POPA NEWS
Patent Office Professional Association
November 2002 Vol. 02 No. 7

New Law Requires Revised Strategic Plan

The Senate and House passed a bill that orders the USPTO to prepare a strategic plan "in close consultation with" the Patent Public Advisory Committee (PPAC). The bill also requires the USPTO director to consult with the PPAC "with respect to the development of each aspect of the strategic plan," and to submit the new plan to Congress within four months of the law's enactment.

The bill—the Justice Department appropriations authorization bill, H.R.2215—was finally approved by both houses of Congress on Oct.4 and signed by President Bush on Nov. 2. In addition to the mandates regarding the strategic plan, the bill allows third party requesters in USPTO *inter partes* patent reexamination proceedings to appeal to the Court of Appeals for the Federal Circuit and allows patent reexamination on the basis of previously cited prior art.

The prior Senate version of the bill acknowledged the USPTO's June 3 strategic plan, which the USPTO could have interpreted as congressional support. The final bill ignores the June strategic plan and orders that a new plan be transmitted to Congress. This indicates congressional rejection of the previous plan.

While the PPAC has said that it believes in the goals and objectives of the plan, such as improved quality, pendency reduction, and e-government, many PPAC members have voiced reservations about some fundamental elements of the plan, such as contracting out the search. The PPAC had not been consulted about the previous June 2002 strategic plan prior to its completion. The four months following the law's enactment will determine if USPTO's consultation with the PPAC will effect some changes to the plan.

The bill overrules previous case law, specifically *In re Portola* [42 USPQ2d 1295 (CA FC)], and thus allows the USPTO to rely on art already cited in a patent as a basis for reexamination. Under *Portola*, examiners are presumed to have fully considered all possible rejections based on the references cited in the prosecution of the application, even if they were never used in any actual rejection. Regarding *inter partes* reexamination, the 1999 American Inventors Protection Act (AIPA) had established the optional procedure so that a third-party requestor of a reexamination

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USPTO Suspends Legal Studies Program

The USPTO announced at the end of September that it is halting funding of the Non-duty Hours Legal Studies Program and PTO University "due to uncertainties in the budget." Employees currently enrolled will be permitted to complete the fall semester, but no employees will be grandfathered into the program.

The agency's rationale cited the budget and "the likelihood of receiving substantially less funding than requested by the President for FY2003." The training program had to be eliminated "to ensure the proper functioning of the Agency."

POPA is investigating the budget as much as possible to determine which other programs can instead be cut. For example, *Federal Computer Week* recently reported that the USPTO contracted $70 million for "systems engineering and technical assistance" for FY2003. It is unclear if all of those funds are required for the USPTO's "proper functioning." The legal studies program, in contrast, costs approximately $2.2 million annually.

Because Congress has not passed a FY'03 budget, the agency is operating under the stopgap budget allowed by the Continuing Resolution (CR). The CR allows for the same level of funding as last year, which includes the legal studies program. Inflationary increases in ongoing programs, such as salaries, can be offset by the budgeted amounts spent in FY'02 on non-recurring expenses, such as capital expenses.

The POPA/USPTO Legal Studies Agreement only allows the program to be cut if it's necessary for the agency's functioning. Under the agreement, the USPTO would have to make the case that the programs it does want to fund instead—such as the multimillion dollar computer contracts—are necessary for the agency functioning. Any other rationale is just an excuse and displays a lack of respect for employees.

USPTO Cuts Classification

The USPTO has reassigned all but two patent classifiers to mainly examination duties but has not contracted classification to the private sector as planned, thereby worsening the already critical classification crisis that has created nearly 100 subclasses containing 2,000 patents or more.

The National Intellectual Property Researchers Association (NIPRA) recently published a comparison of the size of USPTO patent subclasses in 1995 and 2002. The

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POPA and USPTO Negotiate Impact of Classifier Reassignment

POPA and the USPTO in early October signed an agreement that ameliorates the impact on classifiers reassigned to examination duties.

POPA believes that transferring classifiers is a mistake, but the agency maintains that it is exercising its management rights and will not consider alternate views. The recent POPA/USPTO agreement delineates an accommodation for the employees who have heretofore made classification their career and who have not examined patent applications for more than a decade. Two classifiers will retain their full classification duties, but the majority will become hybrid classifier/examiners, devoting 25 percent of their time to classification and the rest to examination. The agreement covers training, awards and learning curves, giving time and opportunity for the affected employees to become reacquainted with examination. This sets a precedent for future treatment when employees are involuntarily switched into a new situation.

