POPA NEWS
Patent Office Professional Association
www.popa.org
October 2007 Vol. 07 No. 4

POPA Works with Congressional Leaders on Patent Reform Act Provisions

POPA officials met with House Majority Leader Steny Hoyer (D-Md.) and House Subcommittee on Courts, the Internet and Intellectual Property Chairman Howard Berman (D-Calif.) in early September and agreed on Patent Reform Act (H.R. 1908) language that protects the integrity of the American patent system's prior art searches.

Rep. Berman speaks at an April 2007 press conference to introduce the Patent Reform Act. Joining him are (from left to right) Sen. Patrick Leahy (D-Vt.), Rep. Lamar Smith (R-Texas), Rep. Rick Boucher (D-Va.), and Sen. Orrin Hatch (R-Utah).

The congressional meeting occurred after POPA distributed a policy paper voicing the Association's concerns about proposals in an earlier version of the House legislation that would have enabled the USPTO to effectively outsource the patent search, "allowing applicants to contract searches to anyone, including foreign entities," wrote POPA.

POPA's paper also called for Congress to help the USPTO "do the job right the first time" by switching its focus from "rework solutions" to retaining highly skilled patent examiners and providing them with sufficient time and resources.

Essential Search Safeguards

The bill's original Applicant Quality Submission (AQS) proposal would have required applicants to provide a search report of all relevant patent and non-patent literature. "The search is a critical part of the examination process and should remain an inherently governmental function performed by patent examiners who are free of conflicts of interest," wrote POPA. Congress historically has agreed, as

(continued on page 2)

Examiners to Face Increased Security Scrutiny with New Background Checks

Administration-wide policies now require patent examiners to undergo more stringent security/background checks. The agency will oblige all examiners promoted to GS-13 or above to complete exhaustive background questionnaires and permission forms for security checks beginning January 2008. The USPTO already has been requiring this of examiners hired since March 2007.

The administration elevated the patent examiner position from a low-level risk designation to a moderate-level risk, resulting in increased scrutiny. POPA negotiated the January 2008 delayed implementation of the requirement to provide examiners time to gather the required information and ensure their financial obligations are in order.

The forms to be completed by examiners – Standard Form (SF) 85P and Optional Form (OF) 306 – are lengthy and extraordinarily detailed. The SF 85P requires information on residences, employers, schools, and personal references, including all dates and addresses/phone numbers, going back seven years. It also obliges an employee to sign a form releasing the government to investigate "my academic, residential, achievement, performance, attendance, disciplinary, employment history, criminal history record information and financial and credit information." Examiners will not be required to sign the release of medical information, including mental health information, unless the investigation subsequently shows that it is warranted. However, determining if it is warranted is at the government's total discretion.

The OF 306 is a simpler form, but examiners must read and complete it very carefully. If any items are incorrect, the agency can claim the employee lied, which may result in termination.

To better prepare, examiners can view and print the forms to see what information they will be required to

(continued on page 3)

Patent Reform Act Provisions

(continued from page 1)

in 2005 legislation that provided protections when contracting-out the prior art search.

Rep. Berman, who was instrumental in designing the 2005 legislative safeguards, changed the bill to make an applicant search an option rather than a requirement. The revised legislation also states that if the applicant does not perform the search, the search must be performed by one or more individuals who are U.S. citizens or by a commercial entity that is organized under the laws of the United States or any U.S. state and that employs U.S. citizens to perform such searches. The bill also now states that any applicant-submitted search report required by the USPTO may not substitute in any way for a search by a USPTO examiner of the prior art during examination.

This new language shields the patent system by guaranteeing that those in conflict with American interests don't perform applicants' searches. It also ensures that unbiased, independent agents employed solely for the public good—that is, USPTO patent examiners—conduct the ultimate search used to determine patentability.

The USPTO's agenda runs contrary to this goal, as demonstrated at a Sept. 12 presentation by USPTO managers to the Biotechnology/Chemical/Pharmaceutical Customer Partnership, a group of private sector customers. The new search-integrity language supported by Rep. Berman would prevent the USPTO "from giving full faith and credit" to the applicant search, warned Technology Center1600 Director George Elliot and Supervisor Remy Yucel, both of whom the USPTO has detailed temporarily to Capitol Hill offices.

