

22 July 2016

Ms. Marcie Lovett
Records Management Division Director
Office of the Chief Information Officer
United States Patent and Trademark Office
P.O. Box. 1450
Alexandria, VA 22313-1450
By email: InformationCollection@uspto.gov, subject “0651–0031 comment”

Re: U.S. Patent and Trademark Office, *Patent Processing (Updating) 0651-0031, comment request*, 81 Fed. Reg. 32298-32302 (May 23, 2016), <https://www.gpo.gov/fdsys/pkg/FR-2016-05-23/pdf/2016-12042.pdf>

Dear Ms. Lovett:

IEEE-USA submits these comments on the above-captioned 60-day Notice published pursuant to the Paperwork Reduction Act (44 U.S.C. § 3501 *et seq.*, “PRA”). IEEE-USA is the United States unit of the IEEE, the world’s largest professional association for technological professionals. IEEE-USA has more than 200,000 members, largely electrical, software, electronic, mechanical, and biomedical engineers, working in thousands of companies from the largest and most-established to the smallest and newest. IEEE-USA seeks to represent the interests of its members, their careers, and their ability to create the next generation of America’s companies and jobs. Efficient operation of the patent system is one of the keys to that future. The entire patent system would operate more efficiently if the USPTO observed the requirements of administrative law (including the Paperwork Reduction Act) with greater care, and IEEE-USA writes to offer observations on how the USPTO could simultaneously improve compliance with the law, reduce paperwork burden on the public, and operate more efficiently to meet internal performance goals.

Background: the Paperwork Reduction Act

The Paperwork Reduction Act (PRA)¹ and implementing regulations² promulgated by the Office of Information and Regulatory Affairs (OIRA) within the Office of Management and Budget (OMB), protect the public from burdensome regulations that involve any activity involving “collection of information” by or on behalf of an agency. The Act requires “Agencies ...

¹ 44 U.S.C. §§ 3501–3520. The text of the PRA is available at <http://www.archives.gov/federal-register/laws/paperwork-reduction>.

² 5 C.F.R. Part 1320, especially §§ 1320.5, 1320.8, 1320.9, and 1320.11.

to minimize the burden on the public to the extent practicable. *See* 44 U.S.C. § 3507(a)(1).³ In the context of the Patent Office, the Paperwork Reduction Act covers essentially all USPTO rule making, and essentially all papers that must be filed.

The PRA requires agencies to:

- “reduce [burden] to the extent practicable and appropriate.” The agency must “demonstrate that [the agency] has taken every reasonable step to ensure that the proposed collection of information: ... [is] the least burdensome necessary for the proper performance of the agency’s functions.”⁴
- Rules must be “written using plain, coherent, and unambiguous terminology.”⁵
- The agency must ensure that the information it seeks from applicants has “practical utility,”⁶ that is, that the information has “actual, not merely the theoretical or potential, usefulness of information to or for an agency, taking into account its accuracy, validity, adequacy, and reliability, and the agency’s ability to process the information it collects.”
- The agency must ensure that the information it seeks from applicants is not “unnecessarily duplicative.”⁷
- “The agency shall also seek to minimize the cost to itself of collecting, processing, and using the information, but shall not do so by means of shifting disproportionate costs or burdens onto the public.”⁸

Each agency must research the likely burdens of any proposed information collection, disclose “objectively supported” estimates of burden to the public and to OIRA, and obtain OIRA approval. To achieve these goals, the Paperwork Reduction Act and its implementing regulations impose a number of common-sense obligations on an agency. For example,

- The agency must review all rules calling for collection of information to ensure that the agency needs the information.⁹
- The agency must certify to OMB that the agency’s collection of information is “necessary for the proper performance of the functions of the agency,” and that the agency has “reduce[d] burden] to the extent practicable and appropriate.” The agency must “demonstrate that [the agency] has taken every reasonable step to ensure that the proposed collection of information: ... [is] the least burdensome necessary for the proper performance of the agency’s functions”¹⁰

³ *Dole v. United Steelworkers of America*, 494 U.S. 26, 32 (1990).

