Web to see if that des-

ignation is already being used by someone else in their domain name. Use as a domain name can cause problems to a later user of the second level domain as a trademark. The domain name registry is a new and huge factor to be considered when developing marks, but it can be used to your advantage if analyzed and used wisely.

For information concerning the policies of the USPTO regarding the examination of domain names presented for registration as trademarks and service marks, see Examination Guide 2-99 available at the USPTO web site www.uspto.gov. 

Internet Enhances Financial Transactions

by Matthew Lee, Office of Finance

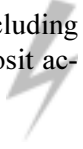
The U.S. Patent and Trademark Office upgraded its Revenue Accounting and Management (RAM) system in December 1999 to provide customers with added convenience and enhanced financial services. The upgrade is part of the USPTO's long-term strategy to modernize financial management practices and procedures, to provide increased options for paying required fees, and to provide improved service to USPTO's customers.

The RAM system uses a secure environment and allows customers to do the following transactions over the Internet through the US PTO Web site at www.uspto.gov.

- Replenish deposit account balances using a credit card;
- View deposit account information including holder name, address, and current balance;
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- Add, change, or delete deposit account authorized users;
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- View 3 ½, 7 ½, and 11 ½ year payment window dates for maintenance fees.

The USPTO currently accepts any of the following credit cards: American Express, Discover Card, MasterCard, or Visa.

Customers using either the Netscape Navigator (Version 2.0 or higher) or Microsoft Internet Explorer (Version 3.0 or higher) browser can access the enhanced financial services features. The browser must be properly configured to use Secure Sockets Layer technology that encrypts data traveling between your browser and the USPTO server to protect your privacy.

The USPTO will provide to current deposit account holders, in their monthly statements, passwords and access codes to replenish deposit account balances using a credit card; to view deposit account information including holder name, address, and current balance; and, to request a deposit account statement. 

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The U.S. Patent and Trademark Office's Kids' Pages went online in August 1999 as part of the USPTO's celebration of National Inventors Month.

The Kids' Pages: provide patent and trademark information in a language that kids can understand; expose children to the inventive thinking process in a positive, fun environment; reach out to the future regarding growth in intellectual property technology; and generate an interest in the patent and trademark systems.

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