

SUPPORTING STATEMENT
United States Patent and Trademark Office
Proposed Modification to
Third-Party Submissions and Protests
OMB CONTROL NUMBER 0651-0062
(January 2012)

A. JUSTIFICATION

1. Necessity of Information Collection

The United States Patent and Trademark Office (USPTO) is required by 35 U.S.C. 131 *et seq.* to examine an application for patent and, when appropriate, issue a patent. Currently, the provisions of 35 U.S.C. 122(c) and 37 CFR 1.99 and 1.291 govern the ability of a third party to have information entered and considered in, or to protest, a patent application pending before the USPTO.

However, the Leahy-Smith America Invents Act was enacted into law on September 16, 2011. See Pub. L. 112-29, 125 Stat. 284 (2011). Section 8 of the Leahy-Smith America Invents Act provides a new mechanism for third parties to submit to the USPTO, for consideration and inclusion in the record of a patent application, patents, published patent applications, or other printed publication of potential relevance to the examination of the application. Specifically, Section 8 of the Leahy-Smith America Invents Act amends 35 U.S.C. 122 by adding 35 U.S.C. 122(e), which enumerates certain conditions that apply to a third-party preissuance submission to the USPTO. Section 8 of the Leahy-Smith America Invents Act takes effect on September 16, 2012, and applies to any patent application filed before, on, or after the effective date.

The USPTO published a notice of proposed rulemaking titled “Changes to Implement the Preissuance Submissions by Third Parties Provision of the Leahy-Smith America Invents Act” (RIN 0651-AC67) in the *Federal Register*. In the notice, the USPTO proposed changes to the rules of patent practice to implement Section 8 of the Leahy-Smith America Invents Act. For example, the USPTO proposed to implement 35 U.S.C. 122(e) in a new rule 37 CFR 1.290 and to eliminate 37 CFR 1.99. In support of the proposed rulemaking, the USPTO is submitting this information collection to update the information requirements impacted by the creation of new rule 37 CFR 1.290 and the elimination of 37 CFR 1.99. Table 1 identifies the statutory and regulatory provisions that will be associated with the information requirements impacted by the changes proposed in the notice of proposed rulemaking:

Table 1: Impacted Information Requirements for Third-Party Submissions and Protests

Requirement	Statute	Rule
Third-Party Submissions in Nonissued Applications (formerly Third-Party Submissions in Published Applications)	35 U.S.C. §§ 122(c), 122(e) , 131 and 151	37 CFR 1.290

2. Needs and Uses

This information collection will be necessary so that the public may submit patents, published patent applications, and other printed publications to the USPTO for consideration in a patent application. The USPTO will use this information, as appropriate, during the patent examination process to assist in evaluating the patent application.

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 this information collection and its supporting statement comply with all applicable information quality guidelines, i.e., the 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.

Table 2 outlines how this information will be used by the public and by the USPTO:

Table 2: Needs and Uses for Third-Party Submissions and Protests

Form and Function	Form #	Needs and Uses
Third-Party Submissions in Nonissued Applications	PTO/SB/429	<ul style="list-style-type: none">• Used by third parties to submit patents, published patent applications, or other printed publications of potential relevance to the examination of an application, together with a concise description of the asserted relevance of each document submitted, in accordance with 37 CFR 1.290.• Used by third parties to submit prior art documents in accordance with the peer review pilot program.• Used by the USPTO to enter third party-submitted patents, published patent applications, or other printed publications in the application file, in accordance with 37 CFR 1.290.• Used by the USPTO to enter third party-submitted prior art documents in the application file, in accordance with the peer review pilot program.

3. Use of Information Technology

The USPTO plans to permit third-party preissuance submissions to be filed via its electronic filing system (EFS-Web); however, third party preissuance submissions would not be automatically entered into the electronic image file wrapper (IFW) for an application. Instead, preissuance submissions would be reviewed to determine compliance with 35 U.S.C. 122(e) and new 37 CFR 1.290 before being entered into the IFW. Third parties filing preissuance submissions electronically via EFS-Web will receive immediate, electronic acknowledgement of the USPTO's receipt of the submission, instead of waiting for the USPTO to mail a return postcard.

