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Included records

- "The Path To The Future, The Next Steps" USPTO Report to the Subcommittee on Commerce, Justice, and Science, and Related Agencies Committee on Appropriations United States Senate, April 2007
- United States Patent and Trademark Office Report to the Subcommittee on Commerce, Justice, and Science, and Related Agencies Committee on Appropriations United States House of Representatives, March 2008, "Update of the Path to the Future, the Next Steps"
- United States Patent and Trademark Office 2008 Telework Annual Report

"THE PATH TO THE FUTURE, THE NEXT STEPS"
USPTO Report
to the
Subcommittee on Commerce, Justice, and Science, and Related Agencies
Committee on Appropriations
United States Senate
April 2007

Executive Summary

Fiscal Year 2006 was a record-breaking year for the USPTO. Our 8,500 employees had the highest production, highest hiring, highest usage of electronic filing and electronic processing, highest number of examiners working from home and lowest error rate in history. While this is a source of pride, we all recognize that even more can and must be done. Below is a list of initiatives that are either in place, being piloted for implementation, or are planned for implementation as permanent improvements.

MEASURES IN PLACE

Pendency/Productivity

- **The USPTO has built a performance-based culture.**
- **Hiring 1,200 new patent examiners per year (FY 2006 – 2012).**
- **Improved Training** for new patent examiners in a university-style environment.
- **Accelerated Examination** - a guaranteed complete patent examination in 12 months.
- **Increased overtime** authorization levels and a home office laptop program to increase morale and encourage productivity.
- **Electronic Processing** from start to finish.
- **Work Sharing** with foreign patent offices to decrease U.S. examiners' workload.
- **Flat Goal** pilot program to allow examiners more flexibility and an opportunity to earn increased bonuses for increased productivity.
- **Early Interviews** between applicants and examiners – speeds the process by focusing issues and minimizing misunderstandings.

Human Resources

- **Aggressive and Expanded Recruitment** efforts targeting able candidates likely to succeed in an individualized, production-oriented environment.
- **Higher Pay:** Special pay rate for examiners; bonuses for higher production and quality; recruitment bonuses; and retention bonuses.

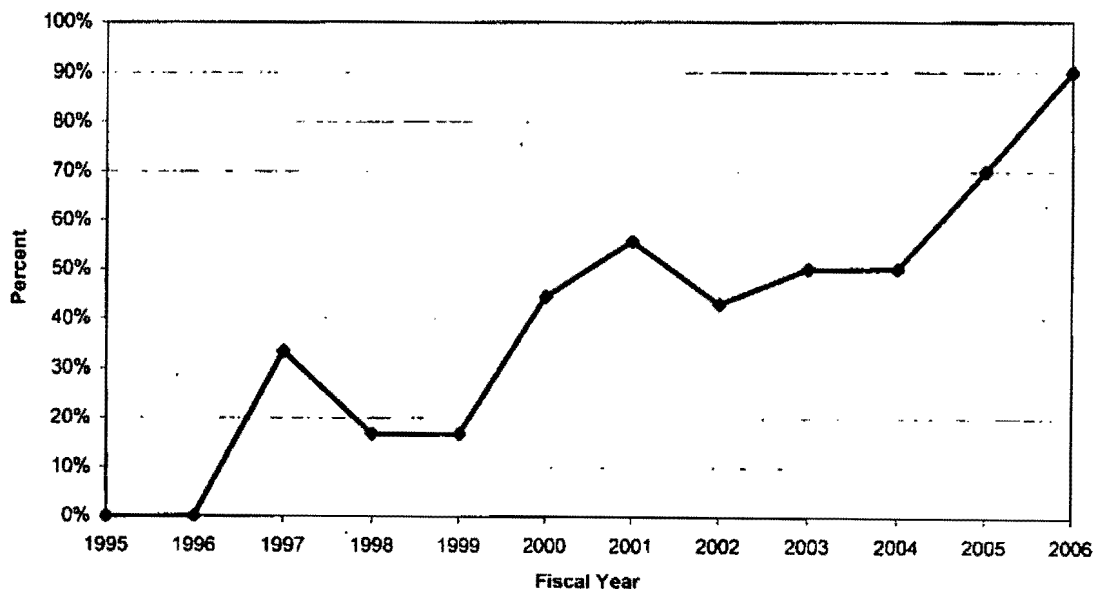
- **Teleworking:** The USPTO has the gold standard for federal teleworking. More than a thousand patent and trademark examiners are working from home with hundreds more added each year.
- **Increased and better communication** with employees through management training, employee training and communication initiatives.

MEASURES PROPOSED

- **Applicant Quality Submissions** aid and hasten examiner reviews.
- **Public Review** of published applications.
- **Public Quality Submissions** allow the public to comment on pending applications with more prior art, which results in quicker, higher quality examiner reviews.
- **National Workforce** so USPTO employees may "work from anywhere" in the U.S.
- **Alternative approaches** to examination.
- **University certification** program to prepare students for examiner jobs at USPTO.

The year 2006 was a banner year for the USPTO. As the chart below illustrates, in FY 2006 the USPTO met 90 percent of the performance goals established pursuant to the *Government Performance and Results Act of 1993* (GPRA), providing its best record to date for achieving important measures of performance and results.

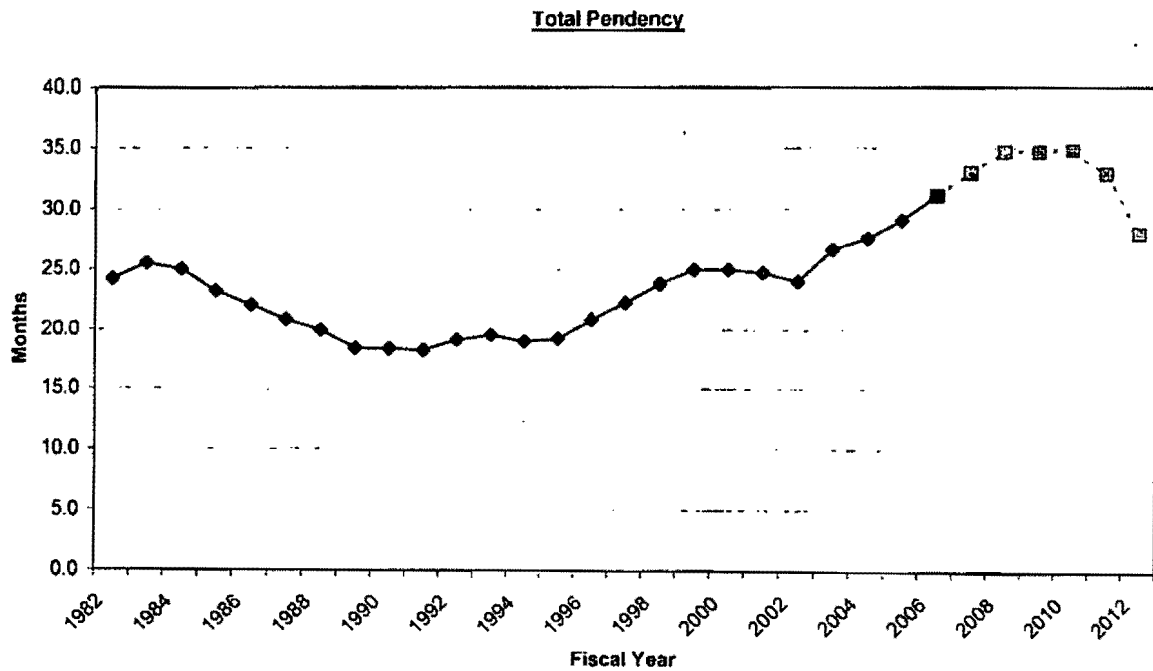
USPTO-Percent of Performance Goals Met



The charts below illustrate the effects on the Pendency, Productivity, and Quality measures if the **Proposed Applicant Quality Submissions** are executed:

Effects on Pendency:

| Fiscal Year | Status Quo No new Initiatives | Hiring Initiative (In place) | Productivity Initiatives (In process) | Applicant Quality Submissions (Proposed) |
|--------------------|--|---|--|---|
| 2007 | 34.0 | 33.0 | 33.0 | 33.0 |
| 2008 | 35.8 | 34.7 | 34.7 | 34.7 |
| 2009 | 38.8 | 35.9 | 35.4 | 34.7 |
| 2010 | 42.9 | 36.5 | 35.6 | 34.8 |
| 2011 | 46.5 | 37.5 | 34.4 | 32.9 |
| 2012 | 50.9 | 38.6 | 33.7 | 28.0 |

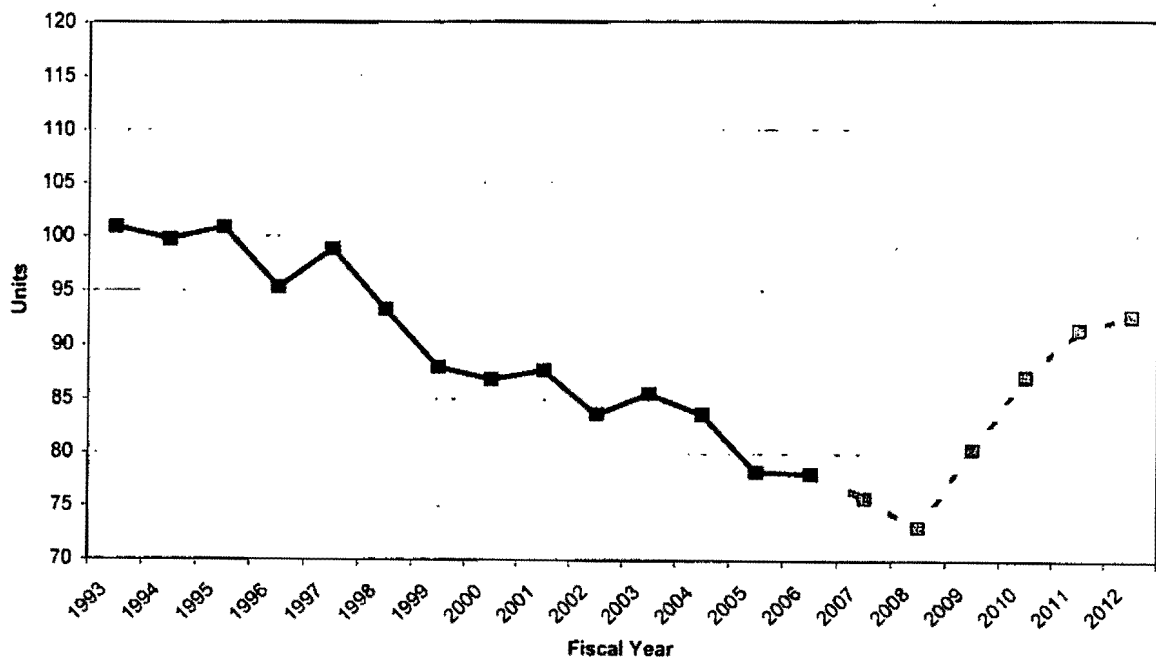


Effects on Productivity:

| Fiscal Year | Status Quo No new Initiatives | *Hiring Initiative (In place) | Productivity Initiatives (In process) | Applicant Quality Submissions (Proposed) |
|-------------|-------------------------------------|-------------------------------------|---|--|
| 2007 | 70.1 | 75.8 | 75.8 | 75.8 |
| 2008 | 72.4 | 73.1 | 73.1 | 73.1 |
| 2009 | 74.5 | 73.5 | 75.7 | 80.4 |
| 2010 | 75.7 | 73.5 | 77.1 | 87.0 |
| 2011 | 76.6 | 73.8 | 80.9 | 91.4 |
| 2012 | 77.6 | 74.3 | 82.0 | 92.6 |

*Productivity per examiner at the Hiring Initiative level is lower than it is at the Status Quo level because 25% of the workforce is producing at an entry level versus at a journeyman level.

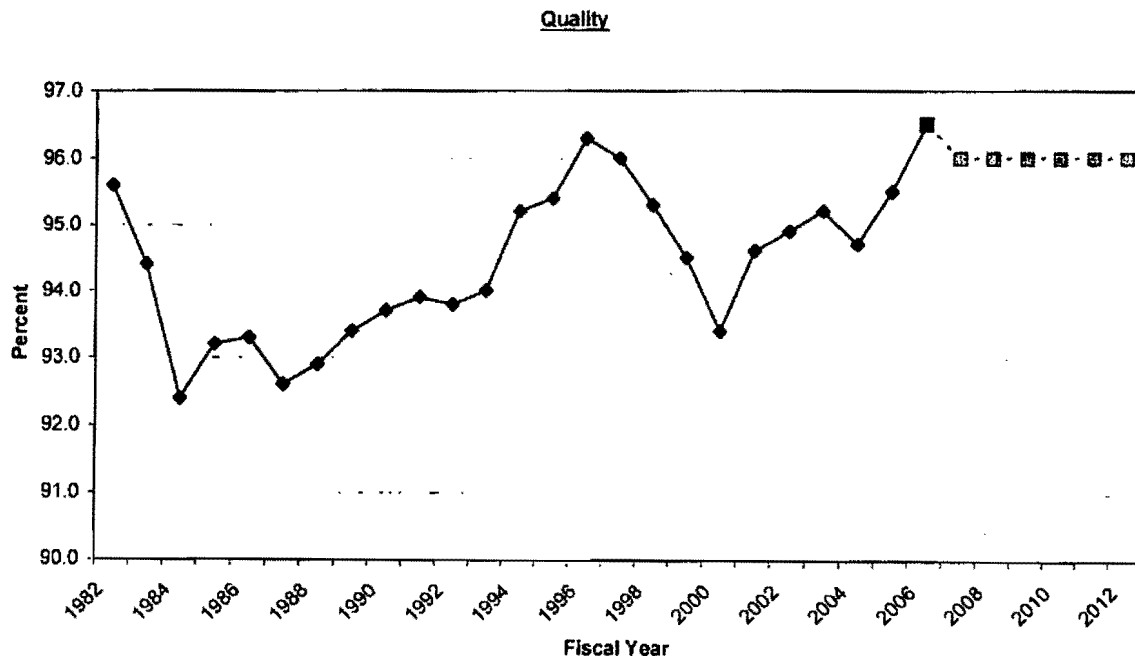
Productivity



Effects on Quality:

| Fiscal Year | Status Quo No new Initiatives | Hiring Initiative (In place) | Productivity Initiatives (In process) | Applicant Quality Submissions (Proposed) |
|-------------|-------------------------------------|------------------------------------|---|--|
| 2007 | 96.0 | 96.0 | 96.0 | 96.0 |
| 2008 | 96.0 | 96.0 | 96.0 | 96.0 |
| 2009 | 96.0 | 96.0 | 96.0 | 96.0 |
| 2010 | 96.0 | 96.0 | 96.0 | 96.0 |
| 2011 | 96.0 | 96.0 | 96.0 | 96.0 |
| 2012 | 96.0 | 96.0 | 96.0 | 96.0 |

The Quality target is currently set at 96% because pursuing a more aggressive target is not cost effective at this time.



