

## SUPPORTING STATEMENT

**UNITED STATES PATENT AND TRADEMARK OFFICE  
Board of Patent Appeals and Interferences (BPAI) Actions  
OMB Control Number 0651-0063**

**Proposed Modification Supporting NPRM RIN 0651-AC37 (Rules of Practice Before  
the Board of Patent Appeals and Interferences in *Ex Parte* Appeals)  
November 4, 2010**

### A. JUSTIFICATION

#### 1. Necessity of Information Collection

The United States Patent and Trademark Office (USPTO) is publishing a notice of proposed rulemaking entitled “Rules of Practice Before the Board of Patent Appeals and Interferences in *Ex Parte* Appeals” (RIN 0651-AC37) in the *Federal Register*. RIN 0651-AC37 proposes changes to the current rule [37 CFR § 41.1 *et seq.*] that will impact the currently approved inventory for this collection. Therefore, the USPTO is submitting this modified information collection request outlining the proposed changes and requesting approval for the modified collection.

Information collection 0651-0063 was previously approved by OMB on December 22, 2009 and was limited to the current rule.

One proposed change to the current rule may cause some appellants to file an amendment to cancel claims that they do not wish to be appealed. Another proposed change may cause some appellants to add subheading(s) to an appeal brief. Other proposed changes will eliminate several of the current briefing requirements for an appeal brief thereby reducing the amount of time that it takes to complete an appeal brief.

Based on these proposals, the USPTO is submitting this modified information collection request to:

1. Add an additional information collection item: Amendments (41.33).
2. Update the burden estimates for the appeal briefs.
3. Update other burden hour and burden cost estimates for this collection not associated with rulemaking:
  - a. U.S. postage rates have increased, which requires a readjustment of burden.
  - b. The estimated number of filings utilizing EFS-Web has increased and fewer filings will be subject to postage costs, which requires a readjustment of burden.
  - c. The number of projected responses for the appeal briefs (not associated with the proposed rulemaking) has increased, which requires a readjustment of filing fee burden.

- d. Filings have increased and are projected to remain higher, which requires an update of the number of projected responses for the appeal briefs, reply briefs, and requests for rehearing before the BPAI.

The Board of Patent Appeals and Interferences (BPAI or Board) was established by 35 U.S.C. § 6(b). As such, the BPAI “shall, on written appeal of an applicant, review adverse decisions of examiners upon applications for patent and shall determine priority and patentability of invention in interferences.” BPAI has the authority under 35 U.S.C. §§ 134 and 306 to review *ex parte* appeals. In addition, 35 U.S.C. § 6 establishes the membership of BPAI as the Director, the Deputy Director, the Commissioner for Patents, the Commissioner for Trademarks, and the Administrative Patent Judges. Each appeal is heard by a merits panel of at least three members of the Board.

Under the statute, one of BPAI’s main responsibilities includes the review of *ex parte* appeals from adverse decisions of examiners in those situations where a written appeal is taken by a dissatisfied applicant. The current rules governing *ex parte* appeals can be found in 37 CFR §§ 41.1 through 41.54.

Table 1 provides the specific statutes and regulations requiring the USPTO to collect the information related to amendments and appeal briefs.

**Table 1: Information Requirements for Amendments and Appeal Briefs**

Requirement	Statute	Rule
Amendment ( <b>New</b> )	35 U.S.C. § 134	37 CFR § 41.33
Appeal Brief	35 U.S.C. § 134	37 CFR § 41.37
Reply Brief	35 U.S.C. § 134	37 CFR § 41.41
Request for Rehearing Before the BPAI	35 U.S.C. § 134	37 CFR § 41.52

## 2. Needs and Uses

The proposed changes to the current appeal rules will benefit both the public and the USPTO by improving the quality and efficiency of the appeal process. Under the proposed rules, the Board will presume that the appeal is taken from the rejection of all claims under rejection unless claims are cancelled by an applicant’s amendment. By using the presumption, the public would no longer need to expend resources or funding to enumerate in the appeal briefs the rejected claims that they wish to appeal. The public will need to expend resources to file amendments to cancel claims only in those instances in which they choose to appeal fewer than all of the rejected claims. The proposed addition of subheading(s) to the appeal briefs will provide clarity by ensuring that examiners and the Board do not overlook arguments for separate patentability of certain claims. The proposed elimination of certain requirements from the appeal briefs will reduce the overall amount of time that appellants spend preparing their appeal briefs. These proposals will also aid the USPTO by reducing confusion as to which claims are on appeal and avoiding

the unintended cancellation of claims due to oversight or mistake by the public in listing the claims on appeal.

Table 2 explains how the amendments and the appeals are used by the public and by the USPTO.