For example, most of the employees in the new hybrid position will be treated for examiner performance and training purposes as if they are new employees starting at GS-9, while retaining their pay based upon their higher graded classification duties. They will then progress through the examiner performance and training levels until they get to levels associated with GS-13. An employee may remain at the GS-9 level for 1,248 actual examining hours (the equivalent of three quarters), and at the GS-11/12 levels for 1,664 actual examining hours (the equivalent of a year). Those who prefer the lesser reporting requirements of the higher levels may progress faster if they have an average productivity over 13 consecutive pay periods of halfway to the next higher learning-curve-grade and if they show proficiency in other critical elements at the next higher learning-curve grade.

The full POPA/USPTO Agreement on Classifier Reassignment is available online at *www.popa.org.*

New Law Requires Revised Plan

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would have an opportunity to comment at each stage of examination. But to limit the patentee's expenses, the AIPA stated that the third party may not appeal to the Court of Appeals for the Federal Circuit and that the USPTO's reexamination decision is binding. The new law will allow such an appeal.

The statute will also cure previously confusing language in Section 102(e) to clarify that a published PCT application will qualify as prior art as of its filing date if, and only if, that filing date is on or after Nov. 29, 2000, the PCT application designated the United States, and the application was published in English.

Feel Good— Give through the CFC

Is America becoming a "heartless society"? Economist John Kenneth Galbraith once warned, "as America becomes affluent, we increasingly ignore or rationalize the plight of the poor."

Let us prove that Galbraith is wrong. We do care. We will not ignore the plight of the jobless, the sick, the elderly, and the handicapped.

The Combined Federal Campaign gives us the opportunity to express our own personal commitment to helping the less fortunate. Your donation will give you the good feeling that comes from knowing that you brightened the lives of your neighbors.

As an organization committed to the ideal of helping people, POPA urges you to contribute as generously as you can. Get that good feeling!

Ronald J. Stern

Ronald J. Stern, President
Patent Office Professional Association

USPTO Cuts Classification

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study found that the number of subclasses containing 1,000 to 3,000 patents nearly doubled during that time. The count of subclasses with 3,000 or more patents nearly quadrupled.

The optimal subclass size, according to USPTO past practice, is 50-100 patents. When subclass size grows to 300-400 patents, they typically have become candidates for reclassification. The problem with overgrown subclasses has been deteriorating significantly since 1995.

USPTO Subclasses with Over 1,000 Patents

	Year 1995	2002	Change
Subclasses with >1,000 patents	415	769	185%
Subclasses with >2,000 patents	27	60	222%
Subclasses with >3,000 patents	5	234	60%
Patents in largest subclass	3,812	10,830	284%
Patents in largest 20 subclasses	51,871	105,419	203%

Compiled by PATENTEC for NIPRA

While classification is necessary for both computerized and paper files, when subclasses get this large the paper files are literally unusable. Computer searching also will suffer because such searches will lack the precision narrowness available through proper classification.

USPTO's Selective Hearing on Quality Review

When it comes to negotiating quality review, the USPTO eagerly discusses its new proposals with POPA. But when it's time to talk about the union's proposals, the agency figuratively closes its eyes, covers its ears and hums.

For example, the USPTO is proposing an expanded number of quality reviews. Their potential impact on employee performance appraisals would require that employees have adequate opportunity to defend themselves against unwarranted allegations of error. However, the USPTO has proposed to give non-examination time for employee defense only if supervisors request that employees defend themselves, and only for allowed cases. The agency wants time given to be wholly at the discretion of the supervisor and will allow no challenge to the supervisor's decision. Time for defending against allegations of error at earlier stages of prosecution could not be granted even if the supervisor thought it was warranted.

POPA proposed that employees be given reasonable non-examination time to defend themselves during the quality review process against any accusations of error. First the USPTO said it would not discuss this because it is a performance appraisal issue. Later the agency decided that employees may have non-examination time only when defending against improper allowance. This is totally inadequate.