This report lists and discusses our ongoing, planned, and envisioned initiatives intended to address the challenges facing the USPTO in terms of patent pendency, patent application backlog, and the effective recruitment, training and retention of patent examiners.

Addressing Patent Pendency and Application Backlog

Hiring Patent Examiners

With full access to our collected fees, the USPTO hired a record 1,218 patent examiners in FY 2006, exceeding our hiring goal by more than 200 examiners. The USPTO plans to hire 1,200 patent professionals a year in FY 2007 through FY 2012 for a gross total of at least 8,400 patent examiner new hires by end of year FY 2012. After attrition, USPTO staffing increased by 683 in 2006 and will increase by 3,900 over 2006-2012

While hiring a sufficiently qualified and productive patent corps is a critical factor in controlling pendency and reducing backlog, we recognize that hiring alone is simply not enough. Supplemental initiatives, including fuller participation by patent applicants as described below, will help us attain our long-term strategic goal of reducing patent pendency from the current 33 months to 28 months for final disposition, by 2012.

Full Access to Fees

We are thankful that the subcommittee and your House colleagues have ensured that our current fee schedule remains in effect for FY 2007. We are also pleased that the FY 2008 budget request gives the USPTO full access to the \$1.9 billion in fees we expect to collect. This is the fourth consecutive year that the President's budget recommends full access to collected fees, and the USPTO appreciates the continued Congressional support for that funding level.

The Administration is considering for submission to Congress draft legislation that will make permanent our current fee schedule. We look forward to working with the subcommittee toward enactment of appropriate legislation.

Full access to user fees is needed to allow the USPTO to continue its successful model of disciplined focus on real measures that enhance quality and increase production, increase hiring and training, promote electronic filing and processing, provide telework opportunities for our employees, and improve intellectual property protection and enforcement domestically and abroad.

Full access permits us to finance the initiatives -- particularly initiatives requiring long-term planning and commitment -- necessary to providing and maintaining reliable, functioning systems. Without Congressional support, we would not be able to function in a business-like manner and achieve these results.

Electronic Filing and Processing

The USPTO continues to promote electronic filing and processing of patent applications as a means of reducing paper-based inefficiencies. Patents implemented the Electronic Filing System-Web (EFS-Web), a user-friendly, Internet-based patent application and document submission program. Prior to FY 2006, less than 2% of patent applications were filed electronically. After working with the public and introducing the much-improved EFS-Web system in late 2006, a total of 14 percent of patent applications were filed electronically in 2006 -- with more than one-third being filed electronically in the last month of FY 2006. We anticipate that electronic submission of new applications will grow to more than 50 percent in FY 2007. We will work with our stakeholders to further promote electronic filing and interaction with patent applicants.

We are developing the electronic Patent File Wrapper (PFW) that in conjunction with current Patent Automated Information Systems will allow for a fully automated, text-driven patent application processing system.

Operating in today's wired world requires that the USPTO have full electronic processing that is safe, secure and continually available to employees, applicants and stakeholders. We will continue to work toward that goal.

Innovative Processing

The USPTO is developing and reviewing a variety of innovative patent processing initiatives including a new offering for the public called "Accelerated Examination." Under this program, which began August 26, 2006, any applicant who wants or needs quick turnaround can obtain a patent determination **within 12 months**. In exchange for this quick turnaround, applicants must file a complete application, agree to interviews and accelerated response periods, must file and prosecute their application electronically and must provide more information about the invention to the USPTO in the form of a prior art examination support document. The first application to be completed under this program was filed on September 29, 2006, and the patent issued on March 13, 2007 (less than 6 months from date of filing).

The USPTO is also cooperating in a pilot program involving peer review of patent applications. Up to 250 applications, assigned to Technology Center 2100, which examines computer-related technologies, will voluntarily be placed, by the applicants, on a non-USPTO web site for an expanded and public review by a peer group of patent users, attorneys and academics. The pilot group of applications will include applications filed by small entity filers. The public group will determine and submit to the USPTO what they consider the best available and relevant prior art. The pilot will test whether this peer review can effectively identify prior art that might not otherwise be found by our examiners during the typical examination process. We will also make an evaluation as to whether this process results in measurable examination timesavings and quality improvements.

We will continue to collaboratively work with our stakeholders to determine if there is some combination of examination alternatives to the current one-size-fits-all filing and examination process that would better meet applicants' needs while providing a more efficient use of USPTO examination resources.

The USPTO, with the help of its Congressionally mandated Patent Public Advisory Committee (PPAC), is reaching out to the intellectual property community to seek their input on improvements to the patent system in all areas including, but not limited to, examination, prosecution, enforcement and levels of patenting. Through the PPAC, we anticipate an open dialogue with patent stakeholders and the public as to what the Office needs to do to best protect and encourage innovation in America. We are open to all possibilities from minor improvements to a dramatic overhaul of patent protection, if necessary. We are looking at a wide variety of alternative examination products from those needing statutory changes to those that can be implemented immediately under our existing authorities. We look forward to working with the Congress and the public to develop these possible alternative examination products that effectively and fairly balance the needs of the Office and the interests of the intellectual property community to provide a system that allows for maximum enforceability.

Our long-term strategic goal is to *reduce patent pendency from the current level of 33 months to 28 months for final disposition, by 2012.* Metrics include reduction of the initial waiting time for patent applications (first-action pendency) in our most backlogged Technology Centers and successful implementation of various initiatives (such as Accelerated Examination) that ensure goal achievement by 2012.

The USPTO is both implementing initiatives and exploring strategies that will reduce the backlog of unexamined patent applications and improve the timeliness of a patent examination.

Applicant Quality Submissions

By shining the light inward on the USPTO, we have had the opportunity to improve our system and offer applicants new alternatives. As policymakers, we must also analyze how the patent system can be improved from the outside in. Perhaps the most important element of ensuring that patent examinations are of the highest quality and completed as efficiently as possible is what the applicant files.

The patent applicant has the most knowledge, the most opportunity, and the most to gain by providing the USPTO with the best possible information about his or her invention. Unfortunately, in many cases, applicants have expressed strong concerns about providing the USPTO with information about their applications. In some cases, applicants simply do not want to provide important information for fear that it will limit the scope of the patent they may receive (though such a limitation would be right under the facts and the law) or do not want to do the work associated with better defining their inventions. In some other cases, applicants or their attorneys recognize that providing information

improves quality and timeliness but fear that the legal system unfairly punishes them with draconian penalties for innocently omitting information. The theory is that if one provides information, he or she must do so perfectly or potentially lose the patent; whereas, a failure to share any information carries no consequences.

Quality absolutely begins with the application. Nobody knows more about the invention than the applicant. In the Accelerated Examination Program -- where the first patent issued in less than six months -- the applicant is required to submit to an interview and to provide a search and a support document. Our limited experience with this initiative is that both applicants and examiners believe that more written and oral information from applicants improves quality and timeliness.

We would like to take the success of this model of applicant quality submissions to lower pendency, raise productivity and increase quality in all patent examinations. To that end, we believe that applicants should be given every opportunity and responsibility to provide more and better information to examiners about their inventions. For such a program to be successful, policymakers must work to ensure that more and better information does not become burdensome. Policymakers would also need to consider how the current doctrine of inequitable conduct may discourage applicants from fully and fairly sharing relevant information with the USPTO.

Rule Making and Examination Reform

We believe that to effectively address and control pendency, and reduce backlog, the USPTO needs to receive more and better-focused information from applicants themselves and from the public at large. The USPTO has proposed and will propose regulations and administrative changes governing submission of patent applications that will enable our examiners to make more efficient and informed patentability determinations.

First, we have proposed limiting the number of continuing applications and continued examination requests to provide an incentive for applicants to focus their initial patent applications on their inventive contributions. Second, we have proposed to limit the number of claims that are initially examined in order to provide an incentive to focus the examination process. The first and second proposals have optional procedures which continue to provide an applicant flexibility where the applicant may need additional continuing applications or initially examined claims upon a showing of that need or by shouldering additional responsibilities. Numerous comments have been received in response to these proposals and are being carefully considered prior to promulgation of any final rule. In parallel, we have proposed revisions to our information disclosure requirements to focus our limited examination resources on prior art that is most relevant to the examination process.

Our hope is to achieve examination reform that creates better-focused examination and enhances information exchange between applicant and examiner. We look forward to working with the public and Congress to develop an enhanced examination system that

effectively and fairly balances the needs of the Office and the interests of patent applicants, interested third parties and the general public.

Public Quality Submissions

While the USPTO currently has a procedure for submission of prior art after publication, which allows submission by third parties within two months of publication, the procedure does not allow explanations or other information about the patents or publications, absent express written consent of the applicant.

We look forward to working with Congress to develop a submission procedure that effectively and fairly balances the interests of the patent applicant, interested third parties and the general public.

We are also looking to provide assistance to the open source community in their development of an open source database to provide examiners with potential prior art.

Work Sharing

The USPTO continues to work with the world's major intellectual property offices to study, review and implement work-sharing efforts that promote examination efficiencies in each participating office. The USPTO launched a trial cooperation program with the Japan Patent Office (JPO) last summer to leverage fast-track patent examination procedures already available in both offices to obtain corresponding patents faster and more efficiently. It also permits each office to benefit from work previously done by the other office, in turn reducing examination workload and improving patent quality.

This program is a significant first step in cooperative efforts to support U.S. and Japanese industries in their global patent prosecution activities and represents the first concrete implementation of a work-sharing arrangement between the USPTO and the JPO.

The USPTO continues to have informal discussions on expanding the work-sharing program to other intellectual property offices, mainly in Australia, the United Kingdom, and Canada. The USPTO will continue its efforts in expanding this program and will develop a coordinated approach among the offices in order to streamline practices and procedures.

Addressing Recruitment, Training and Retention Challenges

Making USPTO an "Employer of Choice"

Continuing to attract and retain the finest public servants is a growing challenge. Our employees are at the heart and soul of our intellectual property system, and we need to do everything we possibly can to ensure they have an environment of trust, respect and opportunity.

The USPTO has developed and implemented a variety of workplace-friendly, family-friendly initiatives that have earned the USPTO recognition by *Business Week* magazine as one of the best places in America to launch a career and to round out one's career. The USPTO has also been lauded by *Families* magazine as one of the best places in the Washington area to work if you have a family. We will expand and improve our workplace offerings and attributes to promote the USPTO's image as an "employer of choice."

Recruitment

The USPTO's recruitment efforts are strong and nationwide in scope. Planning efforts have culminated in targeted TV, print, radio and Internet banner advertising, and developing a brand image, "Examine the Possibilities". Additionally, in 2004, the USPTO increased career and job fair participation and, in 2006, participated in over 180 events throughout the country. Also, in 2006, a recruitment incentive (up to \$9,900 per year for four years) was offered to computer and electrical engineers.

A pre-employment compatibility assessment tool has been developed and is in use for all examiners applying through USA Staffing.

We are exploring partnerships with universities to offer intellectual property courses to science and engineering students, develop an internship program, and train students in intellectual property to create a ready pool of potential examiner candidates.

Internal Communication

Consistent with recommendations made by the Government Accountability Office in 2005, the USPTO has implemented a wide variety of initiatives to address communication issues, including a pilot program for an Office of Internal Communications in October 2006.

The Commissioner for Patents and Deputy Commissioners host regular Town Hall meetings with employees at all levels throughout the Patent organization. First line supervisors are required to hold regular employee meetings and are held accountable through their performance plans. In 2005, monthly meetings were instituted with Patent management, Administration management and patent union representatives, as well as quarterly Joint Labor Management meetings.

In 2006, we also had the first ever Management Conference for all of the USPTO's managers, numbering over 500 employees. For two days, our managers attended sessions and collaborated on best practices of how to manage the highly skilled and dedicated workforce at the USPTO.

On November 1, 2006, the USPTO held an agency-wide celebration event where management thanked and praised employees for their efforts in making 2006 a record-breaking year.

Training and Development

In FY 2006, the USPTO implemented a university approach to training new examiners. The university method provides training to new examiners in a classroom setting for eight months, rather than using the traditional one-on-one training model. This allows us to deliver intensive training to the newly hired examiners, leaving more experienced examiners and supervisors to focus on quality examination and reducing the backlog. In FY 2006, 123 examiners completed the university's eight-month program. So far in FY 2007, a total of 303 new examiners completed the training, with an additional 451 examiners slated to graduate by the end of the fiscal year. To date, 871 patent examiners are either in the Patent Academy or have completed the eight-month program.

Patent examiner training programs have been enhanced to include eight hours of technical training. We will work to enhance the skill sets of examiners authorized to train others by providing formal training to all personnel who are responsible for training new examiners and reviewing their work.

Sixty-six patent examiners currently participate in USPTO's law school tuition reimbursement program, with tuition assistance up to 24 credits per fiscal year. In addition, tuition assistance up to \$5,000 per examiner per fiscal year is available for technical courses.