**Table 2: Needs and Uses**

Form and Function	Form #	Needs and Uses
Amendment ( <b>New</b> )	No Form Associated	<ul style="list-style-type: none"> <li>Used by the applicant to cancel pending, rejected claims that applicant does not wish to be considered on appeal by the BPAI</li> <li>Used by the BPAI to determine which claims are on appeal</li> </ul>
Appeal Brief	No Form Associated	<ul style="list-style-type: none"> <li>Used by the applicant to set forth the claims, issues, and arguments on appeal to the BPAI</li> <li>Used by the BPAI to aid in rendering a decision on the claims, issues, and arguments submitted by the applicant</li> </ul>
Reply Brief	No Form Associated	<ul style="list-style-type: none"> <li>Used by the applicant to respond to the examiner's answer</li> <li>Used by the BPAI to aid in rendering a decision on the claims, issues, and arguments submitted by the applicant</li> </ul>
Request for Rehearing Before the BPAI	No Form Associated	<ul style="list-style-type: none"> <li>Used by the applicant to request reconsideration of a BPAI decision</li> <li>Used by the BPAI to decide whether to grant or deny a request for reconsideration of a decision</li> </ul>

The Information Quality Guidelines from Section 515 of Public Law 106-554, Treasury and General Government Appropriations Act for Fiscal Year 2001, apply to this information collection and comply with all applicable information quality guidelines, i.e., OMB and specific operating unit guidelines.

This proposed collection of information will result in information that will be collected, maintained, and used in a way consistent with all applicable OMB and USPTO Information Quality Guidelines. (See Ref. A, the *USPTO Information Quality Guidelines*.)

### **3. Use of Information Technology**

The USPTO does not, at this time, offer electronic forms for the items in this collection. Parties may, however, file this information as attachments through EFS-Web.

EFS-Web allows customers to file applications and associated documents through their standard web browser and does not require any significant client-side components. Though there are no forms offered for the amendments, briefs, and requests through EFS-Web, parties may convert these documents into portable document file (PDF) format and submit them through EFS-Web. EFS-Web provides immediate notification that the submission was received, automated processing of requests, and avoidance of postage or other paper delivery costs.

Correspondence officially submitted via EFS-Web is accorded a "receipt date," which is the date the correspondence was received by the USPTO. After a successful submission, an acknowledgement receipt containing the receipt date, the time the correspondence was

received at the USPTO, and a full listing of the correspondence submitted, can be obtained from EFS-Web.

As BPAI gains more experience with the number, types, and complexities of the appeal papers filed as attachments through EFS-Web, BPAI will continue to review the results and any feedback to determine whether full electronic filing, with PDF forms that can be completed and submitted online, will be beneficial. If it is found that full electronic filing is beneficial and BPAI decides to deploy a production system, the electronic forms will be submitted to OMB for review and approval.

The BPAI uses the Appeals Case Tracking System (ACTS) to track the status of the patent appeal cases. ACTS allows the BPAI to track the status of the patent appeal cases and also provides relevant information pertaining to these cases. This is an internal system that manages the workflow throughout BPAI. ACTS is not designed to disseminate information or to provide status updates to the public.

The BPAI disseminates opinions and decisions to the public through the USPTO's website. Precedential opinions in *ex parte* appeals are published on BPAI's home page through the USPTO's website. In late 1997, BPAI started disseminating opinions in support of BPAI's final decisions appearing in issued patents, reissue applications, and reexamination proceedings through the USPTO's electronic Freedom of Information Act (e-FOIA) website. Beginning in 2001, with the implementation of eighteen-month publication of applications under the American Inventors Protection Act of 1999, the BPAI also began posting final decisions for published applications through the USPTO e-FOIA website.

#### **4. Efforts to Identify Duplication**

This information is collected only when an applicant (or a patent owner) submits information for an *ex parte* appeal before the BPAI. The proposed changes to the current rule will eliminate the requirement for an applicant (or a patent owner) to submit certain appendices with the brief containing information already available at the USPTO (in that certain copies of evidence may have been submitted earlier as part of the patent examination process).

#### **5. Minimizing the Burden to Small Entities**

The same information is required from every applicant, and this information is not available from any other source. Pursuant to 35 U.S.C. § 41(h)(1), the USPTO provides a fifty percent reduction in the fees charged under 35 U.S.C. § 41 (a) and (b) for small entity applicants, such as independent inventors, small businesses, and nonprofit organizations. The USPTO's regulations concerning the payment of reduced patent fees by small entities are at 37 CFR §§ 1.27 and 1.28, and reduced patent fees for small entity applicants are shown in 37 CFR §§ 1.16, 1.17, 1.18, and 1.20. No significant burden is placed on small entities, in that small entities must only identify themselves as such in order to obtain these benefits. No formal statement is required. An assertion of small entity status only needs to be filed once in an application or patent.

## **6. Consequences of Less Frequent Collection**

This information is collected only when an applicant (or patent owner) files an amendment, brief, or request. This information is not collected elsewhere. Therefore, this collection of information could not be conducted less frequently. If this information was not collected, the BPAI could not ensure that an applicant (or patent owner) has submitted all of the information (and the applicable fees) necessary to initiate an appeal or to determine whether a request should be granted. If this information was not collected, the USPTO could not comply with the requirements of 35 U.S.C. § 134 and 37 CFR Part 41.

## **7. Special Circumstances in the Conduct of Information Collection**

There are no special circumstances associated with this collection of information.

