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Re: Information Collection Request, Comment Request 0651-00xx, 73 Fed. Reg.  
58943 (Oct. 8 2008)

Letter 2. PTO Severely Limited the Public's Opportunity to Provide Comments,  
then Ignored the Comments It Received

Dear Mr. Fraser:

I appreciate the opportunity to comment on the PTO's Information Collection Request 0651-00xx. This is my second of several letters on this ICR. This letter addresses two classes of procedural issues, most relating to the PTO's abuse of the public comment process and its misstatements of burden-hour estimates that the PTO ironically states that it obtained from public commenters.

- The public comments in reply to the so-called 60-day notice dated June 9, 2008, suggested a number of ways in which burdens could be reduced or practical utility improved. **The PTO paid no attention whatsoever to these comments in preparing the final rule.** Indeed, the PTO could not have given them any attention because it promulgated the final rule on June 10, 2008 -- one day after seeking public comment. *The final rule went on display at the Office of the Federal Register the same day the request for comment was published.*
- The Final Rule notice and the Supporting Statement to the ICR respond selectively and mischievously to the comments members of the public provided. The Supporting Statement fails to even acknowledge many of these comments,

and mischaracterizes many others to imply things their authors never intended, OMB's Information Collection Rule requires the PTO to "demonstrate that it has taken every reasonable step" to minimize burden and avoid duplication. Inasmuch as publication of notice and the final rule were concurrent, and the PTO avoided giving any fair answer to a majority of the public comments, the PTO cannot possibly demonstrate PRA compliance.

- By statute and regulation, the PTO was required to "consult with members of the public" to (a) evaluate whether the information collection has practical utility, (b) evaluate the accuracy of the agency's burden estimates, (c) enhance the utility and clarity of the information to be collected, and (d) minimize the burden, both by notice and comment "and otherwise." For an information collection that is part of a proposed rule, this consultation must occur before a Notice of Proposed Rulemaking is published, so that the agency's burden estimates informed by consultation can be included in the notice required by § 1320.11(a) and the results of the agency's consultation can be evaluated as part of the public comment process.<sup>1</sup> On the record the PTO generated, there is no evidence that PTO consulted with **any member of the public**.

If OMB approves this information collection, it will reward PTO for its serial abuse of both the letter and the spirit of the PRA's public participation provisions. It is shocking to imagine that PTO could get away with certifying the absence of paperwork burden in the NPRM, seek public comment on June 9, 2008,<sup>2</sup> promulgate a final rule on June 10, 2008,<sup>3</sup> and submit a ICR exactly 60 days before the final rule is scheduled to become effective.

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<sup>1</sup> For information collection requests contained in a proposed rule, 44 U.S.C. § 3507(d)(1)(A) requires that an agency submit an ICR to OMB "as soon as practicable, but no later than the date of publication of a notice of proposed rulemaking in the Federal Register." An agency also is required, by 44 U.S.C. § 3507(a)(1)(D)(ii)(V), to publish a notice in the Federal Register "setting forth ... an estimate of the burden that shall result from the collection of information." § 3506(c)(1)(A)(iv) requires that any burden estimate submitted to the OMB Director, including those under § 3507(d)(1)(A), be "objectively supported." For the types of burden in this rulemaking – new requirements for papers – the only practical source of "objective support" for burden estimates is "conferring" with attorneys who do similar work. This chain of syllogisms requires consultation with the public sufficiently before the NPRM to permit the results to be included in the NPRM.

<sup>2</sup> Board of Patent Appeals and Interferences Actions, New collection; comment request, 72 Fed. Reg. 32559 (June 9, 2008).

<sup>3</sup> RIN 0651-AC12, Rules of Practice Before the Board of Patent Appeals and Interferences in Ex Parte Appeals, 73 Fed. Reg. 32938 (Jun. 10, 2008).

The issue presented to OMB is clear: Will OMB take reasonable action consistent with its statutory authority and responsibility to compel the PTO to adhere to the most elementary procedures of the Paperwork Act and OMB's Information Collection Rule, or will it become an accessory to the PTO's reckless disregard for both?

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## **I. Background: Patent Appeals Are Mostly the Result of the PTO's High Error Rate in Examination, in Turn Caused by Failure to Implement Good Guidance Practices**

It is crucial to understand where the burdens of this information collection come from. The Patent Act, 35 U.S.C. § 134, expressly provides for appeals because examiners sometimes make mistakes. Over the last decade, the number of mistakes

has risen so much that examiners now lose between **80-90%** of appeals.<sup>4</sup> This high error rate, in turn, is heavily influenced by two factors: (a) the PTO misincentivizes its employees by flawed compensation and performance metrics, urging them to reject meritorious applications, and (b) PTO management has stated that it refuses to implement the Final Bulletin for Agency Good Guidance Practices or to otherwise manage or direct its examiners to examine applications carefully.<sup>5</sup> Because of these two factors, proceedings before patent examiners can be procedurally chaotic and unpredictable. Meritorious applications may be rejected simply because there is no way for an applicant to invoke the supervisory machinery of the PTO to compel an examiner to follow the PTO's Manual of Patent Examination Procedure (MPEP). Often, an appeal is the only way to secure a fair and competent examination in accordance with the MPEP and applicable legal standards.

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<sup>4</sup> Some PTO officials, including Commissioner John Doll, have incorrectly stated in recent public talks that the win/loss ratio is about 50/50. The 80-90% figure cited in the text comes from the PTO's own published data. Appeals proceed through three stages, "pre-appeal," "appeal conference" and final decisions of the Board of Patent Appeals and Interferences. Statistics from final Board decisions are available on the web; statistics on the two earlier levels are harder to come by and the PTO has disclosed only incomplete information in response to FOIA requests. When all the PTO's statistical facts are combined, e.g., Figure 4 of Katznelson <http://www.reginfo.gov/public/do/DownloadDocument?documentID=51959&version=1> one finds that the BPAI affirmed the examiner in only about 10% of appeals filed by applicants. **Examiners' erroneous rejection rate is between 80-90%.**

<sup>5</sup> See Executive Order 13,422, [http://www.whitehouse.gov/omb/inforeg/eo12866/eo12866\\_amended\\_01-2007.pdf](http://www.whitehouse.gov/omb/inforeg/eo12866/eo12866_amended_01-2007.pdf) (Jan. 18, 2007); Final Bulletin for Agency Good Guidance Practices, OMB Memorandum M-07-07, 72 Fed. Reg. 3432, <http://www.whitehouse.gov/omb/memoranda/fy2007/m07-07.pdf> (Jan. 25, 2007); and "Implementation of Executive Order 13422 (amending Executive Order 12866) and the OMB Bulletin on Good Guidance Practices," OMB Memorandum M-07-13, <http://www.whitehouse.gov/omb/memoranda/fy2007/m07-13.pdf> (April 25, 2007).

Almost two years after the issuance of the Bulletin, the PTO's web site still does not have the information required.

## **II. The PTO Systematically Violated the Public Comment Requirements of the Paperwork Reduction Act**

### **A. The PTO's Notice and Comment Procedure for the NPRM was a Sham**

From the outset, the PTO ignored mandatory public notice requirements in both law and regulation.

- In the preamble to the NPRM, the PTO states: "The collection of information involved in this proposed rule has been reviewed and previously approved by OMB under control number 0651-0031." 72 Fed.Reg. at 41484, col. 1-2.