More Findings of Error and More Errors

The USPTO is proposing a gargantuan increase in the number of quality reviews applicable to employee work products. While the agency is willing to talk about some aspects of the tests it intends to impose on employees, it's not willing to discuss the significant changes it is proposing to the performance appraisal system.

The agency argues that it is not changing the performance appraisal system because the proposed quality tests will not themselves be used as a means for downrating people, but merely as a trigger for more extensive employee work reviews. It would then use those reviews as a basis for ratings under the current appraisal system. But increases in the quantity of review, coupled with the intended increase in the strictness of review, adds up to a significant change in the appraisal system.

In addition to the increased number of reviews that result from failed tests, the USPTO strategic plan calls for a quality assurance specialist (QAS) to review 12 cases per year for each primary examiner, and for technology center supervisors other than one's own to review four additional cases. A minimum of 16 annual case reviews for primary examiners who pass all the tests is a huge increase over the current sampling rate. The agency is also planning 100 percent-of-work reviews in selected technologies (the "second pair of eyes" program).

The agency intends to implement this much larger number of reviews by placing squads of new quality assurance specialists in each of the technology centers.

In-process Reviews for All Examiners

The agency wants to eliminate Quality Review as we know it, which reviews cases only after allowance. Instead it wants to be able to direct reviewers toward "in-process" reviews.

Doing in-process reviews will expand the opportunities for employees to be found in error based on any instances in which employees reverse their own decisions. It had been consistent and conscious agency policy to never count such reversals as an error.

Under its proposal, the USPTO could count as an error any rejection that is withdrawn as a result of an applicant's argument without amendment. This was never the prior practice. This new potential punitive action will motivate employees to hold fast and defend any and all rejections to avoid having them count as errors. Making any reversal will send an "error" alert to reviewers.

Previously the USPTO had said that in-process reviews were to be used only for statistical purposes and to help design new training programs, not to hold employees responsible for poor performance.

In-process reviews hold a number of dangers for employees depending on the knowledge and experience of each of the persons involved. Think of what may happen when Quality Assurance Specialists, who are generalists, rate the work of primaries who are more knowledgeable and experienced in the art than they are.

This proposed system would vary widely by the competence of the employee, the supervisor and the QAS. It could be that the reviewer is experienced and truly catches a valid error, or that the examiner could be the most experienced, with many permutations in between. The result will be an inconsistently applied program.

Increasing Employee Vulnerability

By greatly increasing the number of cases reviewed and the agency's discretion in which cases are reviewed, and by selecting cases before allowance, the USPTO can set up employees to fail. The current patentability determination error rate of sample cases is about 5-7 percent. Under current rules, employees are downrated below fully successful if the error rate exceeds 4.5 percent on patentability determinations. Therefore most employees will be vulnerable to downrating.

Improving USPTO Security

The POPA Security Committee is interested in hearing from individuals who would need assistance in the event of an evacuation. Non-ambulatory individuals are especially encouraged to contact POPA because specialized evacuation wheelchairs are now available. To let POPA know of your special security needs and other security issues, please contact Margaret Wambach by e-mail.

POPA 2002 Election Nov. 20 & 21

List of Candidates

President: Ronald J. Stern* 2800
Vice President: Lawrence J. Oresky* 3600
Secretary: Karen Hastings* 1700
Ass't. Secretary: Pamela Schwartz* 1700
Treasurer: Randy Myers* 2600

Chemical Area Delegates 1600/1700
John Hoffmann 1700
D. Lawrence Tarazano* 1700
Adrienne Johnstone* 1700
Kathleen Duda* 1700
Robert D. Budens* 1600
Howard J. Locker* 1600
Louise Leary 1600
Patricia L. Morris* 1600
Dina Letscher* 1700
Jennifer Graser* 1600
Patricia A. Duffy* 1600

Electrical Area Delegates 2100, 2600, 2700, 2800
Barry Choobin 2600
Kimberly McLean-Mayo 2100
Albert Gagliardi 2800
Stephen D. Meier* 2800
Bill Luther* 2600
David L Robertson* 2100
Mark Tremblay* 2800
Ella Colbert* 2100
Michael B. Shingleton* 2800
Margaret Wambach* 2800
Gene M. Munson* 2800
Raquel Y. Gordon 2800
Sheila Clark 2800
Charlene Dickens 2800

Design, Business Methods, Computer Scientists & Other Area Delegates
Steve Gravini* 3600
Melanie H. Tung* 2800
Caron Veynar* 2900

Mechanical Area Delegates 3600, 3700
Vinh The Luong* 3600
David O. Reip 3700
Raymond B. Johnson* 3600
Irene Cuda Rosenbaum* 3700
Mike O'Neill 3700
Edward A. Miller* 3600

* *Incumbent*

Election Guidelines

Election of Officers and Area Delegates will be from 9 a.m. to 4 p.m. on Wednesday, Nov. 20 and Thursday, Nov. 21, 2002.