The current EFS-Web Legal Framework prohibits third-party submissions under 37 CFR 1.99 in patent applications because electronically filed documents are instantly loaded

into the IFW. See Legal Framework for Electronic Filing System – Web (EFS-Web), 74 FR 55200, 55202, 55206-7 (October 27, 2009). Because third-party preissuance submissions would be permitted to be filed electronically, under the proposed rule, the USPTO intends to protect applicants by establishing procedures to determine whether a third-party preissuance submission is in compliance with the requirements of the new 37 CFR 1.290 before entering the submission into the EFW of an application or making the submission available to an examiner for consideration. The USPTO intends to complete such determination promptly following receipt of the submission so that compliant preissuance submissions would be quickly entered into the IFW and made available to the examiner for consideration. Non-compliant third-party preissuance submissions would not be entered into the IFW of an application or considered and would be discarded. Also, no refund of the required fees would be provided in the event a preissuance submission is determined to be non-compliant. If an electronic mail message address is provided with a third-party preissuance submission, the USPTO may attempt to notify the third party submitter of such non-compliance; however, the statutory time period for making a preissuance submission would not be tolled by the initial non-compliant submission.

4. Efforts to Identify Duplication

The information collected will be required to process third-party submissions in pending applications that have yet to issue as patents. This information will not be collected elsewhere and will not result in a duplication of effort.

5. Minimizing the Burden to Small Entities

This collection of information will not impose a significant economic impact on a substantial number of small entities. The burden to all entities, including small entities, imposed by the information requirements associated with the rules proposed in the notice of proposed rulemaking is a minor addition to that of the current regulations for third-party submissions under § 1.99. Consistent with the current regulations, the USPTO will continue to require third parties filing submissions to, for example, file a listing of the documents submitted along with a copy of each document with minor additional formatting requirements. Additional requirements proposed in the notice of proposed rulemaking are requirements of statute (e.g. the concise explanation) and thus the sole means of accomplishing the purpose of the statute. The same information will be required from every member of the public and will not be available from any other source.

6. Consequences of Less Frequent Collection

This information will be collected only when the public submits a third-party submission. If this information were not collected, the USPTO would not be able to balance the mandate of 35 U.S.C. § 122(e) and the USPTO's authority and responsibility under 35 U.S.C. §§ 131 and 151 to issue a patent only if "it appears that the applicant is entitled to a patent under the law." This information could not be collected less frequently.

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 published a notice of proposed rulemaking titled “Changes to Implement the Preissuance Submissions by Third Parties Provision of the Leahy-Smith America Invents Act” (RIN 0651-AC67) in the *Federal Register*.

The USPTO has long-standing relationships with groups from who patent application data is collected, such as the American Intellectual Property Law Association (AIPLA), as well as patent bar associations, independent 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.

9. Payment or Gifts to Respondents

This information collection does not involve a payment or gift to any respondent.

10. Assurance of Confidentiality

The information will be collected from members of the public, who, as third parties, have elected to submit for consideration and inclusion in the record of a patent application, any patent, published patent application, or other printed publication of potential relevance to the examination of the application. The confidentiality of patent applications is governed by statute (35 U.S.C. § 122) and regulation (37 CFR 1.11 and 1.14), and upon publication of an application or issuance of a patent, the entire patent application file is made available to the public, subject to provisions for providing only a redacted copy of the file contents. The disclosure of the invention in the application is the *quid pro quo* for the property right conferred by the patent grant and the very means by which the patent statute achieves its constitutional objective of “promot[ing] the progress of science and useful arts.” The prosecution history contained in the application file, including the consideration given to preissuance submissions by third parties, is critical for determining the scope of the property right conferred by a patent grant.