This statement is knowingly false: the PTO has never submitted an ICR addressing appeals. ICR 0651-0031 includes a single reference to these procedures: the filing of a routine form announcing the intent to appeal, which the PTO estimates requires 12 minutes to prepare and submit. The 50-100 hours of substantive work for an appeal have never been disclosed to or approved by OMB.

- In the preamble to the NPRM, the PTO states: "The United States Patent and Trademark Office is not resubmitting an information collection package to OMB for its review and approval because the changes in this proposed rule would not affect the information collection requirements associated with the information collection under OMB control number 0651-0031." 72 Fed.Reg. at 41484, col. 2.

This statement is knowingly false. In its Supporting Statement, the PTO admits to more than \$250 million per year in burden.

- In the preamble to the NPRM, the PTO states it "determined" that the modifications it proposed to make to the existing appeal rules were "not significant for purposes of Executive Order 12866." 72 Fed.Reg. at 41484, col. 1.

This determination is knowingly false. Though the PTO has never acknowledged that the modified rule will have economically significant effects, such effects are certain given the magnitude of paperwork burdens it has more recently acknowledged. Indeed, the paperwork burdens the PTO has acknowledged are by themselves sufficient to render the NPRM "economically significant." Note that the PTO also neglected to submit the NPRM to OMB for review under Executive Order 12,866.

Even though the PTO did everything possible in the NPRM to evade the Paperwork Reduction Act, the public nonetheless provided significant input on the paperwork implications of the proposed rule. Microsoft estimated that the rule would double the costs of the most-expensive parts of appeals. Kodak estimated that the rules would “increase the attorney hours to prepare an appeal brief by multiples,” “double or triple.”<sup>6</sup> Many of the public comment letters noted that some of the most-burdensome parts of the rule had absolutely **zero** practical utility to the agency.<sup>7</sup>

The public comment letters came from a strikingly large spectrum of companies: small entities, large entities, and from all sectors of technology. The commenters included IBM, Microsoft, 3M, Eastman Kodak, many companies in health sciences fields that depend for their existence on the patent system – from a 130-employee biofuels company to several of the most innovative biotech pharmaceutical companies to two of the pharmaceutical giants, Eli Lilly and Wyeth – all of the major intellectual property law associations, several state bar associations, and almost 30 individuals. While these companies have been in irreconcilable disagreement over statutory changes pending before Congress, they spoke nearly unanimously on this issue: their comments were nearly 100% negative, recommending either the status quo or other alternatives to achieving the PTO's goals at lower burden or higher utility. In this entire collection of 48 letters addressing dozens of specific items, there were at most a handful of comments that approved particular changes proposed in these rules.

In the preamble to the Final Rule, the PTO's response to these comments is highly selective and misleading. The PTO was **dead silent** on at least a dozen of the public comments.<sup>8</sup> For dozens of others – perhaps a third of all the comments – the

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<sup>6</sup> <http://www.uspto.gov/web/offices/pac/dapp/opla/comments/bpai/microsoft.doc> at page 3; <http://www.uspto.gov/web/offices/pac/dapp/opla/comments/bpai/ea.pdf> at page 2.

<sup>7</sup> See §§ IV.B, IV.C, IV.D, and IV.F of this letter.

<sup>8</sup> The comments that the PTO ignored are laid out in § IV below.

PTO mischaracterized the comment into a form the commenter would not recognize and responded only to the PTO's mischaracterization.

These are not merely Administrative Procedure Act issues. The Paperwork Act requires notice on or before the date of the publication of a proposed rule and a reasonable degree of diligence to respond to public comments received. The PTO provided no such notice, going to the extreme of denying that the NPRM entailed any new burden. When it received well-targeted public comments anyway, the PTO treated these comments as a nuisance.

**B. The PTO is Using ICR 0651-00xx to Avoid Responding to Public Comments Submitted on ICR 0651-0031**

ICR 0651-0031 has been pending before OMB for over a year, since September 26, 2007. A number of public comments were submitted to OMB. One commenter provided well-supported estimates developed in consultation with several experienced attorneys showing that the burdens of appeals-related paperwork burdens alone exceeded **\$800 million per year**. Another **\$30 billion per year** in burden was estimated for four of the five new major rules that are covered by this ICR.<sup>9</sup> The PTO has not publicly disclosed any response to these public comments.

ICR 0651-0031 has historically been the “home” for appeals, as the PTO itself concedes.<sup>10</sup> It is important that ordinary examination and appeals be covered by a single ICR – rule changes in one will inevitably affect burdens in the other, and if they are split, the changes in burden would too easily be concealed. I previously commented on this potential for “3 card Monte” concealment of burdens.<sup>11</sup> The PTO ignored my comment. Given that the PTO has ignored these and other comments, it is entirely reasonable to infer from the PTO's conduct that deceiving OMB is precisely PTO's

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<sup>9</sup> <http://www.reginfo.gov/public/do/DownloadDocument?documentID=57744&version=1>

<sup>10</sup> Supporting Statement at p. 1.

<sup>11</sup> [http://www.uspto.gov/web/offices/dcom/bpai/bpai\\_comments/boundy\\_revised.pdf](http://www.uspto.gov/web/offices/dcom/bpai/bpai_comments/boundy_revised.pdf) at page 46.



intent. To prevent the PTO from accomplishing this, OMB should require all information collection elements related to appeals be incorporated into ICR 0651-0031, where they belong. If OMB allows separation, then it is almost certain that every time the PTO makes any change in either patent processing or appeals practice, the Paperwork Act would require that both ICRs be reopened for public comment and submitted to OMB. It is inconceivable that the PTO intends to do this.

### **C. The PTO's June 9<sup>th</sup> Request for Comment Was Invalid**

The June 9, 2008 request for comment purports to be a § 3506(c)(2)(A) "60-day notice." Such notices apply to information collections that are not part of proposed rules. The PTO itself conceded that modification of appeals practice, proposed on July 30, 2007, was a proposed rule.<sup>12</sup> The PTO was obligated by § 3506(c)(2)(B) to publish notice and seek comment on or before the date of publication of the NPRM. It did not do so.

Assuming that this error was inadvertent, the reasonable thing for the PTO to have done was to re-propose the NPRM and cure the defective notice. That notice would have to include transparent, reproducible, objectively-based estimates of burden and invite the public to provide informed comments. The PTO did not do this, either.

The June 9, 2008 notice includes no acknowledgement of prior error, though it does acknowledge that public comments on the July 30, 2007 NPRM specifically identified paperwork burdens. The notice contains a mixture of burden estimates for various information collection elements. These estimates are neither transparent nor reproducible, and no distinction is made between the baseline burdens of the appeal rules and the incremental burdens associated with the NPRM. The text treats the burdens of the NPRM as if they had been previously approved by OMB when in fact

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<sup>12</sup> RIN 0651-AC12, Rules of Practice Before the Board of Patent Appeals and Interferences in Ex Parte Appeals, Notice of proposed rule making, 72 Fed. Reg. 41472 (Jul 30, 2007).

**none of the burdens associated with appeals practice have ever been submitted to OMB, let alone approved.**

The PTO also tried to sneak the June 9<sup>th</sup> notice past the public in a manner calculated to deter public comment. The PTO advises the public of Federal Register notices on three web pages: the main “News” page, a “Recent Patent-Related Notices” page, and a “Federal Register Notices” page.<sup>13</sup> The PTO did not inform the public of the June 9 Notice through any of these channels.