## **8. Consultation Outside the Agency**

The USPTO has published a 60-Day Federal Register Notice of Proposed Rulemaking seeking public comment on the proposed changes to the current rule and seeking public comment on these burden estimates.

In addition, the USPTO consults with the Public Advisory Committees, which were created by statute in the American Inventors Protection Act of 1999 to advise the Under Secretary of Commerce for Intellectual Property and Director of the USPTO on the management of the patent and trademark operations. The Advisory Committees consist of United States citizens chosen to represent the interests of the diverse users of the USPTO. The Advisory Committees review the policies, goals, performance, budget, and user fees of the patent and trademark operations, respectively, and advise the Director on these matters.

The USPTO has long-standing relationships with patent bar associations, inventor groups, and users of our public facilities. Their views are expressed in regularly scheduled meetings and considered in developing proposals for information collection requirements. The USPTO also meets regularly with groups from whom patent application data is collected, such as the American Intellectual Property Law Association.

## **9. Payment or Gifts to Respondents**

This information collection does not involve a payment or gift to any respondent. Response to this information collection is necessary to process the amendments and to initiate appeal proceedings.

## **10. Assurance of Confidentiality**

Confidentiality of records involved in appeal proceedings is governed by statute

(35 U.S.C. § 122) and regulation (37 CFR §§ 1.11 and 1.14). The Board publishes certain opinions and decisions concerning decided cases. Public availability to records involved in terminated and pending cases varies, depending upon statute and regulation.

To further define the boundaries of the confidentiality of patent applications in light of the eighteen-month publication of patent applications introduced under the American Inventors Protection Act of 1999, the USPTO amended 37 CFR § 1.14 to only maintain the confidentiality of applications that have not been published as a U.S. patent application. In the amended 37 CFR § 1.14, the public can obtain status information about the application, such as the application “numerical identifier” and whether the application is pending, abandoned, or patented or whether the application has been published under 35 U.S.C. § 122(b). The information can be supplied to the public under certain conditions. The public can also receive copies of an application-as-filed and the file wrapper, as long as it meets certain criteria. Board decisions relating to such applications can be published.

## **11. Justification for Sensitive Questions**

None of the required information in this collection is considered to be of a sensitive nature.

## **12. Estimate of Hour and Cost Burden to Respondents**

Table 3 calculates the anticipated burden hours and costs of this information collection to the public, based on the following factors:

- **Respondent Calculation Factors**

The USPTO estimates that it will receive approximately 267 amendments per year due to the proposed rule. In addition, the USPTO expects the number of appeal briefs, reply briefs, and requests for rehearing before the BPAI filed to increase to 26,741; 7,658; 378 responses, respectively, per year. This will increase the total responses for this collection to 35,044 per year. Out of these 35,044 responses, the USPTO estimates that 32,591 will be submitted through EFS-Web.

- **Burden Hour Calculation Factors**

The USPTO estimates that it takes the public approximately 2 to 31 hours to complete this information, depending on the situation. This includes the time to gather the necessary information, prepare the amendment, brief or request, and submit them to the USPTO. The USPTO estimates that it will take the same amount of time to complete these items whether they are submitted on paper or electronically through EFS-Web.

- **Cost Burden Calculation Factors**

The professional rate of \$325 per hour used in this modified submission to calculate respondent cost burden is the median rate for attorneys in private firms as published in the 2009 report of the Committee on Economics of Legal Practice of the American Intellectual Property Law Association (AIPLA). This report summarized the results of a survey with data on hourly billing rates. This is a fully-loaded rate.

**Table 3: Burden Hour/Burden Cost to Respondents**

Item	Hours (a)	Responses (yr) (b)	Burden (hrs/yr) (c) (a) x (b)	Rate (\$/hr) (d)	Total Cost (\$/hr) (e) (c) x (d)
Amendment	2 hours	19	38	\$325.00	\$12,350.00
Amendment (EFS-Web)	2 hours	248	496	\$325.00	\$161,200.00
Appeal Brief	31 hours	1,872	58,032	\$325.00	\$18,860,400.00
Appeal Brief (EFS-Web)	31 hours	24,869	770,939	\$325.00	\$250,555,175.00
Reply Brief	5 hours	536	2,680	\$325.00	\$871,000.00
Reply Brief (EFS-Web)	5 hours	7,122	35,610	\$325.00	\$11,573,250.00
Request for Rehearing Before the BPAI	5 hours	26	130	\$325.00	\$42,250.00
Request for Rehearing Before the BPAI (EFS-Web)	5 hours	352	1,760	\$325.00	\$572,000.00
<b>Total</b>	- - - -	<b>35,044</b>	<b>869,685</b>	- - - -	<b>\$282,647,625.00</b>

**Preparation Time/Burden Hour Impact**Summary of Preparation Time and Burden Hour Impact

Table 3a indicates impact based upon rulemaking and non-rulemaking adjustments:

**Table 3a: Burden Hour/Burden Cost to Respondents – Rulemaking and Non-Rulemaking Impact**

Item	Hours (a)	Responses (yr) (b)	Burden (hrs/yr) (c) (a) x (b)	Rate (\$/hr) (d)	Total Cost (\$/hr) (e) (c) x (d)	Impact of Proposed Rulemaking	Non- Rulemaking Impact
<b>Amendment Proposed (includes EFS-Web) (NEW)</b>	<b>2</b>	<b>267</b>	<b>534</b>	<b>\$325.00</b>	<b>\$173,550.00</b>	<b>Increase of \$173,550 or 534 hours per year.</b>	<b>No Change</b>
Amendment Current Inventory	0	0	0	0	0		
<b>Appeal Brief Proposed (includes EFS-Web)</b>	<b>31</b>	<b>26,741</b>	<b>828,971</b>	<b>\$325.00</b>	<b>\$269,415,575.00</b>	<b>Decrease of \$22,566,375 or 69,435 hours per year.</b>	<b>Increase of \$36,229,700 or 111,476 hours per year.</b>
Appeal Brief Current Inventory	34	23,145	786,930	\$325.00	\$255,752,250.00		

Item	Hours (a)	Responses (yr) (b)	Burden (hrs/yr) (c) (a) x (b)	Rate (\$/hr) (d)	Total Cost (\$/hr) (e) (c) x (d)	Impact of Proposed Rulemaking	Non- Rulemaking Impact
<b>Reply Brief Proposed (includes EFS-Web)</b>	5	7,658	38,290	\$325.00	\$12,444,250.00	No Change	Increase of \$4,405,375 or 13,555 hours per year.
Reply Brief Current Inventory	5	4,947	24,735	\$325.00	\$8,038,875.00		
<b>Request for Rehearing Before the BPAI Proposed (includes EFS- Web)</b>	5	378	1,890	\$325.00	\$614,250.00	No Change	Increase of \$414,375 or 1,275 hours per year.
Request for Rehearing Before the BPAI Current Inventory	5	123	615	\$325.00	\$199,875.00		
<b>Total Proposed</b>	—	35,044	869,685	—	\$282,647,625.00	Increase of \$173,550 or 534 hours per year offset by decrease of \$22,566,375 or 69,435 hours per year.	Increase of \$41,049,450 or 126,306 hours per year.
<b>Total Current Inventory</b>	—	28,215	812,280	—	\$263,991,000.00	—	—

Proposed rulemaking impact on responses = increase of 267  
Proposed rulemaking impact on burden hours = reduction of 68,901  
Proposed rulemaking impact on burden hour costs = reduction of \$22,392,825

Non-rule impact on responses = increase of 6,562  
Non-rule impact on burden hours = increase of 126,306  
Non-rule impact on respondent burden hour costs = increase of \$41,049,450

Current inventory responses = 28,215  
Current inventory burden hours = 812,280  
Current inventory respondent burden hour costs = \$263,991,000

Estimated responses after proposed rulemaking = 35,044  
Estimated burden hours after proposed rulemaking = 869,685  
Estimated burden hour costs after proposed rulemaking = \$282,647,625

A detailed explanation of the hourly rate and preparation time estimates for those items (amendments and appeal briefs) impacted by the proposed rulemaking follows:



## Amendments

The agency estimates that an amendment to cancel unappealed claims from an application may take as much as 2 hours of attorney time to prepare.

The AIPLA 2009 Report notes that the median cost for the preparation and filing of a patent application amendment/argument of minimal complexity is \$1,850. Using the median billing rate of \$325 per hour, this cost equates to approximately 5.7 hours of attorney time. The Office's estimate of 2 hours of attorney time for an amendment merely canceling claims is based on the fact that such an amendment will not contain an argument section, unlike a regular patent application amendment/argument. As such, the Office estimates that the amendment to cancel claims will be significantly less time consuming than a regular patent application amendment/argument.

Based on the Office's experience, it estimates that such an amendment canceling claims will only be filed in approximately 1% of appeals. Under current practice, if an appellant incorrectly lists the claims on appeal, or is silent in the brief as to some of the claims under rejection, then the Office assumes that such claims are not on appeal, and notes that those non-appealed claims should be cancelled by the examiner. Ex parte Ghuman, 88 USPQ2d 1478, 2008 WL 2109842 (BPAI 2008). (precedential) (holding that when appellant does not appeal some of the claims under rejection and does not challenge the Examiner's rejection of these claims, then the Board will treat these claims as withdrawn from the appeal, which operates as an authorization for the Examiner to cancel those claims from the application). The Board decided Ghuman in May 2008. Of the approximately 2,056 reported Board decisions and orders issued in the remainder of FY 2008, only ten such decisions and orders cited Ghuman in noting that an appellant had withdrawn claims from appeal. In FY 2009 (October 2008 – September 2009), of the approximately 5,612 reported Board decisions and orders, only twenty cited Ghuman in noting that an appellant had withdrawn claims from appeal. In FY 2010 (October 2009 – September 2010), of the approximately 5,990 reported Board decisions and orders, only 26 cited Ghuman in noting that an appellant had withdrawn claims from appeal.