⁴ 44 U.S.C. § 3506(c)(3)(C), 5 C.F.R. § 1320.5(d)(1), § 1320.9(c).

⁵ 44 U.S.C. § 3506(c)(3)(D), 5 C.F.R. § 1320.9(d).

⁶ 44 U.S.C. § 3506(c)(3)(A), 5 C.F.R. §§ 1320.9(a); § 1320.3(l).

⁷ 44 U.S.C. § 3506(c)(3)(B), 5 C.F.R. § 1320.9(b).

⁸ 5 C.F.R. § 1320.5(d)(1)(iii).

⁹ 44 U.S.C. § 3506(c)(1)(A), 5 C.F.R. § 1320.8(a)(1).

¹⁰ 44 U.S.C. § 3506(c)(3)(C), 5 C.F.R. § 1320.5(d)(1), § 1320.9(c).

- “The agency shall also seek to minimize the cost to itself of collecting, processing, and using the information, but shall not do so by means of shifting disproportionate costs or burdens onto the public.”¹¹

The Act also sets a number of procedural requirements on agencies, designed to ensure that the agency self-polices its own compliance with these obligations:

- For each new rule, and during each triennial reapproval cycle, the agency must run a 60-day public comment period on (i) whether the agency’s proposed collection of information will generate quality information, with practical utility, (ii) the accuracy of the agency’s estimates of burden are accurate, (iii) ways to improve the quality, utility, or clarity of the information, and (iv) ways to minimize the burden on the public.¹²
- The agency must certify with supporting record (including public comments) that the information collection submitted to OMB for review is (A) necessary, (B) not duplicative, (C) reduces burdens, (D) unambiguous, (E) consistent with existing recordkeeping practices¹³

The 2012 Triennial Review and USPTO’s explanation for failing to respond comment-by-comment with suggestions from the public

In March 2012, the USPTO requested comment on Information Collection 0651-0031, as part of the triennial review of regulations to reduce burden on the public, as required by the Paperwork Reduction Act. Information collection 0651-0031 is an “account” for paperwork to be submitted to and collected by the USPTO, and covers essentially all papers filed in a patent application after the application is filed and until it is allowed.

When 0651-0031 was last up for its triennial review, IEEE-USA was one of six parties that submitted comment letters.¹⁴ IEEE-USA is puzzled at subsequent events.

First, IEEE-USA’s 2012 letter pointed out that the USPTO’s burden estimates were too low, because they failed to account for information-gathering and information-generating activities that are covered by the Paperwork Reduction Act. In response, the USPTO commented:¹⁵

Other comments suggested that certain time estimates did not include consideration of other factors beyond the time needed to complete certain responses. These comments cited factors such as time needed to evaluate options, consulting clients, or making other informed decisions. Although the USPTO appreciates that respondents utilize time and effort for many matters related to and

¹¹ 5 C.F.R. § 1320.5(d)(1)(iii).

¹² 44 U.S.C. § 3506(c)(2)(A), 5 C.F.R. § 1320.8(d)(1).

¹³ 44 U.S.C. § 3506(c)(3), § 3507(a), (b), 5 C.F.R. § 1320.9, § 1320.10(a), (b).

¹⁴ IEEE-USA’s letter is at http://www.uspto.gov/sites/default/files/news/fedreg/comments/0651-0031_IEEE_Comment.pdf The comment letters of the other parties are displayed at the USPTO’s web site at <http://www.uspto.gov/learning-and-resources/federal-register-notices/federal-register-notices-2012> .

¹⁵ U.S. Patent and Trademark Office, Supporting Statement for Information Collection 0651-0031, www.reginfo.gov/public/do/DownloadDocument?objectID=37511202 (Jul 31, 2013), at page 9.

during the course of the patent examination process, these estimates necessarily focus on the estimated time to complete the specific information collection responses.

The implementing regulation, 5 C.F.R. § 1320.3(b), defines “information,” “burden,” and “collection of information” expansively, so that (as OMB interprets these terms) they cover all activities of the public leading to information submission to agencies. The definition of “burden” includes “generating” the information, and “searching” sources to find it. To consider one example, if an environmental regulation requires drilling a well to gather information to be submitted to EPA, then (as OMB would interpret this regulation), drilling the well counts in the computation of “burden.”