About a month later, I found the notice in the Federal Register, and alerted the blogs, who gave notice to the public that the PTO tried so hard to prevent. Twelve public comment letters were filed. These comment letters noted that the burden estimates in the PTO's June 9<sup>th</sup> notice were simply fanciful; of the comments that offered quantitative estimates, all but one were far higher than the PTO's.<sup>14</sup>

**D. The PTO's Supporting Statement Responds Selectively and Mischievously to the Comments Members of the Public Provided**

As I discuss in detail in § IV starting at page 14 of this letter, the PTO either totally ignored, or unfairly mischaracterized many of the public comments it received. The public provided dozens of ways to reduce burdens or increase practical utility – the PTO simply ignored these comments without explanation.

**E. The PTO Has Done Everything Possible to Avoid Being Transparent and Publicly Accountable**

The PTO has never sought, let alone obtained, OMB clearance or a control number for any of the paperwork burdens associated with appeal rules. This issue was

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<sup>13</sup> <http://www.uspto.gov/main/newsandnotices.htm>, <http://www.uspto.gov/web/offices/pac/dapp/ogsheet.html> and <http://www.uspto.gov/web/menu/current.html>

<sup>14</sup> I opined that the PTO's estimate of 30 hours was a reasonably accurate under current rules, and that the burden under the new rules was far higher. The PTO misrepresents the facts to OMB, suggesting that I opined that 30 hours was reasonable for the new 2008 rules.

brought to the PTO's attention in public comments on the 0651-0031 ICR.<sup>15</sup> It is conceivable that the PTO crafted ICR 0651-00xx in response to these comments, but that cannot be inferred from anything the PTO has publicly disclosed.<sup>16</sup>

In ICR 0651-00xx, the PTO estimates annual burden exceeding \$250 million per year. What the PTO does not reveal is that the PTO's objective support all relates to the 2004 rules, not the new 2008 rules, and the PTO applies no correction factor or increment for the rising unit costs or the rising number of appeals. The independent estimates of knowledgeable patent attorneys place the burdens of the 2008 rules at 2X, 3X or more higher.<sup>17</sup>

**F. If OMB Approves ICR 0651-00xx, OMB Accepts Responsibility for the PTO's Serial Disregard for the Requirements of Law, and Imposes Further Costs on the Public**

At every turn, the PTO has violated the procedural requirements of the Paperwork Reduction Act, and has thereby thwarted the Act's substantive goals. Even after the violation was squarely brought to PTO's attention,<sup>18</sup> and the public asked the PTO to step back and follow the law, the PTO has charged ahead with no perceptible respect for the rule of law. The PTO does not even acknowledge the timeline set out in §§ 3506 and 3507, and ignores public comments in the Supporting Statement, without "evaluating" or "explaining" its views.

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<sup>15</sup> <http://www.reginfo.gov/public/do/DownloadDocument?documentID=57744&version=1>, "Alternative Burden Estimates" pages 14-16.

<sup>16</sup> Susan Fawcett, the PTO's Records Officer, on August 13, 2008, asked me for a copy of one of the 0651-0031 comment letters, apparently unaware of its existence at OMB's reginfo web site.

<sup>17</sup> <http://www.reginfo.gov/public/do/DownloadDocument?documentID=57744&version=1>, "Alternative Burden Estimates" at page 9 (estimates developed "With the assistance of experts in patent prosecution" place new burden at \$820-\$860 million, or 4.5X the PTO's numbers); Eastman Kodak, <http://www.uspto.gov/web/offices/pac/dapp/opla/comments/bpai/ea.pdf> at page 2 ("double or triple"); Microsoft Corp., <http://www.uspto.gov/web/offices/pac/dapp/opla/comments/bpai/microsoft.doc> at page 3 ("at least double today's cost").

<sup>18</sup> [http://www.uspto.gov/web/offices/dcom/bpai/bpai\\_comments/boundy\\_revised.pdf](http://www.uspto.gov/web/offices/dcom/bpai/bpai_comments/boundy_revised.pdf) at pages 1-2, 4, 12-16.

OMB must not cover up the PTO's serial violations of law, or it will become an accessory to PTO's lawlessness. If OMB disapproves the information collection nothing bad happens. To date no one has invoked the Paperwork Act's public protection provisions in 44 U.S.C. § 3512 and 5 C.F.R. § 1320.6 by contesting the absence of a valid OMB Control Number for the burdens of the PTO's existing rules. Doing so may be entirely justified as a matter of law, but patent attorneys are more interested in serving their clients than making legal points. However, if OMB issues a control number (particularly if it covers the 2008 rules), then the public loses even the option of utilizing these public protection provisions.

### **III. The PTO Did Not Consult with the Public**

In addition to complying with applicable notice and comment requirements, 44 U.S.C. § § 3506(c)(2)(A) provides that an agency must "otherwise consult with the public" to ensure that burdens are minimized and accurately estimated. This obligation is restated and elaborated at 5 C.F.R. § 1320.8(d)(1).

In past ICR submissions, the PTO has stated in the relevant Supporting Statement that it performed the required consultation.<sup>19</sup> There is no such averment in this Supporting Statement.

Over the last few weeks, I have phoned or emailed the heads of all of the relevant committees of the relevant trade associations (the American Bar Association, the American Intellectual Property Law Association, Intellectual Property Owners Association, and the National Association of Patent Practitioners), many of the recently-retired senior PTO officials who are now in private law practice, and the PTO liaison officers or chief patent counsel of several of the PTO's largest customers. None that I talked to were ever contacted by the PTO to "consult" on the required issues. Obviously

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<sup>19</sup> E.g., <http://www.reginfo.gov/public/do/DownloadDocument?documentID=85615&version=0> § 8, <http://www.reginfo.gov/public/do/DownloadDocument?documentID=75279&version=0> § 8; <http://www.reginfo.gov/public/do/DownloadDocument?documentID=66557&version=0> § 8.

I did not talk to every possible “member of the public,” but I talked to enough of the most likely candidates that one must infer that the PTO did not fulfill its duty to consult.

Several of the public comment letters provided burden estimates. The letters stated that these estimates were based on actual experience. I talked with several of the authors of the letters – the PTO did not “consult” with them, either.

In the rulemaking file of the Continuations rulemaking were samples of analogous documents that PTO submitted to the Small Business Administration to show paperwork burden. I phoned the authors of those papers to ask if the PTO had ever consulted them on burden. All said they had not been consulted. Thus, the PTO did not consult those persons it had previously identified as reliable sources of burden information.<sup>20</sup>

The PTO's past Supporting Statements have stated that the PTO consulted with its Patent or Trademark Public Advisory Committees, as required by 35 U.S.C. § 3(a)(2)(B).<sup>21</sup> I phoned one member of the Patent Public Advisory Committee who would have known whether this consultation occurred. He told me that PTO General Counsel James Toupin advised him not to respond. The PPAC is a federally chartered advisory committee subject to expansive disclosure requirements, the least of which consists of meeting agendas, and PPAC also generates an annual report. The information I sought is information the agency is required to make public. It is not clear what justification the PTO might have for denying public access to this information. I encourage OMB to get answers because apparently I cannot.