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 a total of 1,030 responses per year for this collection, of which 250 will be filed by small entities. In particular, the USPTO estimates that it will receive 730 responses per year under proposed new rule 37 CFR 1.290, and 300 responses per year under the preexisting peer review pilot program. The USPTO estimates that 950 of the 1,030 total responses will be filed electronically.
- Burden Hour Calculation Factors**
 The USPTO estimates that it will take the public 10 hours to gather the necessary information, prepare the appropriate form or documents, and submit the information to the USPTO.
- Cost Burden Calculation Factors**
 The USPTO uses a professional rate of \$340 per hour for respondent cost burden calculations, which is the median rate for attorneys in private firms as shown in the 2011 *Report of the Economic Survey* published by the American Intellectual Property Law Association (AIPLA).

Table 3: Burden Hour/Burden Cost to Respondents for Third-Party Submissions and Protests

Item	Hours (a)	Responses (yr) (b)	Burden (hrs/yr) (a) x (b) (c)	Rate (\$/hr) (d)	Total Cost (\$/hr) (c) x (d) (e)
EFS-Web Third-Party Submissions in Nonissued Applications	10	950	9,500	\$340.00	\$3,230,000.00
Paper Third-Party Submissions in Nonissued Applications	10	80	800	\$340.00	\$272,000.00
TOTAL	- - - -	1,030	10,300	- - - -	\$3,502,000.00

The proposed addition to this information collection, plus the approved burden in the current inventory, will result in the total burden estimates shown below for the third-party submissions:

Current inventory responses = 1,225
 Current inventory burden hours = 9,350
 Current inventory burden hour costs = \$3,038,750

Impact on responses due to the proposed addition = decrease of 130
 Impact on burden hours due to the proposed addition = increase of 1,600
 Impact on burden hour costs due to the proposed addition = increase of \$674,500

Total estimated responses after the proposed addition = 1,095
Total estimated burden hours after the proposed addition = 10,950
Total estimated burden hour costs after the proposed addition = \$3,713,250

13. Total Annualized (Non-hour) Cost Burden

There will be filing fees associated with this information collection. The current rules of practice (37 CFR 1.99) provide for a third-party submission of up to ten documents for the fee set forth in 37 CFR 1.17(p) (currently \$180.00). The USPTO expects the processing costs to the USPTO for third-party preissuance submissions under new 37 CFR 1.290 to be equivalent to the processing costs to the USPTO for submissions under 37 CFR 1.99. Accordingly, the USPTO has determined that the fee set forth in 37 CFR 1.17(p) would also be applicable to third-party preissuance submissions under 37 CFR 1.290 and proposes in the notice of proposed rulemaking to require the fee set forth in 37 CFR 1.17(p) for every ten documents, or fraction thereof, listed in each third-party preissuance submission. The USPTO proposes in the notice of proposed rulemaking to provide an exemption from this fee requirement where a preissuance submission listing three or fewer total documents is the first preissuance submission submitted in an application by a third party, or a party in privity with the third party. Taking the proposed fee and exemption into account, the USPTO estimates that the average fee for the 730 third-party submissions estimated to be received under proposed new rule 37 CFR 1.290 will be \$180, for a cost of \$131,400 in filing fees.

There will continue to be no fee for filing a third-party submission under the peer review pilot program.

Customers may incur postage costs when submitting the information in this collection to the USPTO by mail through the United States Postal Service. The USPTO estimates that the average first class postage cost for a mailed one-pound submission will be \$4.95 and approximately 80 submissions will be submitted to the USPTO requiring postage. Therefore, the estimated postage cost for this collection will be \$396.

However, the USPTO is removing \$5,172 in postage costs from this collection attributed to the third party submissions. Under the notice of proposed rulemaking, third-party preissuance submissions would be permitted to be filed through EFS-Web, and the USPTO estimates that most third-party submissions will be submitted through EFS-Web. Specifically, the USPTO estimates that only seven percent of third-party submissions will be subject to postage.