Pay and Retention

Last year, 60 percent of all patent examiners exceeded their goals in production and received a bonus for exceeding those goals. We are proud of their achievements. The average total compensation package (salary plus bonuses) for patent examiners is \$99,000. While the U.S. Government's average pay grade is at the GS-8 level, the average at the USPTO is GS-11.

All patent examiners received a 7% special pay rate increase in November 2006, making their total special pay rate a 10% increase.

The USPTO expects to increase productivity in patents by offering examiners more opportunities to determine when and how they do their work, and achieve higher bonuses. The USPTO is piloting a voluntary flat goal program for patent examiners that builds upon the successful system in Trademarks and moves production away from an hourly-based system. Highlights of the program include awards of up to \$5,000 per quarter; flexibility in where work is done; and a predetermined amount of work based on grade and docket.

In 2006, USPTO management submitted proposals to patent union representatives for a new collective bargaining agreement that would replace a previous agreement negotiated in 1986. Proposals include enhanced patent examining monetary awards as well as a stand-alone quality award.

Because more experienced examiners naturally are able to review cases faster, and in a more accurate manner, the USPTO has implemented a program of recruitment bonuses to hire and retain the talented engineers and scientists we need to examine our increasingly complex applications. We are reviewing other possible programs to help us compete with industry for professionals in the "hot" technology sectors. We want to be an "employer of choice" to the pool of tech professionals.

The USPTO's FY 2006 attrition rate was 10.6% -- lower than comparable industry averages and a significant improvement over comparable past years. However, we believe we can further improve upon that number. The USPTO is reviewing additional incentive programs to recruit, retain and reward top performers. We will continue to become more flexible to enable us to attract and retain those top performers.

USPTO Telework -- the "Gold Standard"

As we hire over 1,200 patent examiners a year, much of our human capital focus is on recruitment, retention, a balancing of work/life issues, less commuter time and more productivity, and the need to more efficiently manage our space.

In FY 2006, a pioneer group of 500 patent examiners participated in the newly implemented Patent Hoteling Program (PHP). The PHP was developed using the very successful Trademarks telework program model. PHP is a voluntary program and provides patent examiners the ability to work from home with complete on-line access to USPTO resources. We will add 500 more examiners to the hoteling program each year for the next several years. The goal of the hoteling program is to change the boundaries of the old workplace patterns allowing for decreased commute time, a more efficient use of office space, and even a more balanced lifestyle for our employees. This all translates into increased employee productivity and satisfaction, as well as higher employee retention.

Patents is also piloting a work-at-home program for technical support staff.

On a more long-term basis, we hope to create a workplace where an examiner can be successful from anywhere. In this regard, three possibilities are being investigated: (1) expanding the successful Patents Hoteling Program (PHP) in such a way as to create a more nationwide workforce; (2) creating remote or regional offices, or brick and mortar presences, in different locations across the country, selected upon a variety of factors such as where pockets of technology may be concentrated or there is increased access to a suitable workforce for hire; and (3) a storefront approach which, in a sense, is a hybrid of possibilities (1) and (2). The storefront approach would potentially provide a small-scale brick and mortar presence, or node, which could then act as a support center for employees participating in an expanded hoteling program.

With respect to expanding the current PHP program to create a truly nationwide workforce, the Office is currently engaged in conversation with Congress, OPM and GSA

about addressing the present requirement that hoteling employees physically report into the Office at least one hour per week to maintain the Office as their official duty station. Round-trip commuting to the official duty station for an hour plus, which is the current requirement, results in a very unproductive day. A modification of this requirement would permit hoteling employees to relocate to geographic locations at further distances from the Office, thus enhancing the Office's ability to reach out to high quality talent pools and those individuals not interested in living in or financially unable to live in the Washington, D.C. metropolitan area. If the one-hour duty station requirement was lifted and USPTO was allowed a pilot or demonstration program, we would expect many retired patent examiners would consider working half-time or under the flat goal program. A further expansion on the second possibility (2) is that we might build, even locally, telework sites to provide employees with a brick and mortar presence to which to report, but one which may reduce or eliminate a great deal of their commuting time. The Office is open to all of these possibilities, or any combination thereof, as ways in which to better attract new employees, retain existing employees, and actively participate in e-government initiatives.

Retirees

The USPTO takes advantage of the knowledge and skills of retirees who have left the USPTO. The opportunities where this pool of candidates can help us are tremendous. While some retirees have returned as rehired annuitants, many opted to work for companies who have contracted with the USPTO in the areas of examiner training in the Patent Training Academy, help-desk service for our customers in our Inventors Assistance Center, and examiner recruiting. This has allowed the agency to free up valuable examiner resources to focus on patent examining.

The flexible work arrangements that the USPTO provides are very attractive and accommodating to retirees' schedules. Also, we expect that our vision of a truly nationwide workforce will include opportunities for USPTO retirees -- including possible half-time or flat goal programs for retirees. The *BusinessWeek* recognition of the USPTO as one of the best places in America to round out one's career should allow us to recruit retirees from *other* industries as well.

Conclusion

This report has offered a comprehensive review of what has been done, what is in the process of being done, and what can still be done to further strengthen the patent system in the United States. While the Administration is committed to pursuing and improving upon its management initiatives and record level achievements in hiring, quality and production, electronic tools and teleworking, some of the key solutions to reduce pendency and optimize productivity and quality will require Congressional action.

United States Patent and Trademark Office

**Report to the
Subcommittee on Commerce, Justice, and Science, and Related Agencies
Committee on Appropriations**

United States House of Representatives

March 2008

"UPDATE OF THE PATH TO THE FUTURE, THE NEXT STEPS"

SUMMARY

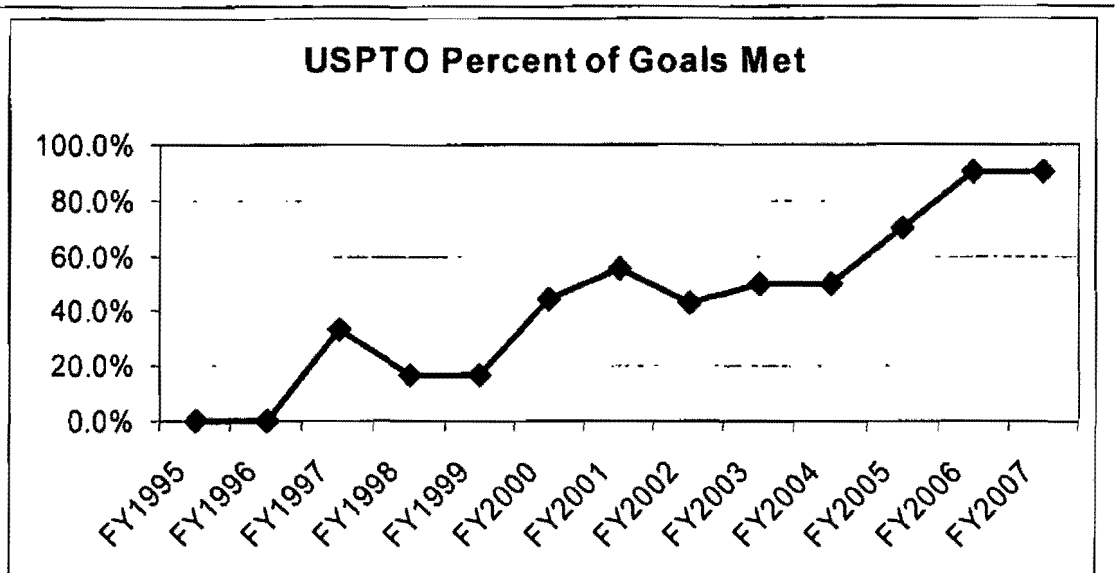
Last year, the USPTO reported to this Subcommittee a number of initiatives intended to increase morale, opportunities and performance of examiners, guarantee pendency of 12 months or less for any applicant who provides a higher quality application, maintain record level quality of examinations, maintain record level hiring, require higher quality applications, increase production, reduce the backlog and decrease pendency.

All of the initiatives the USPTO implemented proved to be successful. However, the most significant improvement to reduce the backlog and increase quality and efficiency in the patent system, Applicant Quality Submissions (AQS), is still pending before Congress. The USPTO has not implemented such a program while the Congress debates explicitly affirming USPTO's authority to implement AQS. Explicit authority to proceed with AQS is included in H.R. 1908, the House-passed version of patent reform legislation, and S. 1145 which has passed the Senate Judiciary Committee. The Administration supports the AQS language currently in the Senate Judiciary passed version. Passage of an appropriate AQS provision by Congress is the quickest, clearest and most significant path to reducing pendency and backlogs and increasing quality and efficiency in the U.S. patent system, which will decrease the likelihood of excessive litigation.

In FY 2007, the USPTO accomplished many achievements in the Patent Operations.

For example:

- Established **12 month pendency** - or less - for every application in the Accelerated Examination Program.
- Increased production by an additional 11.7 percent (21.5 percent over FY 2005) by examining **392,839 applications (Balanced Disposals - BDs)** - the highest number in history.
- Established programs that increased examiner morale and productivity, such as flat goal and laptop initiatives.



Objective measures reported as required by the *Government Performance and Results Act of 1993*.

The programs implemented in FY 2007 by the USPTO helped the U.S. maintain its strong leadership in intellectual property protection. We achieved historic improvement in the quality of patent and trademark reviews and subsequently the quality of issued patents and registered trademarks. Beyond achieving another record-breaking year in performance, we took steps to transform for the future today. In other words, we are building a foundation to address the challenges and achieve the gains that will be fully realized in the years ahead.

MEASURES IN PLACE

Pendency/Productivity

- Establish 12 month pendency or less for every application in **Accelerated Examination**.
 - All examinations in this program had pendency less than 12 months.
 - Average pendency was 8 months in the Accelerated Examination program.
 - Lowest pendency was 75 days in the Accelerated Examination program.
 - Applicants did not pay substantially more but submitted higher quality information and participated more directly, which allowed applicants to get final results in less than one year.
- **Hiring 1,200 new patent examiners per year (FY 2007 – 2013).**
- **Teleworking** -- Over 1,000 patent examiners participate; 500 to be added annually.
- **Flat Goal Pilot** -- Program to test new concept to measure production.
- **Laptop Program** -- Provides flexibility for overtime work.
- **Improved Training** for new patent examiners in a university-style environment.

- **Electronic Processing** from start to finish; current electronic filing rate is 67%.
- **Worksharing** with foreign patent offices to decrease U.S. examiners' workload.
- **Early Interviews** between applicants and examiners -- speeds the process by focusing issues and minimizing misunderstandings.
- **Productivity Gains** (achieved) resulting from various programs, including: Hoteling program, laptop program, and flat goal pilot.

Hoteling ("Patents Hoteling Program" or "PHP"):

- In June 2007 survey, 83.1% of hotelers said their morale improved.
- 87.2% indicated they would be willing to extend the number of years they would work at the USPTO as a result of the program.
- 98.1% indicated they were satisfied with the program as a whole.
- Production for PHP participants increased over 9%.
 - Average per examiner per pay period before PHP 4.1 BDs
 - Average per examiner per pay period while on the program 4.5 BDs

Flat Goal (a pilot program to test an alternate way of measuring work; runs from April 2006- April 2007):

- Mid-way through the pilot, 83.5% said their morale improved.
- 86.7% said they were satisfied with the program as a whole.
- 77.7% would recommend the program to other examiners.
- 86% of the Flat Goal participants said they worked more efficiently.
- Production for Flat Goal participants increased by 5%
 - Average per examiner per pay period before Flat Goal 4.0 BDs
 - Average per examiner per pay period while on the program 4.2 BDs

Note: Flat Goal pilot participants can be on the hoteling program, the laptop program, or neither.

Patent Examiner Laptop Program (PELP):

- After the pilot, 84.8% said that their morale improved.
- 86.3% said that their job satisfaction improved.
- 94.0% were satisfied with the program as a whole.
- 70% stated that their productivity increased.
 - Average gain per examiner per year is approximately 3 BDs

HUMAN RESOURCES

- **Aggressive and Expanded Recruitment** efforts targeting able candidates likely to succeed in an individualized, production-oriented environment.
- **Higher Pay:** Annual review of, and if warranted, submission of request for increases in special pay rates for examiners; bonuses for higher production and quality; and recruitment incentives.
- **Teleworking:** The USPTO has the gold standard for federal teleworking. More than one thousand patent and trademark examiners are working from home with hundreds more added each year.
- **Increased and better communication** with employees through management training, employee training and communication initiatives.

MEASURES PROPOSED

- **Applicant Quality Submissions** to aid and hasten examiner reviews.
- **Public Review** of published applications to allow submission of relevant prior art.
- **Public Quality Submissions** allow the public to comment on pending applications with more prior art, which results in quicker, higher quality examiner reviews.
- **National Workforce** so USPTO employees may "work from anywhere" in the U.S.
- **Alternative approaches** to examination.
- **University certification program** to prepare students for examiner jobs at USPTO.

STILL NEEDED

- Productivity Gains from (pending) **Claims, Continuations and Information Disclosure Statement (IDS)** rules packages; and
- **Applicant Quality Submissions** (pending) -- applicants should be given every opportunity and responsibility to provide more and better information to examiners about their inventions.