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<sup>20</sup> In that rulemaking, the PTO based all its burden estimates on naked “belief” of PTO staff with no disclosed basis. See [www.uspto.gov/web/offices/pac/dapp/opla/presentation/ccfrcertificationanalysis.pdf](http://www.uspto.gov/web/offices/pac/dapp/opla/presentation/ccfrcertificationanalysis.pdf). PTO employees are not “members of the public” and thus cannot qualify as consulted parties.

<sup>21</sup> E.g., [http://www.reginfo.gov/public/do/PRAViewDocument?ref\\_nbr=200802-0651-001](http://www.reginfo.gov/public/do/PRAViewDocument?ref_nbr=200802-0651-001) § 8.

#### IV. The PTO Failed to Evaluate Public Comments and Suggestions for Reducing Burden

In addition to seeking and obtaining public comment, the PTO has several legal obligations under the Paperwork Reduction Act to take public comment seriously.<sup>22</sup>

- **44 U.S.C. § 3507(a)(1)(B) and 5 C.F.R. § 1320.5(a)(1)(ii) require an agency to “evaluat[e] the public comments received,” and forbid the agency from enforcing a rule if the agency failed to do so. § 3507(d)(2)(B) and 5 C.F.R. § 1320.11(f) required the PTO to explain, in the final rule Federal Register notice, why it rejected any comments relating to paperwork.**

The PTO received a number of comments for reducing burden or increasing utility, and the PTO responded by either totally ignoring the suggestion, or by recharacterizing the suggestion into an absurdity, and then responding only to the PTO's own absurdity, not the comment. The PTO breached all these laws, repeatedly.

- **44 U.S.C. § 3506(c)(2)(A)(iv) and 5 C.F.R. § 1320.5(d)(1)(i) require an agency to certify or “demonstrate that it has taken every reasonable step to ensure that the proposed collection of information ... is the least burdensome necessary.”**

The PTO did no investigation before the NPRM, and simply ignored suggestions for reducing burden, so it cannot possibly make this “demonstration.” The PTO's certification was false.

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<sup>22</sup> See 44 U.S.C. § 3507(a)(1)(B) and 5 C.F.R. § 1320.5(a)(1)(ii); The Administrative Procedure Act also requires agencies to fully and fairly address comments raised in Notice and Comment letters. The APA does not permit an agency to create diversionary characterizations of issues raised by public comments, and respond only to such “strawmen.” The PTO failed to reply to a number of issues, and instead “replied” only to irrelevant softball mischaracterizations of the comments. “Unless an agency answers objections that on their face appear legitimate, its decision can hardly be said to be reasoned.” *Mistick PBT v. Chao*, 440 F.3d 503, 512 (D.C. Cir. 2006). It is a *per se* APA violation for an agency to dismiss alternatives proposed in public comment letters without careful discussion. *Motor Vehicle Mfrs. Ass'n v. State Farm Mutual Auto. Ins. Co.*, 463 U.S. 29, 48 (1983) (“not one sentence” of discussion of a reasonable alternative is a category of agency behavior that is *per se* arbitrary and capricious); *Yale-New Haven Hosp. v. Leavitt*, 470 F.3d 71, 80 (2d Cir. 2006) (an “agency must consider reasonably obvious alternatives and, if it rejects those alternatives, it must give reasons for the rejection...”); *Chamber of Commerce of U.S. v. Securities and Exchange Comm'n*, 412 F.3d 133, 145 (D.C. Cir. 2005) (agency's failure to consider an alternative that was neither frivolous nor out of bounds violated the APA). By refusing to consider suggested alternatives, the PTO repeatedly violated both the Paperwork Reduction Act and the Administrative Procedure Act.

- **44 U.S.C. § 3506(c)(3)(B) and 5 C.F.R. § 1320.5(d)(1)(ii) forbid “unnecessarily duplicative” collection of “information otherwise reasonably accessible to the agency.”**

The comment letters pointed out several duplicative elements, including at least one that the PTO itself had characterized as duplicative when it removed it in a 1997 rulemaking. The PTO reinstates or retains these duplicative elements, sometimes with no explanation, sometimes with an explanation of convenience, but never necessity.

- **44 U.S.C. § 3506(c)(2)(A)(ii) and § 3506(c)(1)(A)(iv) require an agency to objectively evaluate and objectively support its burden estimates.**

In the one case where the PTO offered “objective support,” the objective data shows the errors in the PTO’s position. All of the rest of the PTO’s estimates appear to be based on subjective “belief” of people who have never responded to information collections similar to those at issue here.

- **44 U.S.C. § 3506(c)(2)(A)(i) bars information collections with no practical utility.**

A number of comments noted that particular portions of the information collection have no utility; the PTO responded only with *non sequiturs*, that other portions might have utility. OMB may infer from PTO’s repeated failure to address the issues presented that the particular burdens addressed in the comment letters are purely gratuitous, with no practical utility.

- **44 U.S.C. § 3506(c)(3) and 5 C.F.R. § 1320.9 require that an agency provide a “record” with its submission supporting its certification that the agency complied with the Paperwork Reduction Act.**

The “record” submitted by the PTO is empty, showing that the PTO did not comply with the Act, and suggesting that the PTO’s certification was false.

- **44 U.S.C. § 3506(c)(3)(D) and 5 C.F.R. § 1320.9(d) forbid ambiguous agency regulations.**

The comments showed that several provisions are ambiguous. The PTO made no direct answer to the comments, but instead made incidental statements in the Final Rule notice that increase the ambiguity.

**A. The “Claim Support and Drawing Analysis Section” of Rule 41.37(r) is Burdensome Far Out of Proportion to Any Practical Utility, and PTO Failed to Consider Suggestions for Reducing Burden**

Rule 41.37(r) requires that every appeal have a “claims support and drawing analysis section” analyzing every limitation of every independent claim and separately-argued dependent claim, even those that have nothing to do with any issue in dispute. My comment letters, as well as a number of others, noted that there cannot be any practical utility to the Board for having superfluous and irrelevant information unrelated to the issues under appeal.<sup>23</sup> Preparing and submitting irrelevant information can take many hours because of the volume of work and the care that must be exercised – even though it doesn't matter to the agency.<sup>24</sup> Given the PTO's decision not to respond to these comments, one must infer that the PTO's purpose is to make the appeal process gratuitously burdensome in hopes that this will deter applicants from exercising their statutory rights to appeal.

Several public comments proposed alternatives that could both reduce burden and increase utility, for example:<sup>25</sup>

- placing the “claim support and drawing analysis” discussion at the place in the brief where the information is relevant, rather than buried in an appendix, where the Board clearly does not intend to look at any but a small fraction of the information collected. It's far easier for appellants to present information in one consolidated place in a brief, rather than spread over multiple disconnected sections. It's far more useful to readers, such as the Board, to have the facts

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<sup>23</sup> Boundy Pre-ICR letter, August 17, 2008, <http://www.reginfo.gov/public/do/DownloadDocument?documentID=87032&version=0> of page 26-27; Boundy notice-and-comment letter, Oct. 11, 2007, <http://www.uspto.gov/web/offices/pac/dapp/opla/comments/bpai/boundy.pdf> at 35-37; American Bar Assn Sept. 28, 2007, <http://www.uspto.gov/web/offices/pac/dapp/opla/comments/bpai/aba.pdf> at pages 2-3; American Intellectual Property Law Assn, Sept 28, 2007, <http://www.uspto.gov/web/offices/pac/dapp/opla/comments/bpai/aippla.pdf> at pages 5-6.