Currently approved annual (non-hour) costs = \$35,590
Impact due to the proposed addition = increase of \$97,428
Total estimated annual (non-hour) costs after the proposed addition = \$133,018

14. Annual Cost to the Federal Government

The USPTO estimates that it will take a GS-7, step 1 employee approximately 30 minutes (0.5 hours) to process a third-party submission. The USPTO estimates that the cost of a GS-7, step 1 employee is currently \$26.29 (GS hourly rate of \$20.22 with 30% (\$6.07) added for benefits and overhead).

Table 6 calculates the burden hours and cost to the Federal Government for processing this information collection:

Table 4: Burden Hour/Burden Cost to the Federal Government for Third-Party Submissions and Protests

Item	Hours (a)	Responses (yr) (b)	Burden (hrs/yr) (a) x (b) (c)	Rate (\$/hr) (d)	Total Cost (\$/hr) (c) x (d) (e)
Third-Party Submissions in Nonissued Applications	0.5	1,030	515	\$26.29	\$13,539.00
TOTAL	- - - -	1,030	515	- - - -	\$13,539.00

Current government cost burden = \$16,116

Impact due to the proposed addition = decrease of \$1,709

Total estimated government cost burden after the proposed addition = \$14,407

15. Summary of Changes in Burden Since Previous Renewal

OMB previously approved the renewal of this collection in March of 2011 with a total of 1,225 responses, 9,350 burden hours, and \$35,590 in annualized (non-hour) costs. There have been no interim approvals.

For this notice of proposed rulemaking, the USPTO estimates that the total annual responses will be 1,030 and the total annual burden hours will be 10,300, which is a decrease of 130 responses and an increase of 1,600 burden hours from the currently approved burden for this collection. This decrease in responses and increase in burden hours is due to a program change.

The total annual (non-hour) cost burden for this renewal of \$133,018 is an increase of \$97,428 from the currently approved total of \$35,590. This increase is due to a program change. As a result of the notice of proposed rulemaking, the USPTO estimates that it will receive 730 third-party submissions under proposed new rule 1.290, and the 730 third-party submissions will be subject to an average fee of \$180. The notice of proposed rulemaking will also result in the elimination of \$5,172 in postage costs for this item as 93% of the third party submissions will now be submitted through EFS-Web.

Changes in Respondent Cost Burden

As noted in Section 12 above, the USPTO estimates the hourly rate for respondents at rates published in the American Intellectual Property Law Association (AIPLA) Report of

the Economic Survey, which is published every two years. At the time of the renewal the USPTO estimated the hourly respondent cost burden based on a rate of \$325 per hour from the 2009 Report. For this proposed modification, the estimated rate has increased to \$340 per hour, based on the 2011 Report.

The rate updates have resulted in the following changes in annual respondent cost burden:

- **Increase of \$674,500 overall** from \$3,038,750 to \$3,713,250

Changes in Annual (Non-hour) Costs

For this renewal, the USPTO estimates a net increase in total (non-hour) costs of \$151,388 (from \$35,590 to \$186,978) as a program change, as follows:

Program Change:

- **Increase of \$97,428.** This collection is currently approved with \$28,800 in filing fees for third-party submissions. For this submission, the USPTO estimates that the filing fees will increase to \$131,400 because the 730 third-party submissions estimated to be received under proposed new rule 37 CFR 1.290 will be subject to an average filing fee of \$180.00 under 37 CFR 1.17(p), for an increase of \$102,600. This increase is offset by a decrease in postage costs of \$5,172 due to the expectation that a majority of third-party submissions will be filed electronically (93%), for a total net increase of \$97,428.

16. Project Schedule

The USPTO does not plan to publish this information for statistical use or any other purpose.

17. Display of Expiration Date of OMB Approval

The form in this information collection, PTO/SB/429, will display the OMB Control Number and the expiration date.

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.