Applicant Quality Submissions

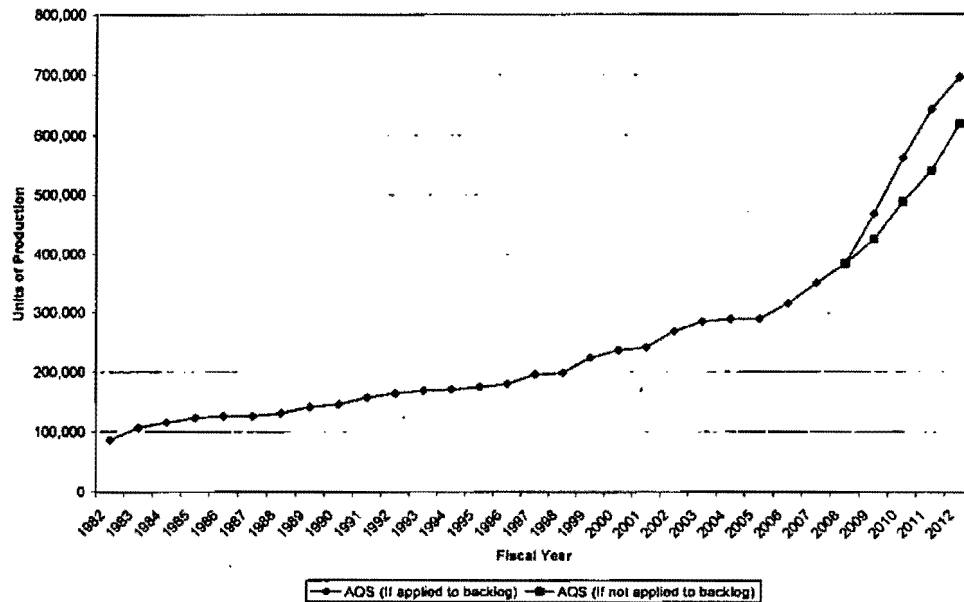
Currently, Congress is considering affirming USPTO's authority to proceed with Applicant Quality Submissions. Through its consideration, Congress has recognized that the single most critical element to ensuring that patent examinations are of the highest quality and are completed as efficiently as possible is what the applicant files. Failure to implement an AQS initiative will have a significant, negative effect on pendency and backlog, as illustrated below:

Effects on Pendency

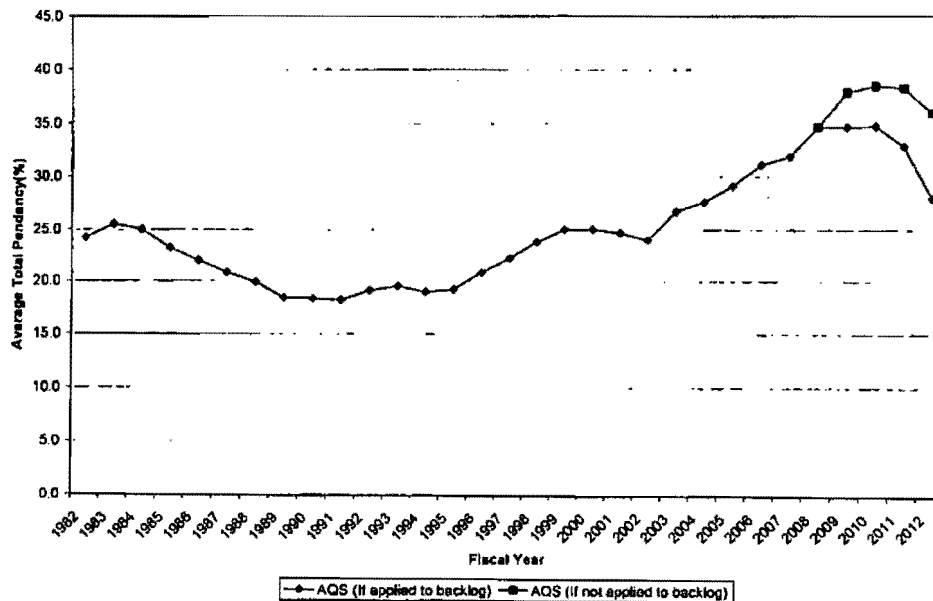
| Fiscal Year | Status Quo No new Initiatives | (1) FY 09 President's Budget Initiatives (In place) | (2) Applicant Quality Submissions (If applied to backlog) | (3) Applicant Quality Submissions (If not applied to backlog) |
|--------------------|--|--|--|--|
| 2007 | 34.0 | 31.9 | 31.9 | 31.9 |
| 2008 | 35.8 | 34.7 | 34.7 | 34.7 |
| 2009 | 38.8 | 37.9 | 34.7 | 37.9 |
| 2010 | 42.9 | 38.5 | 34.8 | 38.5 |
| 2011 | 46.5 | 38.6 | 32.9 | 38.3 |
| 2012 | 50.9 | 38.6 | 28.0 | 36.0 |
| 2013 | 55.4 | 38.8 | 26.2 | 33.5 |

The charts below illustrate the impact of Applicant Quality Submissions on pendency, production and backlogs and why such provisions should be implemented.

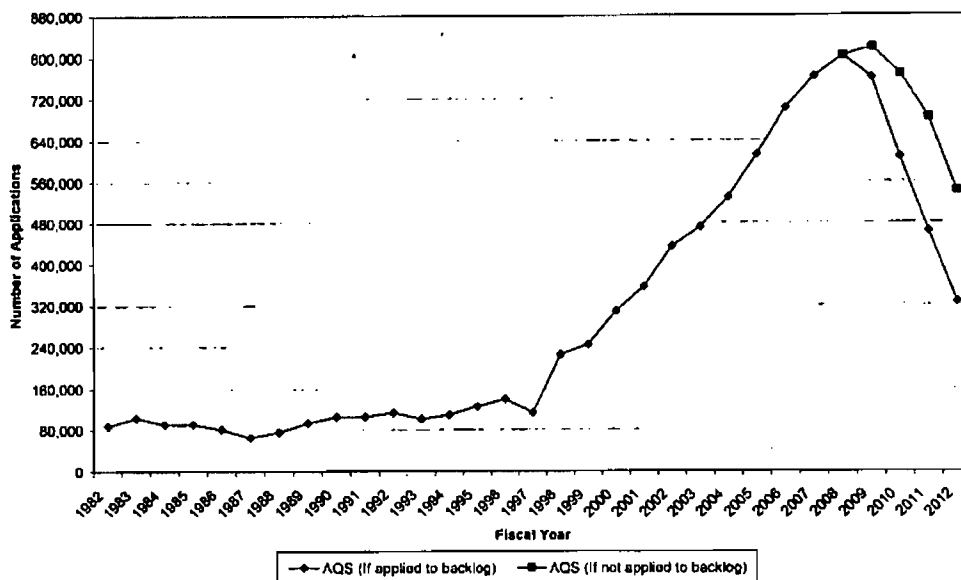
Total Production



Total Pendency



Applications Awaiting Action by Examiner



The following sections of this report list and discuss our ongoing, planned, and envisioned initiatives intended to address the challenges facing the USPTO in terms of the patent application backlog and patent pendency and the effective recruitment and retention of patent examiners

PATENT APPLICATION BACKLOG AND PATENT PENDENCY

1. Impact of Backlog on Technological Innovations and American Competitiveness

High quality and timely examination of patent applications advances science and technology and creates the certainty innovators need in capital driven markets. The U.S. intellectual property system is critical to American innovation and competitiveness. A growing backlog and lower quality applications are detrimental to U.S. innovation and the economy.

In this regard, the USPTO has a five-year strategic plan designed to foster American innovation and competitiveness at home and around the globe. Optimizing the quality and timeliness of the patent review process heads the list of goals for the plan that will guide the agency through 2012. We have set ambitious goals for the next five years, with initiatives to ensure timely, consistent, and accurate examination of patent applications. Our strategic plan builds on the successes of the past five years by continuing to find new and better ways to hire and retain great people and apply more efficient and effective examination procedures.

The strategic plan takes a multi-pronged approach to ensuring quality and timeliness in the patent review process. First, there must be a common understanding between the USPTO and its stakeholders of what defines quality. That definition must recognize the inherent realities of limited time and money, and must then be translated into concrete programs. Additionally, hiring, training and retaining highly skilled patent examiners, reevaluating the one-size fits all examination system, focusing examination on the claimed invention, and leveraging state-of-the-art information technology are other important components to ensuring high quality and timely reviews of patent applications.

2. Effect of Initiatives, To Provide Flexibilities to Staff and Applicants, on Reducing the Backlog

Our objective is to reduce patent pendency and optimize patent quality and timeliness. In addition to hiring patent examiners, the USPTO expects to increase productivity in patents by offering examiners more opportunities to determine when and how they do their work, and achieve higher bonuses. The USPTO is currently piloting a voluntary flat goal program for patent examiners that builds upon the successful system in the Trademark area and moves production away from an hourly-based system. Highlights of the program include awards of up to \$5,000 per quarter; flexibility in how work is done; and a predetermined amount of work based on grade and technology.

In 2006, USPTO management submitted proposals to patent union representatives for a new collective bargaining agreement that would replace a previous agreement negotiated in 1986. Proposals include enhanced patent examining monetary awards as well as a stand-alone quality award. We are still in negotiations with the Patent Office Professional Association (POPA) union on these proposals.

Additionally, achieving our pendency goal requires the successful implementation of various initiatives including:

Accelerated Examination – 12 Months Pendency or Less (underway) -- We recognize that hiring alone is not the answer to speeding review of cases. Consistent with our philosophy of providing employees -- and applicants -- with maximum flexibility and opportunity, the USPTO is developing and reviewing a variety of innovative patent processing initiatives.

On August 26, 2006, we unveiled our “Accelerated Examination” option. Participating applicants who want or need quick turnaround can obtain a patent determination **within 12 months**. Under this program, applicants file a complete application, agree to interviews and accelerated response periods, file and prosecute applications electronically and information about their invention to the USPTO in the form of a prior art examination support document. *The first application to be completed under this program was filed on September 29, 2006, and the patent issued on March 13, 2007 (less than 6 months from date of*

filing). Through FY 2007, over 600 patent applications were filed in accordance with the Accelerated Examination procedure

As of February 2008, the average turnaround time for an Accelerated Examination application was approximately 8 months, with the quickest time from filing to issue being 75 days. Of 369 applications accepted into the program thus far, 124 have been issued allowance notices.

Patent Hoteling Program -- In 2006, the USPTO implemented the Patents Hoteling Program (PHP) which maximizes examiner opportunities for telework. PHP examiners work one day per week at the Alexandria campus and work the remainder of their time from home. PHP examiners have a USPTO-issued computer, monitor and printer in their home office that allows them remote access to all USPTO automated systems and collaboration tools. Over 1000 examiners have joined PHP, and we continue to add 500 examiners per year. The goal of PHP is to change the boundaries of the old workplace patterns allowing for decreased commute time, a more efficient use of office space, and even a more balanced lifestyle for our employees. This translates into increased employee productivity and satisfaction, as well as higher employee retention. We hope to create a workplace where an examiner can be successful from anywhere in the nation.

Patent Examiner Laptop Program (PELP) -- In 2007, the USPTO issued laptop computers that allowed access to all USPTO automated systems to those examiners who wished to work from home. The voluntary program, still ongoing, provides flexibility of when and where overtime work is performed. This increase in overtime work translates to an increase in the number of applications each examiner completes. 2,244 examiners were participating at the end of 2007. This initiative also allows examiners in the telework program (a pre-existing one day per week work-at-home program with no automated support) to increase the effectiveness of their work from home.

Flat Goal Pilot -- Initiated in April of 2007, the Flat Goal Pilot Program tests a new concept of how patent examiner production is measured. The 173 examiners who volunteered for the one-year pilot (April 2007 – April 2008) are given flexibility in choosing when and how to do their work, and may earn larger, quarterly bonuses for every application examined above a particular target goal rather than earning bonuses on an annual basis. Examiners who participate are assigned a target at the beginning of each quarter rather than tracking their use of time throughout the quarters of the fiscal year. The results of the flat goal pilot may help the USPTO reassess some of the assumptions underlying the examiner production goals.

Alternative Approaches to Examination (proposed) -- We continue to collaboratively work with our stakeholders to determine if there is some combination of examination alternatives to the current one-size-fits-all filing and

examination process that would better meet applicants' needs while providing a more efficient use of USPTO examination resources.

The USPTO, with the help of its Congressionally-mandated Patent Public Advisory Committee (PPAC), is reaching out to the intellectual property community to seek their input on improvements to the patent system in all areas including, but not limited to, examination, prosecution, enforcement and levels of patenting. Through the PPAC, we anticipate an open dialogue with patent stakeholders and the public as to what the USPTO needs to do to best protect and encourage innovation in America. We are open to all possibilities from minor improvements to a dramatic overhaul of patent protection, if necessary. We are looking at a wide variety of alternative examination products from those needing statutory changes to those that can be implemented immediately under our existing authorities. We look forward to working with the Congress and the public to develop these possible alternative examination products that effectively and fairly balance the needs of the USPTO and the interests of the intellectual property community to provide a system that allows for maximum enforceability.

3. Addressing Patent Pendency and Application Backlog – Other Crucial Factors

Full Access to Fees

We are thankful that the Congress has ensured that our current fee schedule remains in effect for FY 2008. We are also pleased that the FY 2009 budget request gives the USPTO full access to the \$2.1 billion in fees we expect to collect. This is the fourth consecutive year that the President's budget recommends full access to collected fees, and the USPTO appreciates the continued Congressional support for that funding level.

Full access to user fees is critical in allowing the USPTO to continue its successful model of disciplined focus on measures that enhance quality and increase production, increase hiring and training, promote electronic filing and processing, provide telework opportunities for our employees, and improve intellectual property protection and enforcement domestically and abroad.

Full access permits us to finance the initiatives - particularly initiatives requiring long-term planning and commitment - necessary to providing and maintaining reliable, functioning systems. Without Congressional support, we would not be able to function in a business-like manner and achieve these results.

Importance of Public Input

The USPTO is both implementing initiatives and exploring strategies that will reduce the backlog of unexamined patent applications and improve the timeliness of a patent examination.

Applicant Quality Submissions

As noted above, currently, Congress is considering whether to explicitly affirm USPTO's authority to implement Applicant Quality Submission (AQS). Through its consideration, Congress has recognized that the single most critical element to ensuring that patent examinations are of the highest quality and are completed as efficiently as possible is what the applicant files.