<sup>24</sup> Letter of Ron Katznelson, Oct. 15, 2007, <http://www.uspto.gov/web/offices/pac/dapp/opla/comments/bpai/katznelson.pdf> at Table 4 (PDF page 23).

<sup>25</sup> Boundy Pre-ICR letter, August 17, 2008, <http://www.reginfo.gov/public/do/DownloadDocument?documentID=87032&version=0> of pages 26-27; Boundy notice-and-comment letter, Oct. 11, 2007, <http://www.uspto.gov/web/offices/pac/dapp/opla/comments/bpai/boundy.pdf> at 10-11 and 35-37.



presented at the point where the reader is presented with the analysis of those facts. Ironically, in answering another question, the PTO conceded that the suggestion was good, and that briefs that followed it had been “very useful.”<sup>26</sup>

- Instead of a “drawing analysis section,” the appeal rules should be revised to use a word count limit, not a page limit, to encourage – rather than discourage – appellants to paste the drawings themselves in the body of the brief, at the place that they will be most helpful to the Board.

The PTO did not “evaluate” these suggestions or “explain” its reasons for rejecting them.<sup>27</sup> The PTO simply ignored them.

**B. The Requirement for “Consecutive” Page Numbering is Immensely Burdensome and Provides No Practical Utility, and the PTO Refused to Consider Less Burdensome Alternatives Used Elsewhere**

Rule 41.37(v)(1) requires all pages of a brief and the appendix to be numbered “consecutively,” with no gaps in page numbers. This provision has no legitimate practical utility – all other tribunals find that non-consecutive page numbers fully accomplish the purpose of giving an unambiguous way to refer to page locations. The comment letters<sup>28</sup> suggested that the PTO follow the example of all other tribunals, which permit non-consecutive page numbers and other techniques that ease the process of assembling an appendix.<sup>29</sup> The comment letters noted that the “consecutive” page numbering requirement alone could add full *days* of attorney and

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<sup>26</sup> 73 Fed.Reg. 32964, col. 2, Answer No. 42.

<sup>27</sup> See footnote 22.

<sup>28</sup> Boundy Pre-ICR letter, August 17, 2008, <http://www.reginfo.gov/public/do/DownloadDocument?documentID=87032&version=0> of page 27-28; Boundy notice-and-comment letter, Oct. 11, 2007, <http://www.uspto.gov/web/offices/pac/dapp/opla/comments/bpai/boundy.pdf> at 11-12.

<sup>29</sup> *E.g.*, Federal Rule of Appellate Procedure 30(c)(2) (permitting the appendix to be filed after the briefs are filed, and a week later, filing a replacement brief with final page numbers substituted); Federal Circuit Rule 30(c)(2) (“Omission of pages need not be noted, *e.g.*, page 102 may be followed by page 230 without stating that pages 103-229 are not reproduced in the appendix”).

paralegal time, representing tens of millions of dollars in incremental costs over current rule.

The preamble to the Final Rule and the Supporting Statement misstate these public comments and respond only to the PTO's own misstatements.<sup>30</sup> The preamble also states that the PTO will not permit applicants to use the techniques that the PTO itself uses to reduce the burden of preparing its own briefs and appendices when it litigates in court.<sup>31</sup> The PTO has never attempted to "objectively support" its contention that "consecutive numbering" has any practical utility. Given the PTO's decision not to respond to public comments, it is reasonable to infer that the PTO intends to make the appeals process gratuitously burdensome in hopes that this will deter applicants from exercising their statutory rights to appeal.

**C. The Requirement for a Table of Authorities is Immensely Burdensome and Provides No Practical Utility, and the PTO Did Not Respond to Public Comments**

Several public comment letters noted that a "Table of Authorities" is not easy to generate: using the automatic tools in Microsoft Word, a Table of Authorities takes a bare minimum of 2 or 3 hours, and almost always considerably more. The public comment letters also noted that a Table of Authorities has essentially no utility in any but a tiny fraction of appeals, and that whatever utility exists will be outweighed by the burden of creating it.<sup>32</sup> The PTO offered no objective basis to disagree.

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<sup>30</sup> <http://www.reginfo.gov/public/do/DownloadDocument?documentID=89627&version=0> at page 14, Question and Answer 5; Final Rule Notice, 73 Fed. Reg. at 32965, col. 2, Answer No. 81.

<sup>31</sup> 73 Fed.Reg. 32944 col. 3, forbidding the use of roman numerals for front-matter pages, and forbidding restarting numbering for appendices.

<sup>32</sup> Boundy Pre-ICR letter, August 17, 2008, <http://www.reginfo.gov/public/do/DownloadDocument?documentID=87032&version=0> at pages 28-29; Boundy notice-and-comment letter, Oct. 11, 2007, <http://www.uspto.gov/web/offices/pac/dapp/opla/comments/bpai/boundy.pdf> at pages 12-13; IBM Corp., Sept. 28, 2007, <http://www.uspto.gov/web/offices/pac/dapp/opla/comments/bpai/ibm.doc> at page 3; American Intellectual Property Law Assn, Sept 28, 2007, <http://www.uspto.gov/web/offices/pac/dapp/opla/comments/bpai/aippla.pdf> at page 5

A “table of authorities” is a concordance of the citations in a brief, listing the case law, statutes, etc. mentioned in the brief, and listing the page numbers on which each authority is mentioned. A table of authorities can be useful when the dispute is over what the law is, to help a court consult precedential cases to decide that dispute. However, a table of authorities has no utility when the dispute is over facts, such as what a technical document does or doesn't say.

The preamble to the Final Rule concedes that in about 75% of appeals, a Table of Authorities will have essentially no utility, because it will only be read by agency personnel who cannot make “efficient and effective ... use of the information to be collected.”<sup>33</sup> Moreover, the PTO apparently agrees with public commenters that a Table of Authorities may have non-zero utility for the PTO in perhaps 10% of all appeal briefs.<sup>34</sup> Nevertheless, the PTO insists on imposing this burdensome requirement on all appeals. Both the Final Rule Notice and the Supporting Statement make clear that the PTO did no factual investigation to determine the magnitude of this burden, and the authors of both of PTO's documents clearly have never tried to produce one.<sup>35</sup>

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<sup>33</sup> 73 Fed.Reg. 32959, col. 3, Answer No. 42. A table of authorities has no utility in the 75% or so of appeals decided at one of the early stages, before the appeal goes to the Board, because the examiners that decide appeals in these early stages are not lawyers, are not instructed to apply case law, and therefore rarely make “efficient and effective ... use” of the case law information in a Table of Authorities.

<sup>34</sup> See 73 Fed.Reg. at 32959, col. 3.