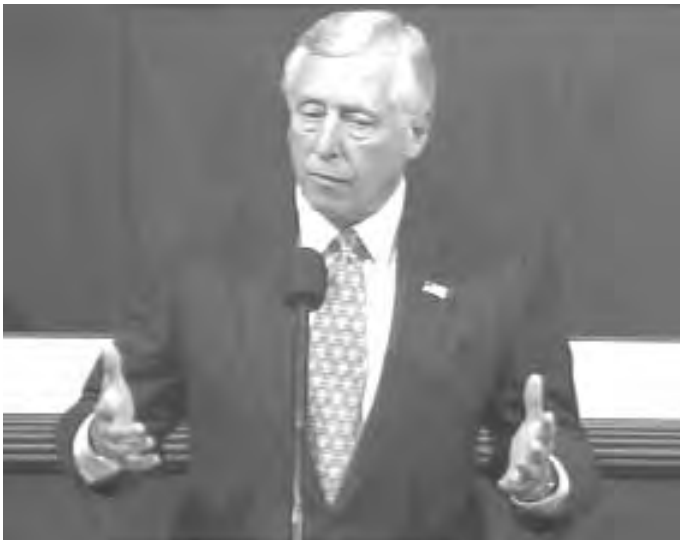
The managers' opposition to this outcome underscores the USPTO's goal to indeed give "full faith and credit" to applicants' private sector searches for all purposes, including the granting of a patent. This illustrates the agency's unspoken plan to take time and responsibility for an impartial search away from examiners and place them in the hands of patent applicants.

Examiners are Basic to Patent Reform

The following is excerpted from a July 23, 2007, Boston Globe editorial entitled "Patently Flawed."

"Yet the bill is silent on what both sides agree is a fundamental problem: the inadequate staffing of the patent office, which can lead to approval of undeserving patents. There is now a backlog of 600,000 applications [Ed. Note: most recent USPTO data puts the backlog at 753,000 cases], and an examiner has just 19 hours on average to spend on each application."

"Congress is now loath to appropriate more for any government function without an offsetting cut in funding or increase in revenue elsewhere. But finding more money for more patent examiners should rate at least as high a priority as amending the patent law. And no reform of the law should weaken the patents that drive this state's innovative economy."



House Majority Leader Steny Hoyer addressing the U.S. House of Representatives.

More Improvements Needed

POPA will continue to work with members of Congress to address other issues in the pending legislation still of concern to patent professionals:

- Congressional Oversight: The Patent Reform bill would reduce transparency "by giving the USPTO broad rule-making authority to set and adjust fees," wrote POPA in its policy paper. "Congressional oversight is necessary to insure efficient operations of the agency and to safeguard against elimination of outsourcing protections."
- Inequitable Conduct: The bill would adopt a materiality standard for determining inequitable conduct.
- Best Mode Requirement: Removing this requirement would diminish the worth of the U.S. patent system by eliminating the *quid pro quo* of the patent system, which is based on full disclosure of inventions to the American people in exchange for granting exclusive rights to the inventor for a limited time.
- First Inventor to File: POPA opposes this proposal unless and until foreign patent systems provide for grace periods for inventors analogous to U.S. patent laws. The House, but not the Senate, has adopted such language.
- Apportionment of Damages: Limiting damages would undermine patents and encourage infringement.

Examiners Need More Time

POPA's policy paper outlined a formula to fortify the patent system by directly allocating time to patent examiners to do a high-quality job the first time. "Rework

(continued on next page)

Patent Reform Act Provisions

(continued from page 2)

solutions undercut the economic value of patents by dramatically increasing litigation costs and eliminating the certainty required by venture capitalists who provide funds to bring an invention to market," stated the POPA policy paper. POPA recommends setting an average time goal for examiners equal to the average total filing fee per application divided by the average examiner hourly salary. Filing fees represent approximately 30 percent of the total USPTO patent fee income, leaving more than two-thirds of fees to cover overhead expenses.