1. Only members in good standing may vote. This means you must have paid your FY2002 dues or currently be on the payroll deduction program. (Non-dues-paid members see Note 3 below.)

2. Voting procedures will be as follows:

a. Members are to proceed to the voting station located at 2201 Crystal Plaza Arcade next to Minuteman Press.

b. The voting station will be managed by contracted temporary workers and election committee members.

c. Members should:

I. Present I.D. card (building pass), tell attendant your name and voting area.

II. The attendant will then verify the member's I.D. and voting area by comparing to a members' listing by voting area, check off the name from the list and give the member a ballot. The attendant will also check the mailing address for accuracy, and make note of any corrections to be made. If a correction is necessary, the voter will be given an address correction slip to be handed in before departing the voting station.

III. The voter will mark and fold the ballot in privacy and place it in a ballot box. The ballot should not be signed or otherwise identified by the voting member.

IV. Ballots cannot be removed from the voting area except by election committee members for the purpose of collecting and counting ballots.

d. All dues-paid members may vote for Officers.

e. Members may vote for Area Delegates only in their area of representation, e.g., Chemical members vote for Chemical Area Delegates, etc. Members may submit a blank ballot, vote for only one Area Delegate, or vote for as many Area Delegates as desired up to a maximum of: 9 Chemical Area Delegates; 11 Electrical Area Delegates; 6 Mechanical Area Delegates; 2 Designs combined with Business Methods, Computer Scientists & Others Delegates.

f. Write-in candidates are permitted; however, a write-in candidate for an Officer must receive at least 15 votes to be elected while a write-in for an Area Delegate must receive at least 5 votes to be elected.

g. Ballots marked with more than the maximum number of votes permitted will not be counted.

h. No person including candidates will be permitted to interfere with the voting process at the voting station.

3. Persons who cannot produce their official I.D. card should check with Election Co-Chairs Joel Sincavage (305-3108) or Celia Murphy (305-3114). Persons who are not dues-paid POPA members may join, pay their dues, and vote in this election, provided they submit their dues deduction form personally to one of the above election officials.

4. Members are permitted to run both as an Area Delegate and as an Officer; however, they may be elected to only one position. If elected as an Officer, the member's name will automatically be removed from the list of Area Delegates.

5. In the event of a tie vote in any race, a run-off election will be held under the following guidelines:

a. The membership list will be closed, i.e., no new members will be permitted to join and vote in the run-off.

b. Ballots will be prepared and distributed to the affected area, the election will be held and the ballots counted.

c. In the event of another tie vote, the candidates will be notified of same. Candidates will be asked if any wish to withdraw to resolve the contest. Failing this, the run-off will be decided by a coin flip.

6. The candidates for Officers and Area Delegates will appear on the ballots in the order listed on this page (asterisk denotes an incumbent).

7. No campaigning or campaign literature will be permitted within 50 feet of the polling room.

8. The Association shall only give out the name, address and area designation of members to candidates who have submitted valid nominating petitions.

9. No absentee ballots are permitted.

New Election Location for 2002

POPA Voting Station
2201 Crystal Plaza Arcade
(Retail store space in Plaza Shops, under Crystal Plaza 4, next to Minuteman Press)

Note to Dues-paying Members: Pick up your free *Federal Personnel Guide* from 1-4 p.m. at the voting station on Nov. 20 or 21.

Forward, Into the Past?

Is the USPTO Doomed to Repeat its History's Mistakes?