While these numbers may not represent a precise indication of the numbers of appeals where appellants chose not to appeal all of the rejected claims, these figures are provided as an indication of the relatively small number of appeals in which appellants choose to appeal fewer than all of the rejected claims without canceling such unappealed claims prior to appeal. Based on this data, the Office found that approximately 0.41% of all appeals had Ghuman issues, i.e., where fewer than all of the claims were appealed. For purposes of calculating added burden to appellant from this proposed rule change, the Office rounded up to 1% and used this as a conservative (high) estimate for the number of amendments expected.

## Appeal Briefs

The agency estimates that the proposed changes to the current rule will result in a decrease of 3 hours per appeal brief from the prior estimate.

The agency's estimate in the currently approved information collection [OMB Control Number 0651-0063] was based on the cost for an appeal to the Board as reported in the AIPLA 2009 Report, which resulted in an estimate of 17.1 hours. The agency determined that a conservative estimate could be as high as about double the 17.1 hours value calculated from data in the AIPLA 2009 Report, and therefore determined to use an estimate of 34 hours per appeal brief.

In light of the proposed changes to the current rule for briefing requirements for filing appeal briefs, and taking into account proposed changes that will lessen the burden and the one proposed change (i.e., addition of subheadings) that will add a burden, the agency estimates that the proposed changes to the current rule will result in a net average decrease of approximately 3 hours per appeal brief from the prior estimate, thereby lowering the previous average estimate of approximately 34 hours to 31 hours to prepare an appeal brief. This estimate is based on the net impact of the proposed changes and time saved in preparation of an appeal brief based on agency expertise in patent prosecution practice. Using the median billing rate of \$325 per hour, as published in the AIPLA 2009 Report, the Office estimates that these proposed rule changes will result in an average savings of \$975 per appeal brief.

### 13. Total Annualized Cost Burden

The USPTO expects the proposed rule to impact the postage costs currently in the collection, but does not expect the proposed rule to impact the filing fees. However, the USPTO is also taking this opportunity to update the postage costs based on current postage rates and update the filing fees based on filing projections for the appeal briefs. These changes are not directly associated with the rule. This collection still does not have any capital start-up, operating, maintenance, or recordkeeping costs.

#### Postage Costs

The USPTO expects that the new proposed amendments will be mailed to the USPTO by Express Mail, as with the current items in this collection, thus increasing the current inventory estimates for postage costs. The U.S. Postal Service has increased the mailing rates for the Express Mail flat rate envelope since the last approval, from \$17.50 to \$18.30. The USPTO is taking this opportunity to update the postage costs for all collection items accordingly. The USPTO estimates that 2,453 of the submissions will be filed in paper, with the rest filed as attachments through EFS-Web.

Table 4 shows the annual postage/non-hour cost burden to respondents.

**Table 4: Postage Costs – Non-hour Cost Burden**

Item	Responses (yr) (a)	Postage Costs (b)	Total Cost (yr) (a) x (b)
Amendment	19	\$18.30	\$348.00

Item	Responses (yr) (a)	Postage Costs (b)	Total Cost (yr) (a) x (b)
Appeal Brief	1,872	\$18.30	\$34,258.00
Reply Brief	536	\$18.30	\$9,809.00
Request for Rehearing Before the BPAI	26	\$18.30	\$476.00
<b>Total</b>	<b>2,453</b>	- - - - -	<b>\$44,891.00</b>

Therefore, the USPTO estimates that the total postage costs for this collection will be \$44,891, of which \$348 is due to the proposed rulemaking (addition of amendments to the collection). The remaining postage costs have decreased due to expected increases in the EFS-Web filings.

### Filing Fees

The proposed rule will not impact the filing fee costs currently approved for this collection. The USPTO does expect that estimated increases in the number of appeal briefs filed will increase the annual cost associated with filing fees for this collection. The USPTO is taking this opportunity to adjust these estimates.

The estimated annual filing fee/non-hour cost burden to respondents is outlined in Table 5:

**Table 5: Filing Fees – Non-Hour Cost Burden**

Item	Responses (yr) (a)	Filing Fees (b)	Total Cost (yr) (a x b)
Amendment	19	\$0.00	\$0.00
Amendment (EFS-Web)	248	\$0.00	\$0.00
Appeal Brief – Other Entity	1,498	\$540.00	\$808,920.00
Appeal Brief – Small Entity	374	\$270.00	\$100,980.00
Appeal Brief (EFS-Web) – Other Entity	19,895	\$540.00	\$10,743,300.00
Appeal Brief (EFS-Web) – Small Entity	4,974	\$270.00	\$1,342,980.00
Reply Brief	536	\$0.00	\$0.00
Reply Brief (EFS-Web)	7,122	\$0.00	\$0.00
Request for Rehearing Before the BPAI	26	\$0.00	\$0.00
Request for Rehearing Before the BPAI (EFS-Web)	352	\$0.00	\$0.00
<b>Totals</b>	<b>35,044</b>	-----	<b>\$12,996,180.00</b>

The USPTO estimates that the total filing fees for this collection will be \$12,996,180.