The full POPA policy paper is available at: *www.popa.org/html/issues/prodperfexam.htm#04sep2007*

New Background Checks

(continued from page 1)

provide. Go to *www.opm.gov*, at the top of the right column click on Forms and follow the prompts. Doing so may give examiners more time to remedy any possible problems prior to their investigation. For example, examiners may have time to update student loan payments, taxes and other financial obligations detailed on the forms. POPA also requested that the USPTO notify POPA bargaining unit members before investigations begin.

POPA vigorously protested the necessity and unnecessary expense of raising the risk-level designation of patent examiners and doing intensive background checks of veteran patent examiners, including some who have served the federal government for 40+ years. The USPTO stated that the determination was not its call, but required by the Office of Personnel Management and the Commerce Department Inspector General, relying in part for its authority on 5 U.S.C 3301 (dating from the Eisenhower administration), 5 C.F.R, 731 and the Bush administration's Homeland Security Presidential Directive-12 (HSPD-12) requiring government-wide ID badges.

Some senior examiners indicated that the new background investigation was an insult to their professionalism and work history and shared that they would retire instead of submitting to the investigation. The agency therefore agreed to require the background checks of the most senior, retirement-eligible examiners last. Other examiners asked if they could voluntarily take a demotion to GS-12 to avoid it—the agency stated that it will do all it can to avoid pushing its most experienced examiners out the door.

The same concerns apply for USPTO managers, who will also be required to complete the security investigations.

Look to *www.popa.org* for further developments.

Appropriations Committees Send Marching Orders to USPTO

Members of the House and Senate Appropriations Committees communicated in plain language their expectations for the USPTO's employee relations in 2008.

The reports, accompanying the fiscal year 2008 appropriations bills that passed out of committee, delineated appropriations figures and outlined brief to-do items for the USPTO.

The House report stated:

> "The Committee requests that the PTO submit to the Committee, no later than 90 days after enactment of this Act, PTO's current and planned hiring efforts, current efforts and statistics on the retention of examiners, the affect additional staff and policy changes will have on reducing the [patent] backlog, and the impact of the backlog on technological innovations and American competitiveness."

The Senate report contained more forthright wording on the agency's labor-relations track record:

> "The Committee has been concerned with the poor relations between management and patent examiners and believes that these relations must be improved if the USPTO is going to be successful at attracting and retaining examiners. The Committee encourages the USPTO leadership to have continuous dialogue with its employees and their representatives in order to resolve outstanding issues between the two groups."

In its section on Patent Operations, the report also commented:

> "The Committee firmly believes that providing continuous education training for examiners is a critical element of USPTO's human capital strategy and has included language in the bill providing a floor amount for training activities in fiscal year 2008."

The Senate appropriations directs the USPTO to employ "not less than 8,522 full-time equivalents" or 9,000 positions for patent examination. It also sets the USPTO a minimum goal of $18 million for personnel training.

POPA thanks for their continued support:

- The leaders of the Senate Appropriations Subcommittee on Commerce, Justice, Science and Related Agencies—Chairwoman Barbara Mikulski (D-Md.) and Ranking Member Richard Shelby (R-Ala.), and
- The leaders of the House Appropriations Subcommittee on Commerce, Justice, Science and Related Agencies—Chairman Alan Mollahan (D-W.V.) and Ranking Member Rodney Frelinghuysen (R-N.J.)

POPA Proposes Negotiations on Rules Changes

In response to the USPTO's planned Nov. 1 implementation of its new rules package limiting the number of claims and continuing applications a patent applicant may file, POPA has proposed the nearly unprecedented idea of post-implementation labor-management negotiations. The agency began training employees on the rules changes in mid-September and is continuing through October.

At press time, the agency had not agreed to the delayed bargaining, which POPA offered due to the high level of uncertainty about the patent community's reaction to the rules.