The PTO is celebrating its bicentennial, which is fitting given Kenneth Dobyns history of the early patent office. In *The Patent Office Pony: A History of the Early Patent Office*, Dobyns wrote, "It is hard to look back and say exactly when a United States Patent Office, as opposed to a patent system, began . . . [but] it is arguable that on June 1, 1802, with the appointment of a clerk [Dr. William Thornton] whose entire and full time job was superintending the issuance of patents, a United States Patent Office began."

While we celebrate history, it would be good to remember George Santayana's warning and learn from our history, lest we are doomed to repeat it.

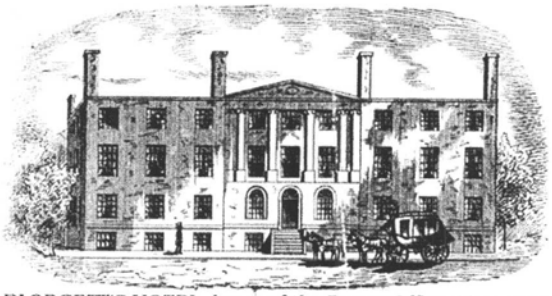
Those who study what little records remain of Dr. Thornton's tenure as the first superintendent of the USPTO will find that he dealt with circumstances familiar to current USPTO professionals. He complained of lack of adequate space, noting that the room he worked in was "admitted by all to be inadequate." He dealt with a rapidly increasing workload and a reluctance to furnish him with adequate staff, resources, and compensation. In his first year in office, Thornton issued 73 patents. In his last 5 years, he issued an annual average of 304 patents. His yearly salary was increased from $1,400 to $1,500 dollars after 17 years on the job. He was also given a paid assistant in 1810 after much pleading and after paying one out of his own pocket for several years.

Dr. William Thornton, the first full-time U.S. Patent Office clerk.

Patent system reformers who drafted the 1836 Patent Act noted that the Patent Office could be self-supporting, meeting its expenses entirely out of fees collected from applicants, but that the fees were required to be deposited into the Treasury and the Patent Office could not spend without the approval of Congress, "which seemed to treat the patent fees as if they were general income of the federal government," Dobyns wrote.

Delays in patent processing were also of concern to the public. By 1835 it took 3 months to obtain all the signatures necessary to issue a patent. Many inventors traveled personally to Washington, D.C., naively expecting to apply for a patent and receive the issued patent in short order. In the 21st century we submit patents to a printing process that, in view of modern electronic publishing capability, could be done in a day, but instead takes months. How little some things have changed in 200 years!

But the main patent system problem that the reformers tried to address in the 1836 act was the lack of an examination system. Prior to 1836 Dr. Thornton had to issue a patent to any applicant who met the requirements of the law, which did not demand that the application be examined for novelty or patentable merit. As an act of conscience, Dr.



BLODGETT'S HOTEL, home of the Patent Office 1811-1836.

Thornton nevertheless did perform examinations of the applications he received, "comparing them with prior patents and with the large library of technology books kept for the purpose," wrote Dobyns. "When he found a good reference to anticipate an invention, he would write to the applicant, explaining the reference and pointing out how limited the patent on the invention would be if it were allowed to issue. Then, if the applicant still insisted on his patent, Dr. Thornton would write across the back of the issued patent the identity of the known references."

However much or little Dr. Thornton's efforts may have helped to reduce abuse of a patent system without an examination process, his methods were not continued by his successors. By 1836, an average of 800 patents a year were being granted, while more than 100 patent lawsuits were pending in the courts.

To remedy this, Sen. John Ruggles and Patent Office machinist Charles M. Keller together drafted a revised patent law based on examination. The Patent Office would be provided with, in addition to collected models submitted with each patent application, "an extensive library of scientific works and periodical publications, and, in addition to the necessary clerks, draftsman, machinist and messenger, to have an examiner of patents, the first anywhere in the world, to read patent applications, compare them with what was known in this country or contained in a printed publication anywhere prior to the applicant's discovery, or in public use or on sale with the applicant's consent prior to the application, and to reject those applications in which the invention was not new," wrote Dobyns.

Keller and Ruggles thus enacted into law the practice that Thornton had habitually followed as much as practicable under the old law.

A crucial aspect of examination in the 1836 Patent Act was the collection of an historical record of technological advances so that the examiner could search this record to "compare" the subject matter sought to be patented with what was previously known.