<sup>35</sup> The preamble to the Final Rule states “Modern word processors make the creation of ... a table of authorities fairly easy when headings are used in a document. ... it would add 5 to 10 minutes to the preparation of the brief to insert the table of contents and table of authorities.” See 73 Fed.Reg. at 32969 col. 3; Oct. 10, 2008 Supporting Statement, <http://www.reginfo.gov/public/do/DownloadDocument?documentID=89627&version=0> at pages 9-10. However, “headings” are totally irrelevant to a Table of Authorities. The PTO fails to inform OMB that “modern word processors” offer only minimal computer assistance to an intensely manual process. This fact was brought to PTO's attention in my comment letter, <http://www.uspto.gov/web/offices/pac/dapp/opla/comments/bpai/boundy.pdf> at pages 12-13. The PTO's reply demonstrates the PTO's haphazard approach to Information Quality of the information it disseminates.

If the PTO can demonstrate some utility, there is a simple way to reduce burden, by confining the requirement for a Table of Authorities to only those situations where it might be genuinely useful. For example, a Table of Authorities could be deferred until all briefing is complete (which eliminates 80% or so of all appeals). Then a single Table of Authorities could be provided for both the principal Appeal Brief and Reply Brief in a single document (which increases its practical utility), confined to only cases on issues where there is a genuine dispute of law (which decreases burden).

**D. The Requirement for Attorney Signature of a Notice of Appeal is an Unnecessarily Gratuitous Burden**

In the major 1997 rulemaking in which the PTO “cleaned house” of unnecessary regulations shortly after enactment of the Paperwork Reduction Act of 1995, the PTO eliminated the requirement for signature of a Notice of Appeal, because signature of a Notice of Appeal is “redundant” with signature of a subsequent Appeal Brief.<sup>36</sup>

Inexplicably, the PTO now reimposes this burden. 73 Fed.Reg. at 41483, col. 2 (noting that signature of a notice of appeal is one of the changes). Neither the NPRM nor the Final Rule offers any explanation for reimposition of this burden, or any justification for an information collection that was previously conceded to be duplicative.

At least two public comment letters noted that the PTO's previous concession that the signature requirement was duplicative, and therefore incompatible with the Paperwork Reduction Act.<sup>37</sup> The PTO's reply? **Dead silence.**

**E. The Extension of Time Rule is Unnecessarily Burdensome**

For all other extensions of time, the PTO permits either an extension after the fact by mere payment of a fee and a purely formal petition for extension under 37 C.F.R. § 1.136(a), or a petition “filed on or before the day on which such reply is due.”

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<sup>36</sup> 62 Fed.Reg. 53132, 53167, col. 2 (Oct 10, 1997).

<sup>37</sup> Boundy Pre-ICR letter, August 17, 2008, <http://www.reginfo.gov/public/do/DownloadDocument?documentID=87032&version=0> of page 29-30; Microsoft letter of Sept. 28, 2007, <http://www.uspto.gov/web/offices/pac/dapp/opla/comments/bpai/microsoft.doc> at page 3.

§ 1.136(b). In almost all courts in almost all situations, a petition for extension of time or enlargement of page limit may be filed on the date a paper is due, if it is filed with the consent of opposing counsel, which is almost never denied.

In contrast, new 37 C.F.R. § 41.41(d) requires that any petition either for extension of time or for enlargement of the page limit be filed at least 10 days before the final due date. This requirement to predict the future 10 days in advance imposes unnecessary burdens: the petition must be filed speculatively if there is any possibility that an extension will be required. This issue was squarely raised at least twice in public comments. The comments noted that burden could be reduced if filing were not required until the last day, when it is clear whether or not the petition is actually required.<sup>38</sup> The rule in effect in every other tribunal and setting cuts down the number of such petitions to be filed by a significant fraction.

The preambles to the NPRM and the Final Rule Notice, and the Supporting Statement, provide no rationale for adopting the burdensome “10 day” rule. The comments suggested “last day” rule in order to reduce the number of petitions; the PTO twice mischaracterized the comment, and justified the “10 day” rule by irrelevantly and incorrectly stating that the per-response burden would be no larger.<sup>39</sup> It is reasonable to infer that the PTO adopted the “10-day” rule precisely because it is burdensome, in hopes that it would deter petitions.

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<sup>38</sup> Boundy Pre-ICR letter, August 17, 2008, <http://www.reginfo.gov/public/do/DownloadDocument?documentID=87032&version=0> of page 30; Boundy comment letter, <http://www.uspto.gov/web/offices/pac/dapp/opla/comments/bpai/boundy.pdf> at pages 8-9.

<sup>39</sup> The PTO's statement is false, even if taken on its own terms. Any request for permission to act in the future has to consider more contingencies than a request for permission to act in the present. The “10 day” rule also increases burden per response.

## **F. Public Comments Suggested Less Burdensome Alternatives, but the PTO Failed to Acknowledge These Comments, Let Alone "Evaluate" Them**

Several of the comment letters proposed alternatives to various provisions, many of which would reduce paperwork burdens and/or improve utility. The preamble to the NPRM does not justify the provisions that were subject of these comments, and neither the preamble to the Final Rule nor the Supporting Statement acknowledge having received comments, let alone respond to them. Many comments are totally ignored, most are unrecognizably recharacterized.

### **1. Word count limit instead of page limit**

At least three commenters proposed that the rules should use a word-count limit rather than a page-count limit,<sup>40</sup> as required by all federal appeals courts, especially the specialized court that deals with patent issues (the Court of Appeals for the Federal Circuit).<sup>41</sup> The comments noted that a word limit rather than a page limit would improve the practical utility of briefs to the agency, by encouraging the use of drawings in the body of the brief. The Final Rule Notice and Supporting Statement are **dead silent** on the suggestion of a word-count limit.

### **2. Automatic proportional enlargement of word-count limits**

Courts that have page-limit or word-limit rules provide that where one party goes over the limit, the limit for the other party is enlarged without the need for a formal request.<sup>42</sup> Several comment letters suggested that this should apply to the Patent

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<sup>40</sup> Boundy Pre-ICR letter, August 17, 2008, <http://www.reginfo.gov/public/do/DownloadDocument?documentID=87032&version=0> at page 33; Boundy notice-and-comment letter, Oct. 11, 2007, <http://www.uspto.gov/web/offices/pac/dapp/opla/comments/bpai/boundy.pdf> at 10-11; American Intellectual Property Law Assn, Sept 28, 2007, <http://www.uspto.gov/web/offices/pac/dapp/opla/comments/bpai/aipla.pdf> at page 9.

<sup>41</sup> Federal Rules of Appellate Procedure, Rule 32(a)(7)(B) <http://www.ca9.uscourts.gov/pdf/rules.pdf>

<sup>42</sup> <http://www.ca9.uscourts.gov/pdf/rules.pdf> Rule 28(c).

Office as well: if the examiner's paper is large, the limit for the appeal brief should be enlarged symmetrically.<sup>43</sup> The PTO has been **dead silent** on this suggestion.<sup>44</sup>

### 3. Symmetrical limits

Many of the letters noted that if page limits and strict formal requirements would encourage efficiency on the part of appellants, than analogous requirements would be efficient if imposed on examiners.<sup>45</sup> The Final Rule Notice and Supporting Statement are **dead silent**. The PTO must explain the double standard – either page limits and tight formatting requirements are efficient if imposed on both parties, or they are inefficient and unnecessarily burdensome for both parties.