The patent applicant has the most knowledge, the most opportunity, and the most to gain by providing the USPTO with the best possible information about his or her invention. Unfortunately, in many cases, applicants have expressed strong concerns about providing the USPTO with information about their applications. While applicants already have the responsibility of providing material information that they are aware of, there is no duty to seek out information or to explain the relevance of any information they do submit. In some other cases, applicants or their attorneys recognize that providing information improves quality and timeliness but fear that the legal system unfairly punishes them with draconian penalties for innocently omitting information. The theory is that if one provides information, he or she must do so perfectly or potentially lose the patent.

A well-focused examination depends upon the preparation behind the application. Nobody knows more about the invention than the applicant. In the Accelerated Examination Program -- where patents have been issued in less than six months -- the applicant is required to agree to an interview and to perform a search and provide support document that assists the examiner in analyzing the claimed invention. Our limited experience with this initiative is that both applicants and examiners believe that more written and oral information from applicants improves quality and timeliness.

We would like to take the success of the accelerated examination model of applicant quality submissions to lower pendency, raise productivity and increase quality in all patent examinations. To that end, we believe that applicants should be given every opportunity and responsibility to provide more and better information to examiners about their inventions.

Policymakers would also need to consider how the current doctrine of inequitable conduct may discourage applicants from fully and fairly sharing relevant information with the USPTO. The USPTO is working with Congress on language in the patent modernization legislation that would encourage applicants to share more information with the Office.

Peer Review of Patents

In our ongoing efforts to think creatively when it comes to offering applicants choices, the USPTO is also cooperating in a pilot program involving peer review of patent applications. Since June 2007, 58 of up to 250 applications, assigned to Technology Center 2100 (computer-related technologies), have been volunteered

by applicants to be placed on a non-USPTO web site for an expanded and public review by a peer group of patent users, attorneys and academics. The public group determines what it considers the best available and most relevant prior art and submits it USPTO. The object of the pilot is to determine if this sort of peer review can effectively identify prior art that might not otherwise be found by our examiners during the typical examination process. At the end of the pilot, in June 2008, we will also make an evaluation as to whether this process results in measurable examination time savings and quality improvements.

Public Submissions of Prior Art

While the USPTO currently has a procedure for third-party submission of prior art within two months from publication of an application, the procedure does not allow explanations or other information about the patents or publications, absent express written consent of the applicant.

We look forward to working with Congress to help enact a submission procedure that effectively and fairly balances the interests of the patent applicant, interested third parties and the general public.

We are also looking to provide assistance to the open source community in their development of an open source database to provide examiners with potential prior art.

Rulemaking and Examination Reform

We believe that to effectively address and control pendency, and reduce backlog, the USPTO needs to receive more and better-focused information from applicants themselves and from the public at large. The USPTO has proposed and will propose regulations and administrative changes governing submission of patent applications that will enable our examiners to make more efficient and informed patentability determinations.

First, we proposed setting a threshold on the number of continuing applications and requests for continued examination that an applicant may file before the applicant must explain the need for more continuations. This is done to provide an incentive for applicants to focus their initial patent applications on their inventive contributions. Second, we proposed setting a threshold on the number of claims an applicant may file for initial examination without providing additional information, in order to provide an incentive for applicants to focus the examination process. The first and second proposals have optional procedures which continue to provide an applicant flexibility where the applicant may need additional continuing applications or initially examined claims upon a showing of need or by shouldering additional responsibilities. We received numerous public comments in response to these proposals. We carefully considered those comments and adopted some of them in publishing final rules in August of 2007. After publication, two plaintiffs challenged the legality of our final rules in the Eastern District of Virginia, and the matter remains in litigation.

In parallel with the final rules for continuing applications, requests for continuation examination, and claims, we have proposed revisions to our information disclosure requirements to focus our limited examination resources on prior art that is most relevant to the examination process. Additionally, we are considering a new practice change to require applicants to conduct a pre-examination search and provide to the Office prior to examination a report on why they believe that they are entitled to the claims presented in view of the information discovered during that search.

Our hope is to achieve examination reform that creates better-focused examination and enhances information exchange between applicant and examiner. We look forward to working with the public and Congress to develop an enhanced examination system that effectively and fairly balances the needs of the Office and the interests of patent applicants, interested third parties and the general public.

Work Sharing

The USPTO continues to work with the world's major intellectual property offices to study, review and implement work-sharing efforts that promote examination efficiencies in each participating office. The USPTO launched a cooperation program with the Japan Patent Office (JPO) in FY 2006 to leverage fast-track patent examination procedures already available in both offices to obtain corresponding patents faster and more efficiently. It also permits each office to benefit from work previously done by the other office.

This program is a significant first step in cooperative efforts to support U.S. and Japanese industries in their global patent prosecution activities and represents the first concrete implementation of a work-sharing arrangement between the USPTO and the JPO.

The USPTO is expanding this work-sharing effort with other intellectual property offices, initially with the United Kingdom, Korea and Canada. The USPTO will continue its efforts in expanding this program and will develop a coordinated approach among the offices in order to streamline practices and procedures.

Electronic Filing and Processing

The USPTO continues to promote electronic filing and processing of patent applications as a means of reducing paper-based inefficiencies. The Patent organization implemented the Electronic Filing System-Web (EFS-Web), a user-friendly, Internet-based patent application and document submission program. Prior to FY 2006, less than 2% of patent applications were filed electronically. After working with the public and introducing the much-improved EFS-Web system in late 2006, a total of 14 percent of patent applications were filed electronically in 2006 -- with more than one-third being filed electronically in the last month of FY 2006. We finished FY 2007 with 49.3% of applications filed electronically. As of February 2008, 67% of patent applications are now filed

electronically. We will work with our stakeholders to further promote electronic filing and interaction with patent applicants.

Operating in today's wired world requires that the USPTO have full electronic processing that is safe, secure and continually available to employees, applicants and stakeholders. We will continue to work toward that goal.

These initiatives along with our hiring effort will reduce the current backlog.

Recruitment and Retention

1. Recruitment

Current Hiring Efforts

With full access to our collected fees, the USPTO hired a record 1,215 patent examiners in FY 2007.

Since FY 2001, the USPTO has hired a total of 5,367 patent examiners (including design patent examiners), and will hire another 7,200 patent examiners by FY 2013.

| | |
|--------------|-------------------------------------|
| FY 2001 | - 421 |
| FY 2002 | - 769 |
| FY 2003 | - 308 |
| FY 2004 | - 458 |
| FY 2005 | - 978 |
| FY 2006 | - 1,218 |
| FY 2007 | - 1,215 |
| FY 2008 | - 1,200 (projected) |
| FY 2009 | - 1,200 (projected) |
| FY 2010/2013 | - 1,200 per fiscal year (projected) |

While hiring a sufficiently qualified and productive corps of patent professionals is a critical factor in controlling pendency and reducing backlog, we recognize that hiring alone is simply not enough. Supplemental initiatives, including fuller participation by patent applicants as described above, will help us attain our long-term strategic goal of reducing patent pendency.

Goal: Making the USPTO an "Employer of Choice"

Continuing to attract and retain the finest public servants is a growing challenge. Our employees are at the heart and soul of our intellectual property system, and we need to do everything we possibly can to ensure they have an environment of trust, respect and opportunity in which to work and thrive.

The USPTO has developed and implemented a variety of workplace-friendly, family-friendly initiatives that have earned the USPTO recognition in both 2006 and 2007 by *Business Week* magazine as one of the best places in America to launch a career and to round out one's career. *Business Week* also chose the USPTO as one of the best places in the United States to have an internship. The USPTO has also been lauded by *Washington Families* magazine as one of the best places in the Washington area to work if you have a family. We will expand and improve our workplace offerings and attributes to further promote the USPTO's image as an "employer of choice."

Specific Recruitment Efforts

The USPTO's recruitment efforts are strong and nationwide in scope. Planning efforts have culminated in targeted TV, print, radio and Internet banner advertising, and in developing a brand image, "Examine the Possibilities." Additionally, in 2007, the USPTO increased career and job fair participation and participated in over 180 events throughout the country. We also offer recruitment incentives (up to \$9,900 per year for four years) for hard-to-fill computer and electrical engineering positions.

We are also exploring partnerships with universities to offer intellectual property courses to science and engineering students, developing an internship program, and training students in intellectual property to create a ready pool of potential patent examiner candidates.

2. Retention

Statistics on Patent Examiner Attrition

We agree that patent examiner attrition is an important matter -- patent examiners are critical to our system of protecting intellectual property and driving innovation in the United States. The USPTO has achieved notable successes in examiner retention efforts; we will address some of these successes and challenges below. The USPTO has kept attrition statistics for several decades and highly detailed statistics for the past ten fiscal years (since FY1998). The following are five facts that have proven instructive to us in addressing attrition.

- **Attrition (for patent examiners) is lower at the USPTO than throughout the Federal workforce.** The USPTO's attrition rate is *lower* than the average attrition rate for Federal workers in (8.5 % vs. 9.2%).¹

¹ Data source: See <http://data.bls.gov/cgi-bin/dsrf>

- **Beyond the first three years of service, the USPTO has nominal attrition.** The average attrition rate for USPTO patent examiners with 0-3 years experience is 15.5%. The average attrition rate for USPTO patent examiners with 3-30 years experience is 3.95%.
- **Attrition in the early years is substantially lower at the USPTO than at similarly situated entities.** The attrition rate of examiners with 0-3 year's experience, though measurably higher than the rest of the patent corps, appears to be well below the attrition rate experienced by similarly situated entities hiring entry level college graduates in a year.²
- **Higher production requirements do not translate to higher attrition.** Examiners with the highest production requirements have the lowest attrition rates, and the examiners with the lowest production requirements have the highest attrition rates. In fact, 70% of all work in FY 2007 was done by examiners with 3 or more years of experience who *exceeded* their production goals by an average of 8% and had an average attrition rate of 3.95%.
- **Nearly all examiners exceed minimum production requirements. An important majority exceed it substantially.** 60% of patent examiners *exceeded their production requirements by at least ten percent* in FY 2007.

These facts direct us to focus our attrition analysis on the areas where there are most opportunities and to look for solutions that provide for the most effective and efficient outcomes.

² Business Week, "50 Best Places to Launch a Career," September 18, 2006.

[***Given the country's demographics, some accommodation is inevitable. Entry-level hiring is expected to surge in 2007 by more than 17%, the fourth consecutive double-digit increase, according to the National Association of Colleges & Employers (NACE). And this could be only the beginning. By 2010, as the exodus of baby boomers from the workforce accelerates, census data suggest, two employees will be leaving for every new hire entering, and new college grads will be a precious commodity.***]

If recruiting is employers' first hurdle, retention is by far the highest. Those employers who provided the data reported that more than one-third of their new hires bolted within three years. And replacing them isn't cheap. Training costs averaged nearly \$10,000 a head, which can add up quickly when you're hiring more than 1,000 college grads each year, as more than one-third of the ranked employers do. The main reason young employees are heading for the exits, oddly enough, is the very thing boomers thrived on: the perpetual work day.***]

See also, Business Week, "Best Places to Launch a Career," September 13, 2007
 [***Boeing Co. (BA) (No. 14) is starting to move in that direction. The aerospace giant has one of the lowest retention rates in its industry (59%), and one way it hopes to

USPTO Retention Initiatives – Maximum Opportunity & Maximum Flexibility

In 2006, we started a focused effort on exit interviews, to help us better determine why employees who actually leave the USPTO decide to do so. The exit interviews are voluntary, but the data indicates that – even though attrition is relatively low after the first three years – room for improvement remains. Senior employees most frequently cited personal reasons and management issues when asked for the primary reason they were leaving. As an initial response, we have held offsite management conferences for two consecutive years to enhance our communication and leadership skill sets.

The USPTO has finalized and will be implementing a Strategic Human Capital Plan that includes a variety of strategies specifically designed to address workforce challenges faced by patent examiners. Specific strategies for Patents include improving the quality of new hires and recruiter capability, enhancing and enriching jobs, and improving vertical and horizontal communication.

To the degree the USPTO can provide employees with maximum flexibility and opportunity, and can train managers to work with changing life-needs, we will be more likely to retain experienced employees. For these reasons, the USPTO remains committed to a strong work life quality program, including:

- Flexible work schedules (available to many USPTO employees);
- Expansive teleworking programs;
- Reimbursement for advanced technical education and law school;
- Recruitment incentives (primarily available to patent examiners);³
- Special pay differential for patent examiners that exceeds the General Schedule pay rate;
- Part-time employment available to all employees;
- Laptop computers available for work away from the office;
- Increased productivity and quality award programs;
- Increased training opportunities tailored to examiners' needs;
- "Flat Goal" pilot;⁴

³ In order for a newly hired examiner to receive a recruitment incentive, the examiner must make a four-year commitment to stay with the USPTO. The four-year commitment is based on our attrition analysis, which, as mentioned earlier, demonstrates a strong historical trend toward greatly reduced attrition after three years with the USPTO. The recruitment incentive is paid in installments – 25% when they report for duty, and successive payouts thereafter. To maintain eligibility, examiners must maintain at least "Fully Successful" performance. If they choose to leave before fulfilling their time commitment, they must return a pro-rated portion (e.g., if they leave after 6 months of service, they would owe 50% of their upfront installment) of the recruitment incentive.

⁴ Instituted on April 1, 2007, this one-year pilot is intended to test a new conceptual approach to production. A variation is already successfully in place in the Trademark Operations, for GS-13 and 14 examining attorneys. The Patent flat goal pilot is voluntary and currently includes 160 participants. In contrast to the current yearly production goals, with yearly award payouts, under the flat-goal pilot, goals are set quarterly, with quarterly award payouts.

- Improved management training and teambuilding;
- Focused training for new examiners; and
- Movement toward a nationwide workforce.