## Overall Burden Impact

Table 6 shows the impact of the rulemaking and non-rulemaking changes on the current annual non-hour cost burden for this collection.

**Table 6: Burden Changes – Rulemaking/Non-Rulemaking Impact**

Burden	Current Inventory	Rulemaking Impact	Non Rule Impact	Total After Rule and Non Rule
Postage	\$247,591	Increase of \$348	Reduction of \$203,048	\$44,891
Filing Fees	\$11,200,140	No change	Increase of \$1,796,040	\$12,996,180

Therefore, the total estimated non-hour cost burden with the proposed rulemaking and non-rulemaking changes is \$13,041,071.

### **14. Annual Cost to the Federal Government**

The USPTO expects that the proposed amendments will be processed by a paralegal specialist in the GS-11, step 5 range and that it will take approximately 6 minutes to process them.

The USPTO still expects the appeal briefs to be processed by patent appeal specialists and a paralegal specialist in the GS-9, step 5 and GS-11, step 5 grades, respectively and that the reply briefs and requests for rehearing before the BPAI will be processed by a GS-11, step 5 staff member. The 2009 hourly rates in the current collection have been adjusted to reflect current 2010 rates. The current hourly rates for a GS-9, step 5 and a GS-11, step 5 are \$28.04 and \$33.92, respectively, according to the U.S. Office of Personnel's Management's (OPM's) 2010 wage chart, including locality pay for the Washington, DC area.

Using the current hourly rates, the USPTO estimates that it takes approximately 18 minutes (0.3 hours) for a patent appeal specialist (GS-9, step 5) and a paralegal specialist (GS-11, step 5) to process the appeal brief. When 30% is added to account for a fully loaded hourly rate (benefits and overhead), the cost per hour for a GS-9, step 5 is \$36.45 (\$28.04 + \$8.41). The cost per hour for a GS-11, step 5 is \$44.10 (\$33.92 + \$10.18).

Using the current hourly rates, the USPTO estimates that it takes approximately 6 minutes (0.1 hours) for a GS-11, step 5 to process the amendments, reply briefs, and requests for rehearing before the BPAI. The fully loaded hourly rate for the GS-11, step 5 is \$44.10.

Table 7 calculates the processing hours and burden costs of this information collection to the Federal Government due to the proposed rule and the rate increases:

**Table 7: Burden Hour/Burden Cost to the Federal Government**

Item	Hours (a)	Responses (yr) (b)	Burden (hrs/yr) (c) (a) x (b)	Rate (\$/hr) (d)	Total Cost (\$/hr) (e) (c) x (d)
Amendment	0.10	19	2	\$44.10	\$88.00
Amendment (EFS-Web)	0.10	248	25	\$44.10	\$1,103.00
Appeal Brief Patent Appeal Specialist Paralegal Specialist	0.30 0.30	1,872	562 562	\$36.45 \$44.10	\$20,485.00 \$24,784.00
Appeal Brief (EFS-Web) Patent Appeal Specialist Paralegal Specialist	0.30 0.30	24,869	7,461 7,461	\$36.45 \$44.10	\$271,953.00 \$329,030.00
Reply Brief	0.10	536	54	\$44.10	\$2,381.00
Reply Brief (EFS-Web)	0.10	7,122	712	\$44.10	\$31,399.00
Request for Rehearing Before the BPAI	0.10	26	3	\$44.10	\$132.00
Request for Rehearing Before the BPAI (EFS-Web)	0.10	352	35	\$44.10	\$1,544.00
<b>Total</b>	- - - - -	<b>35,044</b>	<b>16,877</b>	- - - - -	<b>\$682,899.00</b>

## 15. Reason for Change in Burden

### Summary of Changes Since the Previous Renewal

This information collection was approved by OMB on December 22, 2009 with 28,215 responses, 812,280 burden hours, \$11,447,731 in annualized (non-hour) costs, and \$263,991,000 in respondent cost burden.

Due to the proposed rulemaking and other changes outlined in this submission, the USPTO estimates that the total burden and annualized (non-hour) costs for this collection will be 35,044 responses, 869,685 burden hours, and \$13,041,071 in annualized costs. This is an increase of 6,829 responses, 57,405 hours, and \$1,593,340 in annualized costs over the currently approved burden for this collection. These changes are due to both program changes and administrative adjustments.

### Changes in Respondent Cost Burden

This collection was previously approved with an estimated respondent cost burden of \$263,991,000 per year. The changes from the proposed rule will add \$173,550 in respondent cost burden to the collection, which is offset by a reduction of \$22,566,375, for a total reduction of \$22,392,825 in respondent cost burden due to the proposed rule.

Non-rulemaking changes will add an additional \$41,049,450 in respondent cost burden to the collection.

Changes from the proposed rule, in addition to non-rulemaking changes, will increase the respondent cost burden by \$18,656,625, bringing the total estimated respondent cost burden to \$282,647,625 per year.