### 4. Requiring information that is necessarily irrelevant to the issues the Board is allowed to consider

Many comments noted that the requirement of Bd.R. 41.37(o)(3) to identify where in the prosecution record an issue was first raised is (a) unacceptably ambiguous, (b) imposes substantial unnecessary and duplicative burdens, and (c) has no observable practical utility, in view of the Board's repeated holdings that it has no jurisdiction to consider the purely procedural issues of timing to which this information

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<sup>43</sup> Boundy notice-and-comment letter, Oct. 11, 2007, <http://www.uspto.gov/web/offices/pac/dapp/opla/comments/bpai/boundy.pdf> at 7; 73 Fed.Reg. at 32966 Comment and Answer No. 88.

<sup>44</sup> *E.g.*, 73 Fed. Reg. at 32966, Comment and Answer No. 87.

<sup>45</sup> Boundy Pre-ICR letter, August 17, 2008, <http://www.reginfo.gov/public/do/DownloadDocument?documentID=87032&version=0> at page 33; Boundy notice-and-comment letter, Oct. 11, 2007, <http://www.uspto.gov/web/offices/pac/dapp/opla/comments/bpai/boundy.pdf> at 15, 18, 19; American Intellectual Property Law Assn, Sept 28, 2007, <http://www.uspto.gov/web/offices/pac/dapp/opla/comments/bpai/aipla.pdf> at page 9; Microsoft Corp., Sept 28, 2007, <http://www.uspto.gov/web/offices/pac/dapp/opla/comments/bpai/microsoft.doc> at pages 2-3



might be relevant.<sup>46</sup> The PTO's answer was circular: "Indicating whether an argument previously has been made will help both the examiner and the Board recognize when a new argument has been made."<sup>47</sup> But the PTO never explains why "recogniz[ing] when a new argument has been made" has any practical utility. If an argument is persuasive, it is persuasive whether made for the first time or the tenth.

## **5. Inconsistency with existing reporting requirements**

Several comments noted that the requirements for 14-point font, double space, is unnecessarily inconsistent and incompatible "with the existing reporting and recordkeeping practices,"<sup>48</sup> in violation of § 3506(c)(3)(E). The PTO's response to these comments, 73 Fed. Reg. 32965-66, makes representations that are directly contrary to facts PTO asserted in a contemporaneous rulemaking: (a) the PTO has recently converted to end-to-end electronic images, so that there are no "numerous levels of electronic image processing,"<sup>49</sup> (b) the PTO recently proposed to disallow filing by FAX,<sup>50</sup> and (c) the PTO formally reaffirmed that existing "reporting requirements" for font size and page format are perfectly acceptable for all other PTO papers.<sup>51</sup> These three statements elsewhere directly refute the three reasons PTO gives OMB here. In

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<sup>46</sup> American Intellectual Property Law Assn, Sept 28, 2007, <http://www.uspto.gov/web/offices/pac/dapp/opla/comments/bpai/aipla.pdf> at page 6; IBM Corp., <http://www.uspto.gov/web/offices/pac/dapp/opla/comments/bpai/ibm.doc> at page 4; Microsoft Corp., Sept. 28, 2007, at <http://www.uspto.gov/web/offices/pac/dapp/opla/comments/bpai/microsoft.doc> at page 4.

<sup>47</sup> 73 Fed.Reg. 32963, col.1, Answer No. 61.

<sup>48</sup> American Intellectual Property Law Assn, Sept 28, 2007, <http://www.uspto.gov/web/offices/pac/dapp/opla/comments/bpai/aipla.pdf> at page 9.

<sup>49</sup> In a May 13, 2008 public talk, John Doll stated that the vast majority (over 70%) of all papers are filed as degradation-free PDF's, so there is not even a single step of scanning degradation. <http://www.klgates.com/newsstand/Detail.aspx?publication=4547>.

<sup>50</sup> 73 Fed. Reg. 45662 (August 6, 2008).

<sup>51</sup> 12-point font is adequate for the Office's needs in all other contexts. 73 Fed.Reg. at 45666 col. 3.



addition, 12-point font, 1½ or double spacing, has been accepted by the Board for decades. And so we are left with the Paperwork Reduction Act issue: on the facts as PTO concedes them to be, why is there any “need” to impose special “reporting and recordkeeping practices” for appeals? Does the 14-point font rule have any purpose other than to cut the useable length of a brief to half that of any other tribunal, thereby to reduce applicants’ likelihood of success?

**6. Imposing paperwork burden is not a legitimate substitute for supervisory oversight**

One commenter made several suggestions for improved supervisory oversight and review at key points in the process so that examiner errors could be identified and resolved earlier, thereby sharply reducing paperwork burdens.<sup>52</sup> The commenter observed that these suggestions would likely significantly reduce error-correction costs for the PTO as well. In neither the preamble to the Final Rule nor the Supporting Statement did the PTO disagree with the commenter’s observation: apparently the PTO concedes that most rejections are vacated once the PTO performs proper supervisory review. The PTO did not even acknowledge the suggestion, let alone explain reasons for withholding supervisory review until applicants have incurred the expense of writing and submitting an appeal brief.

**7. Requiring applicants to perform superfluous but expensive tasks**

One commenter noted that Rule 41.37(n) requires that the appeal brief discuss and analyze issues that have nothing to do with any matter in dispute in the appeal, specifically “the level of skill in the art” in a § 103 rejection.<sup>53</sup> The commenter showed that the “level of skill in the art” is only relevant in rare cases. The PTO “replied” only

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<sup>52</sup> <http://www.uspto.gov/web/offices/pac/dapp/opla/comments/bpai/ibm.doc> at page 2, lines 4-32.

<sup>53</sup> <http://www.uspto.gov/web/offices/pac/dapp/opla/comments/bpai/ibm.doc> at page 3.

with a *non sequitur*, that different kinds of evidence can be used, but otherwise failed to explain what practical utility might justify these burdens.<sup>54</sup>

#### **8. Ambiguity of “level of ordinary skill”**

Commenters observed that Rule 41.37(n) is ambiguous,<sup>55</sup> and thus it violates the requirement of § 3506(c)(3)(D). “Level of ordinary skill” is not a clear, factual concept. Instead, it is usually a matter of opinion, and as such would require an expert opinion, which is almost always too difficult and expensive an undertaking for an ex parte appeal.

The PTO did not respond to this comment. Ironically, in the preamble to the Final Rule, the PTO conceded that the text of the rule was indeed ambiguous and proposed text that would resolve the ambiguity.<sup>56</sup> But the PTO refused to amend the actual text of the rule to use the unambiguous language.

#### **9. Ambiguity of the terms “new ground of rejection” and “appealable subject matter”**

Many provisions of the appeal rules (and indeed, pre-appeal prosecution before examiners) turn on the definitions of two terms, “new ground of rejection” and “appealable subject matter.” Though the two terms have reasonably clear and consistent definitions, those definitions are spread among dozens of court and PTO decisions; no consolidated definition exists in any guidance document that PTO employees feel bound to follow. Instead, various PTO employees use mutually-contradictory definitions. In my comment letter, I noted that that the ambiguity in the PTO’s choice of language leads to intra-agency disagreement, and that ambiguity creates large and unnecessary paperwork burdens: (a) applicants are shunted between officials who each insist that they have no responsibility for dealing with a problem, or

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<sup>54</sup> 73 Fed.Reg. 32960, col. 2, Answer No. 47.

<sup>55</sup> <http://www.uspto.gov/web/offices/pac/dapp/opla/comments/bpai/ibm.doc> at page 3.

<sup>56</sup> 73 Fed. Reg. at 32962, col. 1, Answer No. 54.