The USPTO originally proposed rule changes for public comment in January 2006. The agency received over 500 comments—virtually all of them negative. It was the largest public response to a patents rules-change scheme in recent memory. In response, the agency pulled back on its plans and issued revised final rules on August 21, 2007. The 129-page *Federal Register* notice can be seen at: *www.uspto.gov/web/offices/com/sol/notices/72fr46716.pdf.*

The rules changes suggested last year would have cut the number of acceptable continuing applications to one. The public uproar convinced the USPTO to allow up to two continuations and one request for continued examination (RCE). The new rules would also allow up to five independent claims and up to 25 total claims unless the applicant submits an Examination Support Document (ESD), which enables the applicant to file additional claims.

How patent applicants will react to these rules is up in the air. Depending on how widely used they are, the rules may result in fewer claims yet greater total filings and therefore increased patent pendency. For example, applicants may not widely use ESDs due to fears of estoppel and charges of inequitable conduct during infringement litigation. However, some technologies may have little choice but to rely on ESDs because of the need to file more than 25 total claims. If, alternatively, ESDs are heavily used, it is unclear to what extent examiners will be required to evaluate the sufficiency of the ESD submissions.

Another POPA concern is that some changes may affect some examiners or technologies differently. Impacts may vary among technology centers and possibly among art units within the same tech center. For example, the limits on continuing applications may well impact examiners' ability to meet production goals in the chemical areas, business methods and some computer areas more than in other technologies.

In addition, examiners may find their dockets temporarily reduced while applicants and their attorneys decide on the number of claims in currently pending applications.

Applicants' disclosure of co-pending applications with patentably indistinct claims could increase the need for double-patenting rejections and terminal disclaimers if applicants choose not to cancel the overlapping claims.

These uncertainties complicate meaningful impact and implementation negotiations between the USPTO and POPA. With outcomes so unknown, working out reasonable protections for employees is difficult.

Under most circumstances, POPA bargains on the impact and implementation of changes in working conditions before the changes are implemented. Historically, POPA has been very adept at accurately predicting impacts on employees.

The many uncertainties surrounding these particular rules changes, however, have made predicting the impacts of the rules changes on employees almost impossible. This creates a dangerous situation for POPA's bargaining unit employees. If the union were to negotiate now and incorrectly identify the real impacts on employees, it would be precluded from negotiating later over the same topics when the real impacts became clear.

With post-implementation negotiations, POPA can identify the rules changes' impacts and the employees affected by them. POPA would then work with management to find remedies and apply them retroactively.

Are You Over-Ruled?

After the new rules kick in Nov. 1, contact your POPA rep or the Feedback section at *www.popa.org* to communicate how the implementation of the new rules affects your work. Your input is essential. Only if POPA knows how the rules impact you can your union negotiate meaningful workplace protections.

Your New POPA Reps

POPA President Robert Budens recently appointed Dionne Pendleton of TC 2600 to the POPA Executive Committee as an Electrical-area delegate. Pendleton (phone x27497) holds a B.S. in electrical engineering from North Carolina Agricultural and Technical State University and has been a USPTO employee for eight years.

Pendleton previously examined in Class 381(Audio) and Class 455 (Telecommunications) and is currently examining in Class 369 (Dynamic Information Storage or Retrieval) in Art Unit 2627.

POPA's bylaws authorize the union president to appoint delegates to POPA's Executive Committee when vacancies occur between biannual union elections.

The Joint Labor Management Committee also gained new POPA representation when Budens appointed Erica Cadugan (x24474) of TC 3700 to serve on the Mechanical Discussion Group. Cadugan will join Discussion Group Chairman Greg Gilbert (x24725) and Chris Schwartz (x27123). The Mechanical Discussion Group forwards examiner problems and suggestions from the Mechanical Tech Centers to the overall Joint Labor Management Committee to work towards resolution.

POPA, USPTO Work to Reduce Early Terminations of Probationary Employees

POPA and USPTO management are working to reverse an ominous trend towards early termination of probationary employees.