Flexibility + Opportunity = High Morale, High Production

We offer patent examiners an array of work flexibilities, starting with maximum flex hours (for example, they may work regular hours between 5:30 a.m. and 10:00 p.m., Monday through Saturday to complete their 80-hour biweekly requirement). In addition to flexible hours, we offer a variety of "work from home options." These represent the best for employees, applicants, and the Office, as employees taking advantage of these flexibilities tend to report increased morale and higher productivity.

USPTO Telework -- the "Gold Standard"

As we hire over 1,200 patent examiners a year, much of our human capital focus is on telework programs, which help recruiting and retention, improve work/life balance, minimize commute time, maximize examiner productivity, and assist efficient space management.

The Patent Hoteling Program (PHP) was developed using the very successful Trademarks telework program model. It is a voluntary program that provides patent examiners the ability to work from home with complete on-line access to USPTO resources.

Since October 2007:

- Over 1,000 examiners have joined PHP. Major elements of this program, which incorporates the use of collaborative communication technologies, include remote online access to all relevant USPTO patent business systems, job performance tools, patent information, and patent application documentation. The PHP includes a hoteling component whereby participants can remotely reserve workspace for required time spent in hoteling suites located throughout the USPTO's Alexandria campus; and
- We plan to add 500 more examiners to the hoteling program each year for the next several years.

The goal of the hoteling program is to change the boundaries of the old workplace patterns allowing for decreased commute time, a more efficient use of office space, and even a more balanced lifestyle for our employees. This all translates into increased employee productivity and satisfaction, as well as higher employee retention.

On a long-term basis, we hope to create a workplace where an examiner can be successful from anywhere. In this regard, the Office is currently engaged in conversation with Congress and GSA about addressing the present issues surrounding duty station

requirements and travel regulations. Resolution of these issues would permit hoteling employees to relocate to geographic locations at further distances from the Office, thus enhancing the USPTO's ability to retain high quality employees.

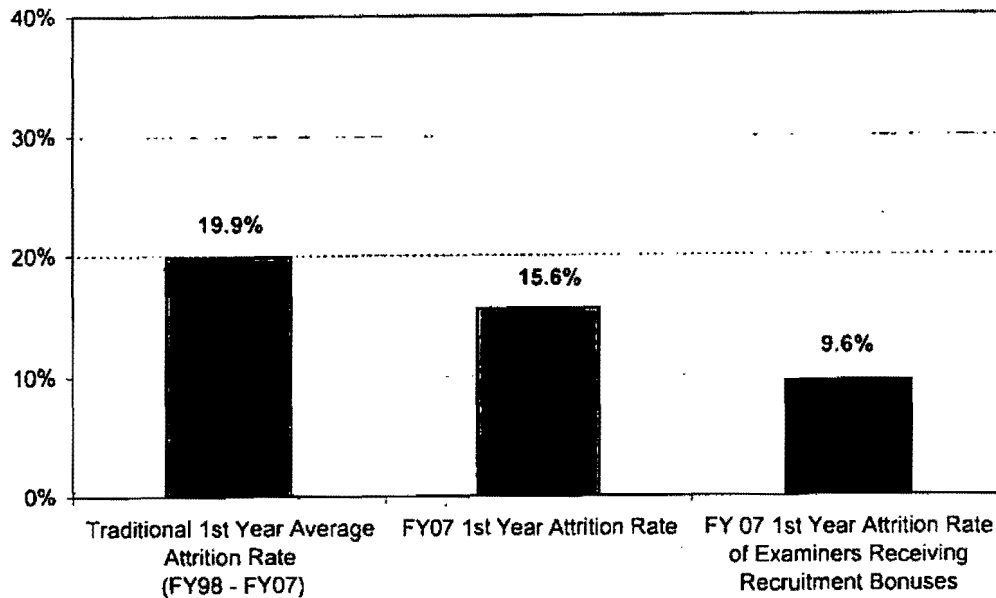
Pay and Retention

The USPTO, like other Federal agencies with specialized technical missions, competes with the private sector for a finite labor pool of highly skilled employees. Clearly, salary is an important factor for many potential employees. The USPTO may not always be able to compete with certain private sector employers in terms of salary level. However, the USPTO is doing its best to be competitive -- in a responsible fashion -- where salaries for patent professionals are concerned.

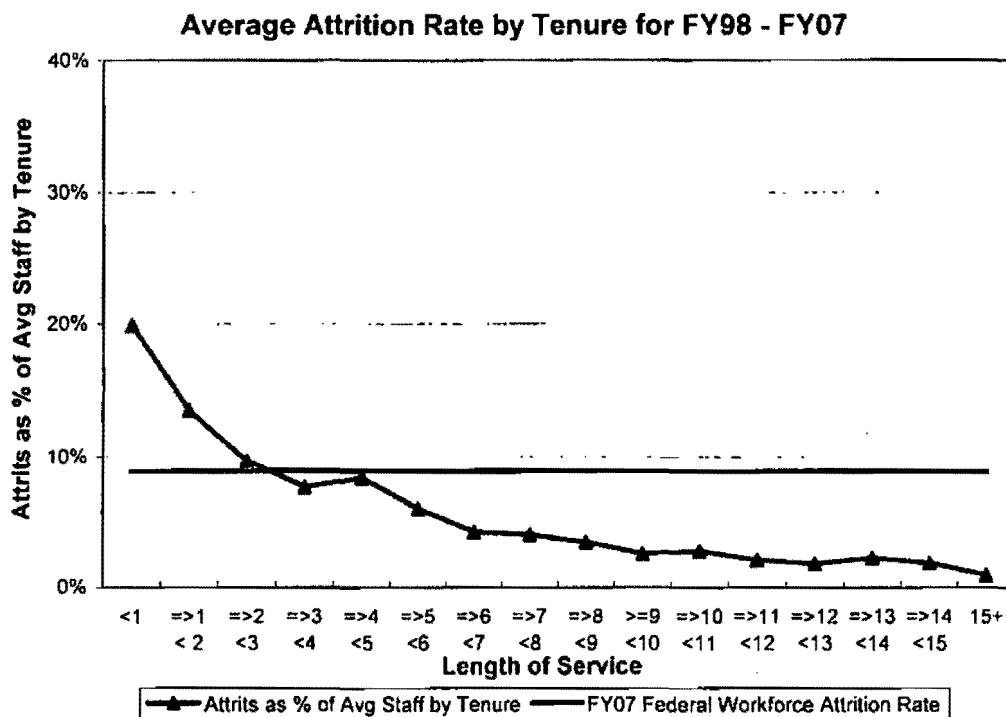
To this end:

- All patent examiners received a special pay rate increase of approximately 7% in November 2006 to ensure that pay rates were sufficient to address recruitment and retention challenges; and
- With the January 2008 across-the-board increase for Federal employees, we recently submitted a request to OPM to increase the special pay table for patent examiners. OPM is currently reviewing the request.

Attrition Rates of USPTO First Year Examiners



- **Recruitment incentives have reduced attrition during the first year.** During FY 07, examiners who received recruitment incentives left the USPTO at a rate of 9.6%, which is less than half the historical average of 19.9%.
- **Beyond the first three years of service, the USPTO has low attrition.** The average attrition rate for USPTO patent examiners with 0-3 years experience is 15.5%. The average attrition rate for USPTO patent examiners with 3-30 years experience is 3.95%.



- **Attrition in the early years is substantially lower at the USPTO than at similarly situated entities.** The attrition rate of examiners with 3 or less years of service, though measurably higher than the rest of the patent corps, appears to be well below the attrition rate experienced by similarly situated entities hiring entry level college graduates in a year.⁵

⁵ Business Week, "50 Best Places to Launch a Career," September 18, 2006.

[***Given the country's demographics, some accommodation is inevitable. Entry-level hiring is expected to surge in 2007 by more than 17%, the fourth consecutive double-digit increase, according to the National Association of Colleges & Employers (NACE). And this could be only the beginning. By 2010, as the exodus of baby boomers from the workforce accelerates, census data suggest, two employees will be leaving for every new hire entering, and new college grads will be a precious commodity.***]

If recruiting is employers' first hurdle, retention is by far the highest. Those employers who provided the data reported that more than one-third of their new hires bolted within three years. And replacing them isn't cheap. Training costs averaged nearly \$10,000 a head, which can add up quickly when you're hiring more than 1,000 college grads each year, as more than one-third of the ranked employers do. The main reason young employees are heading for the exits, oddly enough, is the very thing boomers thrived on: the perpetual work day.***]

See also, Business Week, "Best Places to Launch a Career," September 13, 2007 [***Boeing Co. (BA) (No. 14) is starting to move in that direction. The aerospace giant has one of the lowest retention rates in its industry (59%), and one way it hopes to improve upon this is by teaching managers how to deliver criticism—harsh, if necessary—along with praise.***]

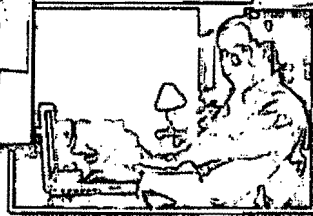
Conclusion

While we have had great successes in FY 2007, with record breaking year-end numbers that reveal historic improvement in the quality of patent and trademark reviews and subsequently the quality of issued patents, we have many challenges ahead.

While the Administration is committed to pursuing and improving upon its management initiatives and record level achievements in quality, production, hiring, retention, and electronic tools, some of the key solutions to reduce pendency and optimize productivity and quality will require Congressional action.

United States Patent and Trademark Office

2008 Telework Annual Report



Awards

- 2008 **Tele-Vision Award for Best New Telework Initiative**
Awarded by the Telework Exchange
Trademark Assistance Center
- 2007 **Excellence in Telework Leadership Award**
Awarded by the Telework Exchange
- 2007 **Telework Driver Award**
Awarded by the Telework Exchange
- 2007 **Work-Life Innovative Excellence Award**
Awarded by the Alliance for Work-Life Progress
Trademark Work at Home Program
- 2006 **Tele-Vision Award: Telework Program with Maximum Impact on Government**
Awarded by the Telework Exchange
Trademark Work at Home Program
- 2004 **Trademark in the Federal Government Leadership Award**
Awarded by the Potomac Forum
- 2003 **Best Organization for Telework Award**
Awarded by the Mid-Atlantic Telecommuting Advisory Council
- 2003 **Government Telework Award**
Awarded by the Telework Coalition
- 2001 **Commuter Connections Telework Award**
Awarded by the Metropolitan Washington Council of Governments Commuter Connections

The United States Patent and Trademark Office (USPTO), an agency of the United States Department of Commerce, is the Federal agency responsible for granting U.S. patents and registering trademarks. In doing this, the USPTO fulfills the mandate of Article I, Section 8, Clause 8, of the Constitution that the Executive branch "promote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries."

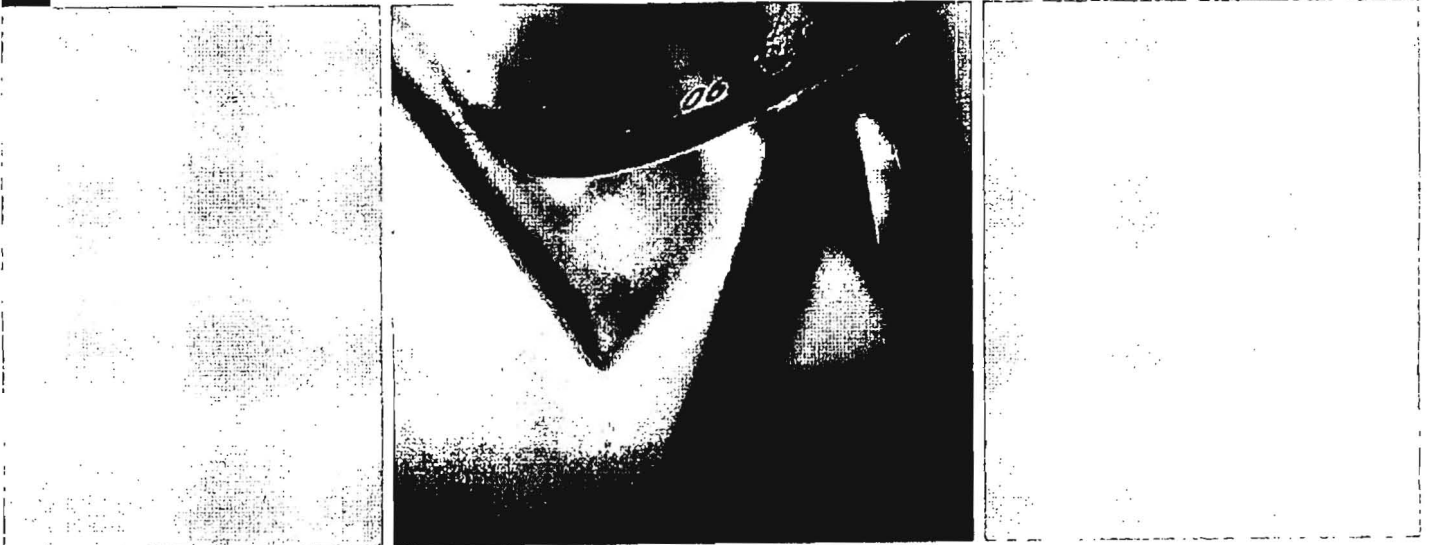
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Introduction

USPTO Telework: A Corporate Business Strategy

FY 2008 Highlights



Introduction



Changing the boundaries of old workplace patterns allows for decreased commute time, greater control over workloads, and even a more balanced lifestyle. The USPTO's decision to incorporate telework as a corporate business strategy has translated into increased employee productivity, satisfaction, and retention; helps the agency recruit and retain top talent; reduces costs associated with securing additional real estate; positively impacts traffic congestion in the Washington, DC metropolitan region; and assists employees in maintaining an attractive work-life balance.

The USPTO continues to build upon the historically successful Patents and Trademarks telework programs by expanding telework program development into other corporate business units. This is creating a workforce that can seamlessly perform work from remote locations. The USPTO started its telework programs more than 10 years ago with 18 trademark examining attorneys. Today, more than 4,000 employees agency-wide are working from home at least one day per week. Between

FY07 and FY08 the number of eligible employees teleworking at the USPTO increased by 656 employees.