### Changes in Responses and Burden Hours

Based on changes in the Notice of Proposed Rule Making entitled “Rules of Practice Before the Board of Patent Appeals and Interferences in Ex Parte Appeals” (RIN 0651-AC37) and estimated increases in the number of responses for the briefs and the requests for rehearing, the USPTO estimates that the responses for this collection will increase by 6,829 responses, to 35,044 responses per year. The USPTO estimates that the increased submissions will increase the burden hours by 57,405, to 869,685 hours per year. The increase in burden hours is due to the following program changes and administrative adjustments:

- **New Item:**  
Based on the proposed rulemaking, the USPTO wishes to add a new item, amendments, into this collection. The USPTO estimates that it will take 2 hours to complete the amendments and 267 amendments (paper and electronic) will be submitted per year, for an estimated 534 hours per year. **Therefore, the USPTO estimates that the collection would have a burden increase of 534 hours due to the proposed addition of amendments into the collection. This estimated increase is due to a program change.**
- **Elimination of Several Requirements:**  
Based on the proposed rulemaking, the USPTO wishes to eliminate several requirements and add one small requirement of subheading(s) for the appeal brief. The USPTO expects that the elimination of these requirements will offset the addition of the small requirement and result in an overall reduction of the completion time for the briefs from 34 to 31 hours. The USPTO estimates that the proposed rule will reduce the burden hours by 69,435 hours per year. The USPTO expects, however, that this reduction will be offset by an estimated increase in the number of appeal briefs filed per year. The USPTO estimates that the number of appeal briefs will increase by 3,596 responses, from 23,145 to 26,741 responses per year. The USPTO estimates that this will increase the burden hours by 111,476. Taking into account the changes from the proposed rulemaking and the estimated increases in the number of submissions, the USPTO estimates that the burden hours will increase by a total of 42,041 hours, from 786,930 to 828,971 burden hours per year. **Therefore, the USPTO estimates that the collection will have an increase of 42,041 hours per year, with a reduction of 69,435 hours due to a program change offset by an increase of 111,476 hours due to an administrative adjustment.**
- **Estimated Increase in Responses:**  
Based on current projections, the USPTO estimates that the number of reply briefs (paper and electronic) will increase by 2,711 responses, from 4,947 to 7,658 responses per year. The USPTO estimates that this will increase the burden hours by 13,555

hours, from 24,735 to 38,290 hours per year. **Therefore, the USPTO estimates that the collection will have an increase of 13,555 hours per year due to an administrative adjustment.**

- **Estimated Increase in Responses:**

Based on current projections, the USPTO estimates that the number of requests for rehearing before the BPAI (paper and electronic) will increase by 255 responses, from 123 to 378 responses per year. The USPTO estimates that the burden hours will increase by 1,275 hours, from 615 to 1,890 hours per year. **Therefore, the USPTO estimates that the collection would have an increase of 1,275 hours per year due to an administrative adjustment.**

In sum, the USPTO estimates that this proposal will reduce the burden, but it will be offset by estimated increases in the submissions. The proposal to add amendments into this collection will add 534 hours to the collection. However, this increase will be offset by the proposal to eliminate several requirements from the appeal brief, which the USPTO estimates will reduce the burden hours by 69,435 hours per year, even with the addition of one small requirement of subheading(s) to the appeal brief. The USPTO expects that a total of 68,901 hours per year will be reduced due to the proposed rule. In addition to the changes from the proposed rule, the USPTO expects more briefs and requests (paper and electronic) to be filed. The USPTO estimates that the number of briefs and requests filed will increase by 6,562 responses, which in turn increases the burden hours for this collection by 126,306 hour per year. **Therefore, the USPTO estimates that this collection will have an overall increase of 57,405 hours, with a reduction of 68,901 hours due to a program change offset by an increase of 126,306 hours due to an administrative adjustment.**

#### Changes in Annual (Non-Hour) Costs

Based on changes in the Notice of Proposed Rule Making entitled “Rules of Practice Before the Board of Patent Appeals and Interferences in Ex Parte Appeals” (RIN 0651-AC37) and other changes not directly associated with the rule, the USPTO estimates that the annual (non-hour) costs for the collection will increase by \$1,593,340, from \$11,447,731 to \$13,041,071 per year. The increase in the annualized (non-hour) costs is due to program and administrative adjustments as outlined below:

- Based on the proposed rulemaking, the USPTO wishes to add amendments into the collection. This will add additional postage costs to the collection. The USPTO estimates that \$348 in postage costs will be added to the collection. **Therefore, the USPTO estimates that a total of \$348 in annual (non-hour) costs will be added to the collection due to program changes resulting from the proposed rulemaking.**
- In the currently approved collection, the cost of a flat rate Express Mail envelope is \$17.50. At this time, the cost of the same envelope has increased to \$18.30. However, the USPTO expects that the increased costs due to the postal rate change will be offset by the fact that the number of briefs and requests filed through EFS-Web

has been steadily increasing from roughly 50% to 93% of the total submissions. The USPTO estimates that the total postage costs associated with the briefs and requests will be reduced by \$203,048 per year. **Therefore, the USPTO estimates that \$203,048 in postage costs will be reduced from the collection as an administrative adjustment.**