The USPTO asserts that “time needed to evaluate options, consulting clients, or making other informed decisions” is not part of “burden,” but without considering the language of the regulation (for example, the word “generating”), or identifying any exception to “burden.” Similarly, the plain text of the regulation makes clear that the process of “compiling” information is excluded only if it is “usual and customary” outside the context of the agency’s request for information, and it is the USPTO’s burden to “demonstrate” that such exception applies. The USPTO gave no such demonstration in its 2013 submission to OMB. Nor does the USPTO give any rationale for redefining the scope of coverage of the Act as only “to complete the specific information collection responses.” The law is clear that coverage is end-to-end, not merely “to complete” as USPTO contends.

The authoritative interpretation of “burden” is OMB’s, as demonstrated in the drilling example above. The USPTO is not at liberty to redefine the term “burden,” especially not to confine it “to complete specific ... responses.”

Second, many paragraphs of IEEE-USA’s 2012 letter use phrases taken directly from the Paperwork Reduction Act itself, such as “unreasonably duplicative,” “unnecessary for the proper performance of the functions of the agency,” “lacks practical utility,” or “minimize burden.” (Other portions of IEEE-USA’s 2012 letter refer to requirements from the Administrative Procedure Act or Information Quality Act that apply to the PRA, rather than language directly from the PRA itself.) The USPTO characterized these comment letters to OMB as essentially irrelevant, as follows:¹⁶

Several of the comments were directed to specific regulatory requirements. It was suggested that the underlying regulations themselves should be revised and that doing so could reduce unnecessary additional paperwork burdens. ... Although these go beyond the scope of the instant ICR clearance, the USPTO appreciates these comments and will review those identified requirements to determine whether separate revisions are appropriate.

IEEE-USA is puzzled that the USPTO would characterize comments directed to requirements of the statute, framed in the very words of that statute, as “beyond the scope” of USPTO’s request for ICR clearance, when that request for clearance is based on USPTO’s certification of compliance with that statute. The USPTO does not compare any portions of IEEE-USA’s 2012 letter to the statutory or regulatory text to demonstrate that the comments are “beyond the scope” of the statute

¹⁶ U.S. Patent and Trademark Office, Supporting Statement for Information Collection 0651-0031, www.reginfo.gov/public/do/DownloadDocument?objectID=37511202 (Jul 31, 2013), at page 9.

or regulations. Since IEEE-USA's letter quotes the statute and regulations extensively to ensure that IEEE-USA's comments *are* within the scope of the Act and the USPTO's request for ICR clearance, IEEE-USA would be very interested to see the USPTO's explanation.

44 U.S.C. § 3506(c)(2)(A)(iv) requires the agency to solicit public comment on ways to “minimize the burden of the collection of information on those who are to respond,” and then § 3506(c)(3)(C) requires that the agency *certify* to OMB that it has “reduce[d] to the extent practicable and appropriate...” IEEE-USA is puzzled that the USPTO in its 2013 submission to OMB certified to OMB on the one hand that it had sought information on reducing burden and had in fact implemented all practicable suggestions for reducing burden, and yet on the other hand, explained that it had declined to consider those very suggestions.

Attached as Exhibit A is IEEE-USA's letter from 2012. Most of the issues raised there are still pending. IEEE-USA urges the USPTO to consider the 2012 comments carefully. This comment letter is within the scope of the Administrative Procedure Act, 5 U.S.C. § 555(e), which requires (with exceptions not relevant here), that the USPTO give “a brief statement of grounds” for denial of any request in this letter, and to adopt or respond to the comments on a recommendation-by-recommendation basis.