POPA representatives met recently with Deputy Commissioner Peggy Focarino to inform her that an increasing number of new examiners were being fired at the end of their eight-month Patent Training Academy experience or shortly after reporting to their respective technology centers. POPA cautioned that such premature termination did not bode well for examiner retention and training. Focarino agreed to give new examiners a better chance to succeed.

Several new probationary examiners this summer told POPA that they were terminated either when the Patent Training Academy session ended or soon thereafter. On the final day of Patent Training Academy, most examiners gathered up their belongings and moved to their new offices in their respective art units. Not everyone moved, however. Some examiners were asked to wait in a room while the others moved. These examiners were then given notice that they were not moving to their art unit and that they were being terminated on the spot. They were let go before they got a chance to work for their supervisor and demonstrate performance on the job.

Deputy Commissioner Focarino was receptive to POPA's complaints made on behalf of these examiners. After some investigation, Focarino took action to reverse the trend towards premature dismissal so that new examiners have a reasonable chance to prove they can do the job within the two-year probationary period.

While the agency appears to be giving new employees more time to adjust to real-life work demands, the agency hasn't informed POPA of the parameters of its retention efforts. Probationary employees can still be released from service at any time within the two-year probationary period. As this case shows, however, probationary employees can still benefit from POPA assistance and representation.

Approximately two years ago, the USPTO decided to double the one-year probationary period, stating the time was needed to fully evaluate new examiners. The USPTO jumped at the opportunity to implement the Federal Career Intern Program (FCIP), which provided for doubling or tripling the probationary period for new employees at GS-7 to GS-9.

POPA requested negotiations when notified of the USPTO's intent to double the length of the probationary period. One of POPA's primary interests in negotiations was to ameliorate the impact on new employees who would now be at risk for termination for little or no reason and with almost non-existent appeal rights for the first two to three years of their federal careers.

The USPTO put the program in place without completing negotiations with POPA as required by law. This left POPA to litigate while the USPTO began hiring new employees subject to a two-year probationary period.

Shortly after implementing the FCIP, the USPTO started its new Patent Training Academy—newly hired patent examiners would now go through an eight-month training. The first examiners in this program did not begin working with patent applications until about four months into training while still attending lectures and covering training topics. Therefore, the first trainees had only about four months of actual examination experience by the time they graduated from the Patent Training Academy. Examiners hired under the previous initial training scheme had about 7-1/2 months of actual examination experience in the same period.

Under the old one-year probationary period, at about 10 to 11 months into the examiner's career, the examiner would be retained or released. Some supervisors felt they did not have a good enough picture of each examiner to decide an employee's future at such an early point. Thus, the one benefit POPA saw in the FCIP extended probationary period was that new examiners would be given more time to show what they could do in the USPTO's production-driven environment. The implication was that the USPTO would provide a safety net for new examiners to have time to demonstrate performance in the art unit.

Deputy Commissioner Focarino appears to have rightly directed agency managers to take advantage of the probationary period to guide and train new examiners, enabling them to acclimate and show their stuff.

Top Ten Reasons Not to Join POPA

10. Backpay from the Millennium Agreement litigation would put me in a higher tax bracket.
9. All the supervisors treat everybody fairly.
8. My office actions are always timely counted.
7. I love cubicles!
6. If I am ever called into an investigatory meeting, I know exactly how to represent myself. I'm an expert on Fifth Amendment jurisprudence. I even know what a Weingarten Right is and when to invoke it. And my testimony is so credible, I won't need a witness to corroborate what I said in my defense before they can fire me.
5. If my co-workers are treated better than I am, I will feel so happy for them.
4. My "other" time never gets disapproved.
3. I don't need any more time to prepare high-quality office actions.
2. Those entry/exit turnstiles are the best!
1. I can't find my dues-withholding form. (Wait, here it is, at *www.popa.org*, click on "Join POPA.")

POPA and USPTO Agree to Hoteling Changes

In its July *Patents Hoteling Connector* e-newsletter, the USPTO reported changes to the Patents Hoteling Program (PHP) by stating, "Recently, management has made some changes…" It neglected to mention that the changes resulted from its negotiated agreement with POPA only after POPA filed two grievances challenging aspects of the PHP.