- In the currently approved collection, the filing fees for the appeal briefs are estimated at \$11,200,140 per year. Based on current projections, the USPTO estimates that the number of appeal briefs filed will increase by 3,596 responses, from 23,145 to 26,741 responses per year. Based on these projections, the USPTO estimates the filing fees to increase by \$1,796,040, from \$11,200,140 to \$12,996,180 per year. **Therefore, the USPTO estimates that a total of \$1,796,040 in filing fees will be added to the collection due to an administrative adjustment.**

The USPTO estimates that the addition of amendments to the collection will add a total of \$348 in postage costs to the collection as a result of the proposed rulemaking. The USPTO estimates that the total program change for the collection will be an increase of \$348. With fewer briefs and requests filed in paper, the USPTO estimates that the postage costs for this collection will be reduced by \$203,048 per year. However, the USPTO expects that this reduction will be offset by an increase of \$1,796,040 in filing fees due to expected increases in the number of appeal briefs. Combining these costs, the USPTO estimates that the total administrative adjustment change for the collection will be an increase of \$1,592,992. **Therefore, the USPTO estimates that the total overall annual (non-hour) costs for this collection will increase by \$1,593,340 per year, with an increase of \$348 due to program changes and an increase of \$1,592,992 due to administrative adjustments.**

#### Summary Impact of Rule and Non-Rule Changes

The USPTO estimates that the total burden and annualized (non-hour) costs for this collection will increase by 6,829 responses, 57,405 burden hours, and \$1,593,340 in annualized costs as a result of program changes (rule) and administrative adjustments (non-rule).

Table 8 highlights the burden hour/annual (non-hour) costs changes discussed in greater detail in the above bullets. The burden changes shown in the table illustrate how the rule and non-rule changes impact the currently approved burden for this collection. These changes are calculated in Section 12 Estimate of Hour and Cost Burden to Respondents and Section 13 Total Annualized Cost Burden. Please note that these changes are not calculated in Table 8. This table merely illustrates the final impact of the rule/non-rule changes.

Table 8 lists the rule and non-rule changes separately by the type of impact, with the exception of appeal briefs, where the burden hour impact from the rule and estimated changes in the number of submissions are listed together. To better clarify the impact to



hourly burden for the appeal briefs and the overall burden for the collection, the rule and non-rule changes for the appeal briefs have been combined into one entry.

**Table 8: Summary Impact of Burden Hour and Annual Non-Hour Cost Changes Due to Program Changes and Administrative Adjustments Calculated in Sections 12 and 13.**

Impact	Type	Reason	Current	After Approval	Estimated Change (delta)
<b>RULE</b>					
Burden Hours	Program Change	Addition of Amendments, response of 2 hours	0 hours	534 hours	Increase of 534 hours
Postage	Program Change	Addition of Amendments	\$0	\$348	Increase of \$348
<b>NON RULE</b>					
Burden Hours	Administrative Adjustment	Estimated increased in reply brief filings	24,735 hours	38,290 hours	Increase of 13,555 hours
Burden Hours	Administrative Adjustment	Estimated increases in requests for rehearing before the BPAI filings	615 hours	1,890 hours	Increase of 1,275 hours
Postage Cost	Administrative Adjustment	Increased filings through EFS-Web offsets change in postal rates	\$247,591	\$44,543	Reduction of \$203,048
Filing Fees	Administrative Adjustment	Estimated increases in appeal brief filings	\$11,200,140	\$12,996,180	Increase of \$1,796,040
<b>RULE/NON RULE</b>					
<b>Rule</b> Burden Hours	Program Change	Decrease in response estimate of appeal brief preparation (from 34 to 31 hours per appeal brief) due to elimination of various requirements	786,930 hours	828,971 hours	Overall increase of 42,041 hours. This figure reflects an increase of 111,476 hours (based on the expected increase in the number of appeal brief filings as a result of non-rule related adjustments) <sup>1</sup> and a decrease of 69,435 hours (based on the reduction in burden as a result of the proposed rule changes). <sup>2</sup>
<b>Non-Rule</b> Burden Hours	Administrative Adjustment	Estimated increases in appeal brief filings			

<sup>1</sup> The increase of 111,476 hours reflects the difference between the current number of appeals approved under the collection (23,145) and the new estimate (26,741) multiplied by the new estimate of 31 hours (3,596 x 31 hrs) required to prepare an appeal brief.

<sup>2</sup> The decrease of 69,435 hours reflects the current number of appeals approved under the collection (23,145) multiplied by the 3 hour estimated savings per appeal brief as a result of the proposed rule changes.

**16. Project Schedule**

The USPTO does not intend to publish this information for statistical use.

**17. Display of Expiration Date of OMB Approval**

There are no forms associated with the items in this collection.

**18. Exception to the Certificate Statement**

This collection of information does not include any exceptions to the certificate statement.

**B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS**

This collection of information does not employ statistical methods.

**LIST OF REFERENCES**

- A. Information Quality Guidelines from Section 515 of Public Law 106-554, Treasury and General Government Appropriations Act for Fiscal Year 2001