The agency is considered a model for telework in the federal government and has received numerous awards for its exemplary telework programs. The USPTO's telework programs are carefully designed to include information technology (IT) and telework effectiveness training, pre- and post-pilot surveys, focus groups, and final reports. Because of this strategic design, the USPTO has become the "go-to" agency for other federal agencies interested in starting or expanding their telework initiatives.

As the agency hires new employees, it is anticipated that the USPTO telework programs will continue to grow and remain at the vanguard of federal telework. The USPTO will continue to strive to be an employer of choice, and remain committed to supporting telework agency-wide by encouraging employee participation and ensuring that remote workers have the tools they need to be successful.



USPTO Telework: A Corporate Business Strategy

Telework at the agency:

- Provides for space and related cost savings
- Increases workforce without increasing real estate costs
- Has enabled the agency to avoid securing \$11 million in additional office space
- Incorporates comprehensive training programs
- Provides for continuity of operations planning (COOP)
- Offers hoteling programs for Trademarks and Patents
- Is not a "one-size-fits-all" initiative
- Positions the USPTO as an employer of choice.

FY 2008 Highlights

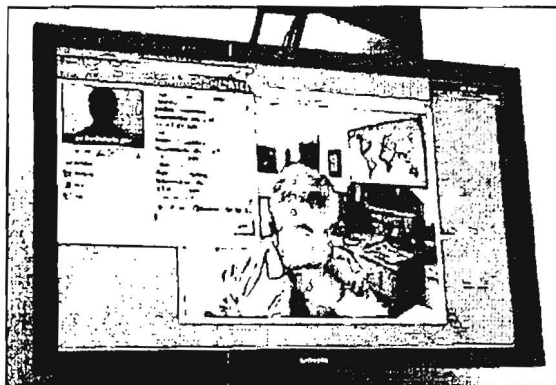


Trademark Work At Home

In FY08, expansion and improvement of telework opportunities for all Trademark employees became a goal of the Trademark Human Capital Strategic Plan. Today, 70 percent of all Trademark employees are eligible to telework at least one day per week, and 83 percent of those employees take part in one of several different telework program options. Eighty-six percent of all eligible trademark examining attorneys participate in the hoteling telework program.¹ Every eligible trademark examining attorney who wants to telework has been provided the opportunity to do so, and there are telework programs for most Trademark services work units. Many supervisors and managers also participate in telework programs.

This year, Trademarks partnered with the Office of the Chief Information Officer (OCIO) to transition the Trademark Work At Home (TWAH) system to the Enterprise Remote Access

(ERA) model.² This has resulted in substantial, immediate cost savings and will support future cost avoidance. Internet connectivity through cable or fiber-optic service (FiOS) is provided for Trademark workers through a contractor. This year, Trademarks completed deployment of



John Wilke, trademark examining attorney and teleworker, testifies remotely before Congress while working from his home in Chicago.

Nortel's Multimedia Communication System (MCS) as a digital TWAH telephony solution and as a collaboration tool for the trademark examining attorneys, resulting in the discontinuance of more than 150 landlines. Moreover, Trademarks collaborated with OCIO

¹ Trademark hoteling employees relinquish office space to work from home four days per week. These employees are required to travel to the USPTO's Alexandria, Virginia campus once per week. To work on campus, hotelers make electronic reservations to use shared office space.

² The Office of the Chief Information Officer (OCIO) has created a standard, Enterprise Remote Access (ERA) solution to meet the needs of USPTO's many telework and hoteling programs.



| Trademark Work at Home Programs | |
|---|---------------------------------------|
| Examining Attorneys | Examination Support Units |
| Trademark Assistance Center | Intent to Use Unit |
| Madrid Processing Unit | Post Registration |
| Program Control | Operations Program Staff |
| Legal and Policy | Petitions |
| Examination Support Quality Review and Training | Trademark Quality Review and Training |
| Supervisors | Managers |

to adopt webcasting as a communication tool to enhance the telework experience. Trademarks "all hands" meetings and several legal training sessions were webcast reaching more than 200 remote workers at each event.

Considerable progress was made in FY08 expanding telework in other Trademark services work units, as well as the law offices. In fact, the Trademark Assistance Center (TAC) telework program was recognized by the Telework Exchange with the 2008 Tele-Vision Award for

best new telework program. The TAC program is believed to be the only government call center with a telecommuting plan. New TWAH pilot program agreements were signed in FY08 for telework programs in the Trademark law office examination work units and the Intent-to-Use unit. Each of these programs was developed in cooperation with the National Treasury Employees Union (NTEU) 243 without formal bargaining. Outside the bargaining units, a new pilot was developed in FY08 for Trademark law office management and senior attorneys, who went from participating in a one-day-per-week program to one that allows telecommuting up to 16 hours per week.



Representatives from the General Services Administration and the Telework Exchange joined USPTO staff in presenting federal telework information to the Japan Unisys Users Association in October 2008.



The Trademark Work at Home model has become a benchmark for federal telework programs. As a result of their successful telework initiatives, Trademark representatives have participated in several congressional briefings on telework. In addition, the Trademark Geographic Expansion pilot, which began last year, was evaluated and doubled in size this year. That pilot, developed in cooperation with the National Treasury Employees Union 245 (NTEU 245), allows trademark examining attorneys with experience teleworking to move more than 110 miles from headquarters. These teleworkers are still required to report to headquarters once per week. As a result of the pilot, teleworking examining attorneys now reside in California, Colorado, Delaware, Florida, Georgia, Illinois, Indiana, Maryland, Michigan, New York, North Carolina, Pennsylvania, South Carolina, Texas, Virginia, West Virginia, and the District of Columbia.

The Trademark organization is often asked to speak on teleworking, and this year it presented information to other government agencies such as the National Labor Relations Board and the Internal Revenue Service. Trademarks also represented the United States, speaking at the

International Telework Symposium in Tokyo, sponsored by the Japan Telework Association. While in Tokyo, a presentation about telework was given at the Japan Patent Office.

Patents Telework Programs

In FY08, the Patents Hoteling Program (PHP)³ was further expanded to include patent examiners GS-12 and higher. Previously, participants in the PHP were patent examiners GS-13, 14, and 15. This telework program provides participants with the option to perform officially assigned duties at home (four days per week) during paid working hours. Major elements of this telework program include remote online access to all relevant USPTO patent business systems, job performance

| Patent Programs |
|---|
| Patent Hoteling Program (POPA-union) |
| Patent Legal Instruments Examiners Hoteling (NTEU 243-union) |
| Patent Management Telework Program |
| Patent Telework Program |
| Patents Part-Time Telework Program |

³ Patents hoteling employees relinquish office space to work from home four days per week. These employees are required to travel to the USPTO's Alexandria, Virginia campus once per week. To work on campus, hotelers make electronic reservations to use shared office space designated by the agency.



Anastasia Midkiff, patent examiner and hoteling participant, works from her home office.

tools, patent information, and patent application documentation, and incorporates the use of collaborative communication technologies. The PHP also includes a component whereby participants can remotely reserve workspace in hoteling offices, located throughout the USPTO's Alexandria campus. To date, more than 1,300 patent examiners have relinquished their office space to participate in PHP. In addition to a hoteling program for patent examiners, the PHP for NTEU 243 is a hoteling program for legal instrument examiners (LIEs). Participants in this program give up their offices and use a designated set of hotel cubicles or rooms when on campus. LIEs are provided a full complement of ERA equipment to work seamlessly from home.

Using USPTO-supplied equipment, participants can remotely connect to PTOnet, an internal operating network, and view patent applications, perform prior art searches, create and electronically sign necessary documents, and access timesheet reporting, e-mail, and other support systems available at the USPTO.

The PHP positions the agency to retain experienced senior examiners, eliminate unnecessary commuting time, and has made patent examining in the Washington, DC metropolitan area more attractive to potential candidates who currently reside outside of the region. This telework program will enable the USPTO to continue to recruit from a highly qualified hiring pool and retain existing valuable employees.

Patents also integrates telework by incorporating one-day-per-week telework programs through the Patent Telework Program (PTP) and the Patent Manager Telework Program (PMTP).

- **The Patent Telework Program**—This program is for patent examiners who work up to 16 hours biweekly from the alternate



| Corporate Business Unit Programs | | |
|---|---|------------------------------------|
| Board of Patent Appeals and Interferences (BPAI) Flexiplace | BPAI Remote Duty Location Pilot Program | BPAI Office Sharing Pilot Program |
| Office of the Chief Financial Officer - Pilot Program | Trademark Trial & Appeal Board Work-at-Home | Non-Patent Telework Program (POPA) |
| Assignments Branch, Office of the Chief Information Officer | Office of Government Affairs | Office of General Law |
| Office of External Affairs | Office of the Solicitor | Office of Civil Rights |
| Office of Human Resources | | |

work space. Examiners on this program are not provided with ERA equipment.

- **Patents Management Telework Program (PMTTP)**—This is a telework program for non-bargaining unit employees who are in management positions. Managers on this program are provided ERA equipment.

Corporate Business Units' Telework Programs

The USPTO is committed to telework as an enterprise-wide business strategy. The agency has directed resources towards ensuring that persons filling eligible positions within the corporate business units are also afforded the opportunity to telework.

By conducting telework pilot programs and gathering data through surveys and focus sessions with teleworkers, managers, and non-teleworkers, the agency corporate business units determined that remote work is seamlessly successful for non-production driven business units with the appropriate position selection, collaboration tools, non-IT and IT training, and clearly defined performance measures. This has been validated through the agency's establishment of telework in business areas such as the Office of Human Resources, the Office of the Chief Financial Officer, the Office of the Chief Information Officer, the Office of Civil Rights, the Office and External Affairs, the Office of General Law, and the Office of the Solicitor.

Building Successful Telework Programs

Meeting the Challenges of Telework



Building Successful Telework Programs



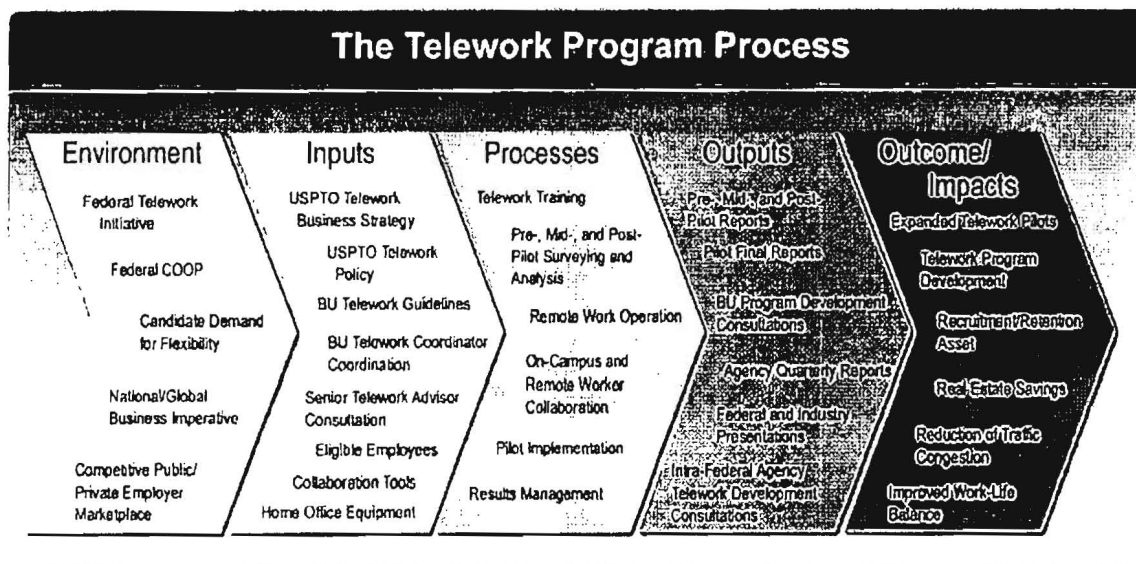
Benefiting from the business advantages of telework requires an agency to focus on their role in facilitating successful program implementation. Having a strong, well-communicated telework policy and business unit guidelines affords a foundation from which individual business units can tailor programmatic guidelines. The Telework Program Development Process is summarized in the chart below.

An awareness of the **environment** recognizes the relationship between telework and national initiatives as well as global business needs. This includes readiness to compete for talent in the public and private marketplaces. Both candidates and existing employees are seeking greater flexibility in their lives, and telework is an employment benefit that meets that need. Further, by readying personnel to work from home, telework is positioning us to comply with the Federal Continuity of Operations Planning (COOP) initiative. Nationally, there is a need to

ensure that the business of government continues to operate during times of natural or terrorist disaster. Telework is helping us to prepare for our agency's continuity of operations.

Successful program development requires an investment in the necessary **inputs** to ensure sound operations. Having a strong, well-communicated telework policy together with supplemental business unit guidelines affords a foundation to which teleworkers and their supervisors can refer throughout the duration of the telework agreement. Supporting this business strategy has led the USPTO to go beyond the necessary provision of equipment, tools, and eligibility reviews to the positioning of a senior telework advisor and a network of telework coordinators throughout the agency's business units.

Attentiveness to the **processes** of telework includes mandatory training prior to telework



deployment as well as pre-, post, and sometimes mid-pilot surveying to facilitate analysis, effectiveness, review, and program enhancement. This aims to maximize the telework experience by keeping a finger on the pulse of readiness, collaboration, and sustained performance.

Subsequent to program implementation, the USPTO produces a number of **outputs**. These include internal and external reporting, as well as program development consultation. As telework leaders in the federal sector, the agency is

committed to affording fellow federal agencies the opportunity to benefit from the USPTO's lessons learned through presentations, briefings, and tailored consultations.