POPA submitted the first grievance in August 2005 after the USPTO announced it would not negotiate (as required by law) over the impact and implementation of the PHP it was unveiling that month. The agreement that POPA and the USPTO negotiated in June 2007 amicably settled both grievances with compromises that benefit all examiners, hotelers and non-hotelers.

For example, the e-newsletter reported that the agency will provide training for non-hotelers about the PHP, including such collaboration tools as the Multimedia Collaboration System (MCS) and hotelers' rights and responsibilities. It left out that the agency will give "other" time to examiners for this training.

The agency accurately noted in its newsletter that hotelers may now work their one-hour-per-week-minimum at the office on one Saturday per bi-week—Saturday office work for hotelers had been verboten. It had also noted that examiners issued oral warnings for performance will not be removed from the Increased Flexitime Program (IFP) or the PHP, but that those given written warnings will be.

However, another important gain negotiated by POPA and the USPTO the agency newsletter overlooked:

"Hotelers will be encouraged to accurately report on their timesheets catastrophic time spent recreating work lost due to failure of the USPTO network, the employee's workstation or commercial database access."

To find out more about the benefits of this agreement, the USPTO e-newsletter directed hotelers to see their supervisor or director. Hotelers and non-hotelers can see the benefits in black and white for themselves by viewing the agreement directly at www.popa.org, click on "Hoteling Grievances Settled."

POPA and the USPTO will negotiate all aspects of the hoteling program and other telework initiatives during the upcoming Collective Bargaining Agreement discussions.

Leave Donations for Injured Examiner

Michael Shingleton, an examiner in AU 2817 and a POPA delegate representing Electrical Area employees, sustained serious injuries in a motorcycle accident. Facing multiple surgeries and long-term rehabilitation, he welcomes leave donations from fellow employees to see him through. To donate, download the leave donation form from the USPTO Human Resources Web site and return completed forms to TC 2800 Supervisory Patent Examiner Ken Parker at JEF-6D31 or POPA President Robert Budens at REM-3A35.

Former POPA President Alan Douglas Retires

After 41 years of service at the USPTO, former POPA President and Supervisory Patent Examiner Alan Douglas retired on June 1, 2007.

Alan served as both a Design patent examiner and a supervisor in the Design area. Friends and colleagues honored Alan at a July 10 retirement luncheon aboard the cruise ship Dandy.

POPA members elected Alan as president for several consecutive terms from 1977-1981. Alan advanced the cause of Design examiners by writing the advocacy paper that helped convince USPTO management to change the promotion potential for Design examiners to GS-14. Alan also served as POPA president during the time when the union developed its initial proposals for the current performance appraisal scheme for patent examiners. He presided as president when POPA negotiated the 1978 Flexitime Program and the 1980 Compressed Work Schedules Agreements for patent professionals.

During the first and only union demonstration against USPTO management in 1979, Alan led POPA's collaboration with other USPTO unions to form an informational picket line outside senior USPTO management's Crystal City office building to support the Compressed Work Schedule. Ultimately, POPA was one of the earliest unions in the federal government to secure a Compressed Work Schedule for its bargaining unit members.

All of Alan's many friends in the Examining Corps and his former POPA associates wish Alan good health and many good years in retirement.

JOIN POPA

Patent Office Professional Association

Letters from readers are welcome. Address to:
The Editor, Patent Office Professional Association,
P.O. Box 2745, Arlington, VA 22202

Officers

Robert D. Budens, *President,* (571) 272-0897

Lawrence J. Oresky
Vice President/Director of Grievances, (571) 272-6930

Howard Locker, *Secretary/*
Director of Adverse Action Challenges, (571) 272-0980

Pamela R. Schwartz, *Assistant Secretary/*
Director of Unfair Labor Practices, (571) 272-1528

Randy Myers, *Treasurer,* (571) 272-7526

Visit us on the Web at http://www.popa.org

© 2007 Patent Office Professional Association