In light of this history, the current proposals to sever the search function from the examination process are disturbing. Dr. Thornton, Charles Keller, and the many dedicated patent experts who followed them would likely have been puzzled and troubled by the notion that searching what has been done before is readily cleavable from the "reading," "comparing," and "rejecting" process outlined in the 1836

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History's Mistakes *(continued from page 5)*

law. Indeed, implicit in the current proposals is a recognition that reading and comprehending the application is vital to a mere searching function. As some have already pointed out, divorcing searching from examination creates redundancy of effort of those charged with searching and those charged with "examination," as both must read and understand the patent application.

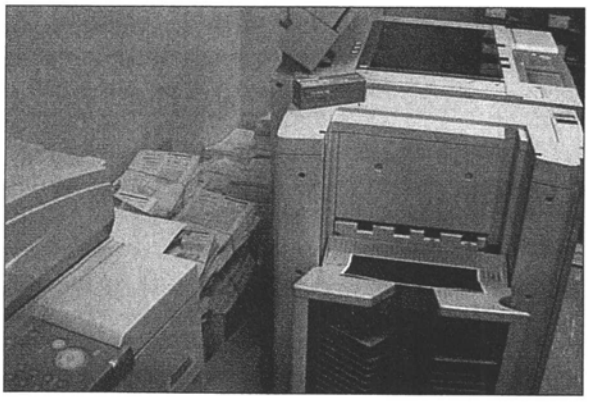
The proposed examination modifications rely on the conscientiousness of examiners by counting on them to perform an adequate search in all cases where the one performed is wanting. Will adequate time, staff and resources be forthcoming should the extra work of such "conscientious" searching be substantial? The current proposals, with a promise of reduced pendency and staffing needs in spite of expected increases in applications, seem to follow in the USPTO's lamentable history of "much will be expected, and little will be given." Many conscientious examiners at the USPTO today undoubtedly will take it upon themselves to do what is needed to uphold the high standards of patent quality that have been the USPTO's hallmark. As Kenneth Dobyns noted, the authors of the 1836 Patent Act "builded better than they could have known at the time." We ought to be careful, in tinkering with the world's most admired system of intellectual property protection, that we do not extend an invitation to fraud and mischief, nor undo the foundation of sound examination practice in an attempt to work around the fundamental arithmetic of patent quality.

This article was written and submitted by a patent examiner who asked to remain anonymous.

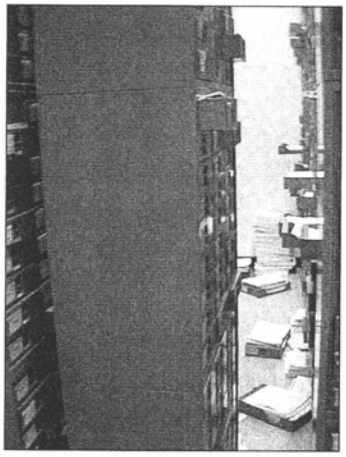
Search Room Disaster Areas

Many patent search rooms today are in disarray because many patents are not being refiled. It's common in some search rooms to find patents put under or on top of the shoe cases. Worse yet, patents are being piled 4 feet deep in corners, making them unuseable. This situation is worst in Tech Center 2800.

The USPTO has used its negligence to produce numbers that "prove" that examiners don't use the paper files; therefore, the agency justifies destroying the files. The agency says that its paper patent refile statistics indicate examiner usage of the files. When the refile numbers decline, the agency concludes that examiners prefer the computerized file. The facts are that when the paper files are so grossly incomplete, examiners cannot effectively use them and are forced to turn to the computer.



USPTO paper patents piled behind a copier in an examiner search room.



One search room shoe case blocks access to another.

To have confidence in the paper patents files after they have been in such disarray, the USPTO must do an integrity check to assure that all the paper patents are actually in the files.

The neglect of the paper files represents another USPTO promise broken. The USPTO/POPA Millennium Agreement states, "The Office will continue to maintain and provide support services for use of the paper search files, until all paper search files are removed."

POPA Annual Meeting

December 5, 11:30 am, Days Inn at Crystal City

President's State of the Union Address
Treasurer's Report
Grievance Director's Report
Light Refreshments

Featured Speaker:
The Honorable Helen Delich Bentley

All Bargaining Unit Members Invited
No Official Time Granted

Patent Office Professional Association

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