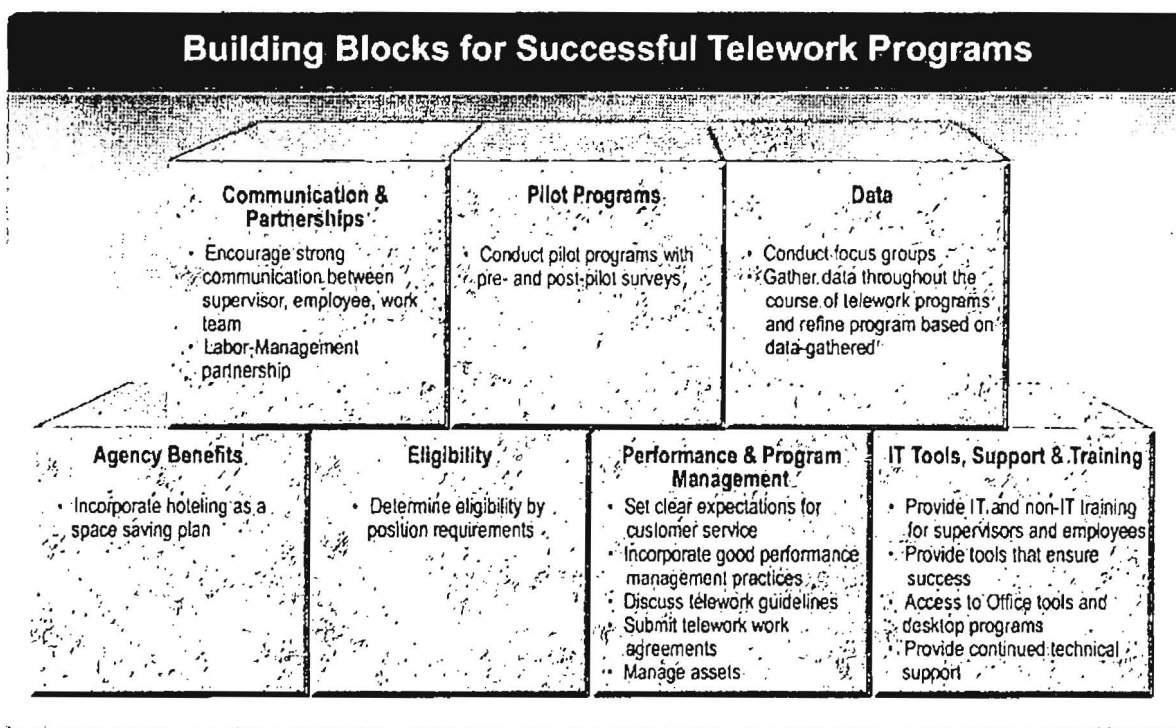
Of paramount importance is the assessment of the **outcomes and impacts** of telework programs. Largely communicated through survey summaries, pilot final reports, teleworker/supervisor sharing, business unit updates, and the employment of analysis tools, the USPTO aims for impact throughout the agency hierarchy and



beyond. Benefits have included growth in telework participation, enhanced employee recruitment and retention, real estate/facilities cost avoidance, and increased employee satisfaction through improved work-life balance.

Other significant components include: ensuring that the goals and benefits of telework are

consistent with agency goals and benefits; establishing metrics to track progress; working within a supportive administrative infrastructure; allocating adequate resources to provide the necessary equipment and technology; having an optimal leadership support system and a comprehensive communications strategy; and providing training for all stakeholders.





Meeting the Challenges of Telework

There are several challenges associated with the design and implementation of a secure IT environment for remote workers. The USPTO has identified the following:

Security

The USPTO has to move massive patent application and trademark agreement documents back and forth online continuously, which means it must be able to do so in a very secure, error-free environment.

USPTO ensures that all data exchange is secure, utilizing an encrypted point-to-point VPN connection. The agency has gone to great lengths to be certain no critical data are stored permanently on USPTO-issued employee laptops, so information is stored on a USPTO server, not on the laptop itself. All PTO issued laptops have encrypted hard drives to ensure that, should the unit fall into unauthorized hands, access to any

information that may be stored on the system is unavailable.

Bandwidth (a production risk)

Because of the size of the documents with which both the patent examiners and trademark attorneys work, large bandwidth is needed to move information; exceeding bandwidth may impair production goals of trademark attorneys and patent examiners. The agency has built the necessary IT infrastructure to support these operations.

Training

Comprehensive training is key to effective implementation of telework programs. The USPTO provides extensive training for teleworking employees and all teleworkers receive non-IT and IT training before they are deployed to work from home. This training is required and teaches the employee how to work



from home; perform basic computer troubleshooting; use their equipment properly; and communicate with their team, their supervisors, and their customers.



One of the Enterprise Remote Access (ERA) training facilities on the USPTO campus.

USPTO Educates Its Employees About USPTO IT Policies

Prior to participating in a telework program, each employee receives instruction on how to access USPTO systems remotely. The USPTO has an

extensive IT security infrastructure and strong security policy that work together to ensure that both personally identifiable information and business sensitive information are adequately protected from loss or theft. These protections have been implemented throughout the USPTO Telework initiative and help to prevent the possible occurrence of a sensitive information security breach.

USPTO teleworkers are trained on and receive associated documentation describing the IT Policies that must be followed when working remotely. These policies are also published on their intranet Web site. The USPTO IT Policies address:

- Employee responsibility for taking all necessary steps to safeguard government equipment from loss or theft
- Prohibition of data storage, of any kind, on the local laptop hard drive



- Prohibition of additional software installation on the USPTO telework laptop
- Employee responsibility to maintain the confidentiality of applicant files and agency work products in accordance with their business area requirements
- Prohibition of laptop use where non-agency personnel may be able to view restricted



USPTO teleworker, Gloria Hicks of the Office of the Chief Information Officer (OCIO) (middle), receives Enterprise Remote Access (ERA) training before being deployed to work from home. Training is provided by Information Technology Resource Personnel (ITRPs) Thomas Hooks and Anjana Mirajkar.

information, such as hotel lobby, airport, or coffee shop

- Unless on leave from the Office, employee responsibility to connect their ERA laptops to the USPTO's VPN at least once per week (i.e., every seven days) for a minimum of 15 minutes. (This action may be taken during core business hours, at night, or on weekends. Ensuring all ERA laptops make this connection weekly will permit the USPTO to perform routine asset verification, and provide an opportunity for any critical software updates ("pushes") to occur. These create the environment to ensure a secure connection while reviewing applications.)

USPTO Configures the Remote Laptops

To mitigate risks of them being used in a manner that compromises the USPTO's mission, USPTO safeguards laptops through:



- Encryption—Industry standard strong encryption of the hard drive
- Login—Unique, single-user, pre-boot authentication (“Strong Password” required to change on a regular basis) through the hard drive encryption software and laptop operating system
- User Permissions—Users are not setup with local administrative rights
- Software Firewall—Pre-configured firewall software allows network traffic required to conduct work and remote support while blocking unsolicited network traffic
- Antivirus—Automated and regular definition updates and virus scanning are pre-configured
- Spyware—Spyware, Adware, Trojan Horse, and Hijacker detection software are pre-configured with automated definition updates
- Operating System Updates—Automated/scheduled updates to the operating system for security and critical patch related updates, and
- One Master Baseline—All laptops are configured with one master baseline, and are maintained and supported through remote assistance and remote management software.

FY 2008 Accomplishments



FY 2008 Accomplishments



- Eligible employees teleworking increased by 656 employees.
- Margaret J.A. Peterlin, deputy under secretary of commerce for intellectual property and deputy director of the United States Patent and Trademark Office, provided work testimony before the Subcommittee on the Federal Workforce, Postal Service, and the District of Columbia Committee on Oversight and Government Reform in the United States House of Representatives.
- John Wilke, trademark examining attorney and teleworker, testified remotely before Congress about his teleworking experience at the USPTO from the basement of his home in Long Grove, IL, a suburb of Chicago. Through the use of webcam technology, Wilke responded to questions asked by Congressman Danny Davis, committee chair; Maryland Congressmen Elijah Cummings and John Sarbanes; and others to help shape the next generation of federal telework programs across America. Wilke was projected live from his home on plasma screens in the hearing room.

- The Trademark Assistance Center was awarded the Award for Best New Telework Initiative by the Telework Exchange.



Deputy Under Secretary Peterlin swears in before providing telework testimony in front of the U.S. House of Representatives.

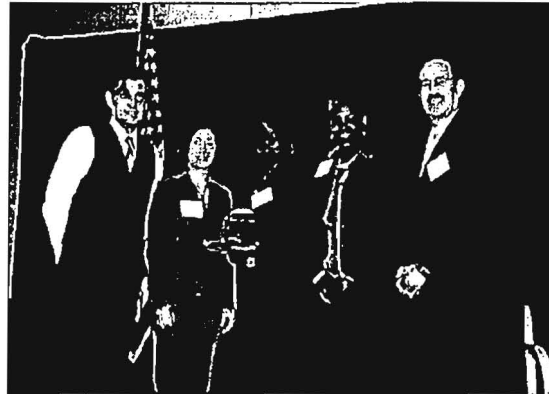
USPTO Telework Presentations

- European Patent Office
- Advanced Patents Program
- Federal Real Property Advisory Committee
- Global Intellectual Property Academy (GIPA)
- Trademark Administration Program
- Telework Exchange Town Hall Event
- Boston Collaboration Summit
- Future of Continuity of Operations and Telework Training Conference



Media Coverage/Interviews

- Meadows, Vickers. (December 22, 2007). Versatile Bureaucracy: A Telework Case Study. *Public Manager Magazine*.
- Welles, Judy (February 15, 2008). Home is Where the Work Is. *Federal Computer Week*.
- Greenberg, Alan and Andy Nilssen (August 2008). Telework and the U.S. Federal Government: At the Tipping Point. *Wainhouse Research*.
- Rosenberg, Alyssa (April 22, 2008). Telework Can Improve Management. *Government Executive*.
- Norfleet, Donna (June 2008). City of Alexandria: *Local Motion* Interview.
- Coombs, Joe (May 2, 2008). Telework Options Slowly Pick-Up Steam in Region. *Washington Business Journal*.
- Stevens, Larry (July 10, 2008). Risks of Having a Dispersed Workforce. *Federal Computer Week*.



Deborah Cohn, deputy commissioner for trademarks at USPTO, Dora Best, supervisory trademark information specialist at the USPTO Trademark Assistance Center, and Shana Trotman-Webster, management and program analyst at the USPTO Office of the Deputy Commissioner for Trademarks, receive the "Best New Telework Initiative" award from Stephen O'Keeffe, CEO, Telework Exchange, and John Palguta, vice president, Policy for Partnership for Public Service.

- Federal News Radio Interview (September 22, 2008). Telework for Government: Meeting the Challenges for COOP, Security, and "Green."



Assistance to Federal Agencies Seeking to Start or Expand a Telework Program

In FY08, the USPTO Telework Advisor met with the agencies indicated in the following chart to

respond to questions regarding telework program design, development, implementation, and IT infrastructure necessary for successful telework deployment.

| USPTO Telework Assistance to Federal Agencies | | | |
|--|---|---------------------------------|------------------------------------|
| Pension Benefit Guarantee Corporation | Federal Energy Regulatory Commission | Homeland Security | U.S. Nuclear Regulatory Commission |
| National Navy Medical Center | United States Department of Agriculture | General Services Administration | Federal Trade Commission |
| Pension Benefit Guarantee Corporation | Federal Energy Regulatory Commission | Internal Revenue Service | Treasury Inspector General |

Future of Telework at USPTO



Future of Telework at USPTO



The USPTO Telework Programs position the agency to recruit from a highly skilled workforce, retain experienced senior employees, eliminate unnecessary commuting time, and has helped make the agency an employer of choice.

The USPTO currently has hoteling employees (employees who relinquish their office space to work from home 4 days per week and travel to the Office once per week) residing in California, Colorado, Delaware, Florida, Georgia, Illinois, Indiana, Maryland, Michigan, New York, North Carolina, Pennsylvania, South Carolina, Texas, Virginia, West Virginia, and the District of Columbia. Having the opportunity to work at the USPTO and reside outside of the Washington, DC metropolitan area is an attractive option for agency employees and helps the agency maintain its commitment to sustaining high performance. The USPTO will continue to explore options that may permit even broader distribution of its workforce through legislative flexibilities.

The USPTO plans to offer this initiative in the coming fiscal year and will use expanding participation in its hoteling programs as a retention incentive and to help avoid the cost of

securing a comparable amount of additional employee office space.

Telework will continue to be a critical component of the USPTO's strategic vision FY09 and beyond. The USPTO intends to remain at the vanguard of federal telework, positively impacting traffic congestion and emissions in the Washington, DC metropolitan area, maintaining its position as an employer of choice, and achieving agency goals.

"There are clear benefits to telework. For example, the United States Patent and Trademark Office has one of the most effective telework practices in the federal government."

Congressman Tom Davis, former representative of the 11th District of Virginia, included in Statement for the Record during November 6, 2007 Oversight and Government Reform hearing "Telework: Breaking New Ground."

Acknowledgements



The Telework Coordinators Working Group, pictured above, meets on a quarterly basis with Senior Telework Advisor, Danette Campbell, to discuss telework issues that may impact the agency.

Pictured from left to right:

Meryl Hershkowitz, Mary Sparrow, Ann Farson, Bonita Royall, Jackie Davis-Maxfield, Michael McGill, Amanda Putnam, Danette Campbell, Keith Peterson, Viviana Bernstein, Jill Taylor, Joyce Miller, Michael Christensen, Tung Nguyen, Pam Wadsworth, and Maraky Sissay

Special thanks is extended to the Telework Coordinators Working Group, Chief Administrative Officer, Steven Smith, and the Office of Public Affairs.



Telework Resources

Federal Government Telework
www.telework.gov

Telework Exchange
www.teleworkexchange.com

Telework Virginia
www.teleworkva.org

Commuter Connections
www.commuterconnections.org

Washington Metropolitan Telework Centers
www.wmtc.org

www.uspto.gov