Third. In July 2015, the USPTO requested comments on its guidance for examination of subject matter eligibility. United States Patent and Trademark Office, *July 2015 Update on Subject Matter Eligibility, Request for comments*, 80 Fed. Reg. 45429 (Jul. 30, 2015). In response the USPTO received thirty-seven comment letters.¹⁷ IEEE-USA's comment letter¹⁸ reminded the USPTO of obligations under the *Bulletin on Agency Good Guidance Practices* (a bulletin issued by OMB to implement the Information Quality Act and other laws, and reminding agencies of obligations arising under the Administrative Procedure Act).¹⁹ The *Good Guidance* directive requires that guidance instructions to agency employees be clear and specific as to which facts are relevant and which are not, and that after reviewing public comments on “economically significant guidance documents” such as the *Subject Matter Guidelines*, the USPTO “must prepare a robust response-to-comments document and make it publicly available.”²⁰

In May 2016, the USPTO issued a further update, but the May 2016 update neglects at least the following obligations of the *Good Guidance* directive—

- (a) it does not instruct which guidance is still in effect and which is superseded,
- (b) it is even less instructive than the 2015 guidance about which considerations and issues are relevant and which are not, and
- (c) it does not include any “response to comments” from the fall 2015 comment period.

¹⁷ <http://www.uspto.gov/patent/laws-and-regulations/comments-public/comments-july-2015-update-subject-matter-eligibility>

¹⁸ IEEE-USA, *Comment letter on July 2015 Update on Subject Matter Eligibility*, 80 Fed. Reg. 45429 (July 30, 2015), http://www.uspto.gov/sites/default/files/documents/2015ig_a_ieee_02nov2015.pdf at page 9, 26-27.

¹⁹ Executive Office of the President, *Final Bulletin for Agency Good Guidance Practices*, OMB Memorandum M-07-07, <http://www.whitehouse.gov/omb/memoranda/fy2007/m07-07.pdf> (Jan. 18, 2007), 72 Fed. Reg. 3432 (Jan. 25, 2007).

²⁰ *Good Guidance Bulletin* (footnote 19) at 17, 72 Fed. Reg. at 3438, col. 2.

Because the USPTO has not made available a “response to comments” document that complies with the requirements of the *Good Guidance* directive, the public is left with substantial questions as to how the USPTO interprets the law in this area. This uncertainty increases costs for the public. As part of its obligation under the Paperwork Reduction Act to reduce burden and to write its rules “using plain, coherent, and unambiguous terminology,” the USPTO should honor its obligations under the *Good Guidance* bulletin, and either adopt the suggestions offered in IEEE-USA’s comment letter, or issue a “robust response-to-comments document” explaining each recommendation that the USPTO declines.

Regulatory housecleaning

Fourth. In 2013, the USPTO represented to OMB that “the USPTO ... will review those identified requirements to determine whether separate revisions are appropriate.”²¹ IEEE-USA has seen no evidence of that “review” or “revision.”

In January 2011, President Obama issued Executive Order 13563, which urged all agencies to review their regulations to prune away those that created disproportionate burdens. IEEE-USA is aware that several letters were sent to the USPTO by members of the public, suggesting specific reforms. We are unaware of any action taken by the USPTO.

In 1997, the USPTO implemented a large set of rule changes “as part of a government-wide effort to reduce the regulatory burden on the American public.” Patent and Trademark Office, *Changes to Patent Practice and Procedure*, 62 Fed. Reg. 53132 (Oct. 10, 1997). Today, the USPTO might find it helpful to use IEEE-USA’s 2012 letter as a starting point for a similar effort to reduce burden on the public, to honor the directive from the President issued in 2011, and to keep the promise that USPTO made to OMB in 2013.

IEEE-USA thanks the USPTO for considering these comments in reviewing the paperwork burdens in (or implied by) ICR 0651-0031. IEEE-USA would welcome any further discussions with the USPTO on these matters. We wish the USPTO to succeed in its mission, and compliance with the PRA is essential if this is to happen.

Respectfully submitted,



Pete Eckstein
President
IEEE-USA

²¹ U.S. Patent and Trademark Office, Supporting Statement for Information Collection 0651-0031, www.reginfo.gov/public/do/DownloadDocument?objectID=37511202 (Jul 31, 2013), at page 9.

Exhibit A

IEEE-USA's letter from 2012