(b) applicants are forced into expensive options when less-expensive options should be open if the PTO followed the correct definitions of these terms.

I twice suggested that the PTO add guidance in the MPEP to define these two terms, to resolve the intra-PTO disputes.<sup>57</sup> I provided solid first drafts of the two requested guidance sections, with extensive footnotes and quotations from binding authority.

Both the Final Rule Notice and the Supporting Statement ignore my two comments. Both documents are **dead silent** on the suggestion to add definitions of these two terms.

Instead, for “new ground of rejection,” the PTO states in the preamble that it will **maintain the ambiguity**: each PTO employee will have the power to define the term, and therefore the scope of his/her own responsibilities, on a “case by case basis,” apparently without regard to court or agency precedent. 73 Fed.Reg. at 32945, col. 1.

## 10. Duplicative requirements

Several commenters noted that the requirement to re-file documents in an evidence appendix is indisputably duplicative and could be eliminated if the PTO permitted appellants to simply identify the location of existing evidence documents in the PTO's PAIR document database.<sup>58</sup> The preamble to the Final Rule notice fails to even acknowledge this suggestion. Ironically, the preamble notes an “effective use of information technology” to solve the problem – “consecutively numbered pages” embossed onto the page images as they come in, 73 Fed. Reg. 2965, Answer No. 77 -- and notes that these page numbers would have utility for both the PTO and applicants throughout prosecution. But then the PTO declines to adopt its own suggestion.

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<sup>57</sup> Boundy Pre-ICR letter, August 17, 2008, <http://www.reginfo.gov/public/do/DownloadDocument?documentID=87032&version=0> at pages 24-25; Boundy notice-and-comment letter, Oct. 11, 2007, <http://www.uspto.gov/web/offices/pac/dapp/opla/comments/bpai/boundy.pdf> at pages 4, 36-37, and Attachments E and F (PDF pages 66-80).

<sup>58</sup> <http://www.uspto.gov/web/offices/pac/dapp/opla/comments/bpai/ibm.doc> at page 4.

### **11. Failure to acknowledge, much less adhere to, applicable Good Guidance Practices**

My public comment showed that much of the PTO's inefficiency flows from the its failure to implement OMB's Bulletin on Agency Good Guidance Practices and its stated refusal to enforce its own procedural rules.<sup>59</sup> I included documented examples, including papers signed by top-30 officials in the PTO, who presumably have the authority to state PTO policy, and several recent statements by the PTO in the Federal Register. To PTO did not respond in either the preamble to the Final Rule or the Supporting Statement.

### **12. Disregard for the public's superior expertise**

At several points, the PTO appears to reject public comments simply because the suggestions came from the public.<sup>60</sup> The PTO arbitrarily and capriciously dismisses these suggestions as "beyond the scope of the rulemaking."<sup>61</sup>

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<sup>59</sup> <http://www.uspto.gov/web/offices/pac/dapp/opla/comments/bpai/boundy.pdf> at page 30, examples of statements by SPE's and T.C. Director Jack Harvey attached as Attachments A and B.

<sup>60</sup> See 73 Fed.Reg. at 32956 Comment and Answer No. 13; 73 Fed.Reg. at 32957 Comment and Answer No. 19; 73 Fed.Reg. at 32958 Comment and Answer No. 33; 73 Fed.Reg. at 32964, Answer No. 71; 73 Fed.Reg. at 32967 Comment and Answer No. 93A. The PTO also rejects suggestions on the ground that it could not adopt proposals without first performing a pilot test. The PTO apparently has a double standard, that pilot tests are only required for suggestions made by the public. The PTO did not perform a pilot test of its proposed revision.

<sup>61</sup> The only way that alternative solutions to the PTO's appeal backlog problem could be "beyond the scope" is if the PTO had a predetermined and inflexible definition of the solution, such that no other solutions would be considered. The APA imposes the same requirement is the Paperwork Reduction Act: an agency must approach its rulemaking, and conduct its notice and comment procedure, with a "flexible and open-minded attitude towards its own rules." *Chocolate Mfrs' Ass'n of the U.S. v. Block*, 755 F.2d 1098, 1103 (4th Cir. 1985). An "agency must consider reasonably obvious alternatives and, if it rejects those alternatives, it must give reasons for the rejection..." *Yale-New Haven Hosp. v. Leavitt*, 470 F.3d 71, 80 (2d Cir. 2006). The PTO did neither.

### **G. The PTO failed to respond to issues arising under the Information Quality Act**

A number of commenters raised issues arising under the Information Quality Act and the PTO's own Information Quality Guidelines,<sup>62</sup> that the PTO was disseminating influential information that failed objectivity, reproducibility, and utility, or that lacked any objective support.<sup>63</sup>

Both the preamble to the Final Rule and the Supporting Statement decline to respond to these comments. The Supporting Statement contains a boilerplate assertion of information quality compliance that is not supported by any evidence and contradicted by all the evidence that is available. The PTO pretends to "answer" a mischaracterization of my question, relating to quality of information collected rather than the quality of information disseminated – a *non sequitur*.

## **V. Conclusion**

The PTO repeatedly violated the public notice and comment requirements in the Paperwork Reduction Act (44 U.S.C. §§ 3506 and 3507) and OMB's Information Collection Rule. This ICR should not be approved, or should be approved with terms of clearance as follows:

- (a) covering only the burden arising under 2004 appeal rules;
- (b) not covering the duplicative submissions required by the 2004 version of 41.37(c)(1)(ix); and
- (c) extending only to burdens arising under the text of the 2004 rules – not internal PTO guidance, for which the PTO has never sought an OMB Control Number.

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<sup>62</sup> <http://www.uspto.gov/web/offices/ac/ido/ifoqualityguide.html>

<sup>63</sup> Boundy Pre-ICR letter, August 17, 2008, <http://www.reginfo.gov/public/do/DownloadDocument?documentID=87036&version=0> at pages 16-23; Katznelson Pre-ICR letter, Aug. 9, 2008, <http://www.reginfo.gov/public/do/DownloadDocument?documentID=87052&version=0> at page 8; Microsoft letter of Sept. 28, <http://www.uspto.gov/web/offices/pac/dapp/opla/comments/bpai/microsoft.doc>

In addition, the PTO should be directed to promptly address public comments received concerning ICR 0651-0031. Indeed, burdens associated with appeals practice should not be separated from burdens of "patent processing." These burdens are highly interrelated such that changes in examination can be expected to affect burdens in appeals practice, and vice versa. Separating them invites – or rather, encourages – the PTO to continue playing fast and loose with the law and deceiving OMB about its actual information collection activities.

Ideally, the PTO should be directed to start over with this entire series of major regulatory actions and, for the first time, comply with both the Paperwork Act and Executive Order 12,866. There cannot be any doubt that the PTO knew from the outset that these regulations would have massive economic and paperwork consequences but hoped that the OMB staff would find them too technical to understand and the public too busy to resist. So far, that strategy has proved to be quite effective. The public cannot be expected to devote more resources to participating in ICR reviews if OMB does not act on the extraordinary volume of information it already has. If OMB does not act responsibly, the public is likely to conclude that OMB is a paper tiger and that the Paperwork Reduction Act and Executive Order 12,866 are dead letters.

Sincerely,

/s/ David E. Boundy

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