

**SUPPORTING STATEMENT**  
**United States Patent and Trademark Office**  
**Patent Review and Derivation Proceedings**  
**OMB CONTROL NUMBER 0651-00xx**  
**(January 21, 2012)**

**A. Justification**

**1. Necessity of Information Collection**

The Leahy-Smith America Invents Act, which was enacted into law on September 16, 2011, provides for many changes to the current Board of Patent Appeals and Interference procedures. See Pub. L. 112-29, 125 Stat. 284 (2011). One such change is to rename the Board of Patent Appeals and Interferences to the Patent Trial and Appeal Board (Board) effective September 16, 2012. Other changes include the introduction of *inter partes* review, post-grant review, derivation proceedings, and the transitional program for covered business method patents. In order to implement the provisions of the Leahy-Smith America Invents Act that provide for trials to be conducted by the Board, the United States Patent and Trademark Office (USPTO) published six notices of proposed rulemaking in the *Federal Register*, as described in the following paragraphs.

The notice of proposed rulemaking titled “Rules of Practice for Trials Before the Patent Trial and Appeal Board and Judicial Review of Patent Trial and Appeal Board Decisions” (RIN 0651-AC70) proposes new rules of practice that provide for a consolidated set of rules for the newly proposed trial procedures and that provide for a consolidated set of rules for seeking judicial review of Board decisions. These rules establish the procedures for judicial review of the final decisions of the Board in *inter partes* reviews, post-grant reviews, covered business method patent reviews and derivation proceedings, and revises the provisions related to filing an appeal or commencing a civil action in an interference under 35 U.S.C. §§ 141 or 146. They also provide for other related filings for these proposed procedures, such as fees, requests for oral hearings, requests to treat a settlement as business confidential, requests for adverse judgments, default adverse judgments or settlements, and petitions to make a settlement agreement available.

The notice of proposed rulemaking titled “Changes to Implement *Inter Partes* Review Proceedings” (RIN 0651-AC71) proposes new rules of practice to implement the new *inter partes* review proceedings provided for by the Leahy-Smith America Invents Act. The proposed rules set forth the requirements for filing the new petition for *inter partes* review, for filing responses to such petitions, and for filing motions, replies, and oppositions after such a review has been instituted. These provisions of the Leahy-Smith America Invents Act take effect on September 16, 2012 and apply to any patent issued before, on, or after the effective date.

The notice of proposed rulemaking titled “Changes to Implement Post-Grant Review Proceedings” (RIN 0651-AC72) proposes new rules of practice to implement the new post-

grant review proceedings provided for by the Leahy-Smith America Invents Act. The proposed rules set forth the requirements for filing the new petition for post-grant review, for filing responses to such petitions, and for filing motions, replies, and oppositions after such a review has been instituted. These provisions of the Leahy-Smith America Invents Act take effect on September 16, 2012 and generally apply to patents issuing from applications subject to the first-inventor-to-file provisions of the Leahy-Smith America Invents Act.

The notice of proposed rulemaking titled “Changes to Implement Transitional Program for Covered Business Method Patents” (RIN 0651-AC73) proposes new rules of practice to implement the new transitional post-grant review proceedings for covered business method patents provided for by the Leahy-Smith America Invents Act. The proposed rules set forth the requirements for filing the new petition for covered business method patent review. These provisions of the Leahy-Smith America Invents Act take effect on September 16, 2012 and will be repealed on September 16, 2020, with respect to any new petitions filed under the transitional program.

The notice of proposed rulemaking titled “Changes to Implement Derivation Proceedings” (RIN 0651-AC74) proposes new rules of practice to implement the new derivation proceedings provided for by the Leahy-Smith America Invents Act. The proposed rules set forth the requirements for filing the new petition for derivation, and for filing motions, replies, and oppositions, as well as arbitration agreements and awards. These provisions of the Leahy-Smith America Invents Act take effect on March 16, 2013 and generally apply to applications for patent, and any patent issuing thereon, subject to first-inventor-to-file provisions of the Leahy-Smith America Invents Act.

The notice of proposed rulemaking titled “Transitional Program for Covered Business Method Patents – Definition of Technological Invention” (RIN 0651-AC75) proposes the requirements for determining whether a patent is for a technological invention. Patents for technological inventions cannot be reviewed under the new transitional post-grant review proceedings for covered business method patents provided for by the Leahy-Smith America Invents Act.

In support of these proposed rulemakings, the USPTO is submitting this information collection request to OMB to obtain approval for the new information collection requirements proposed by these rulemakings and to establish a new information collection titled “Patent Review and Derivation Proceedings.” Requirements in common for the new trial proceedings are proposed in RIN 0651-AC70, thus most of the information collection requirements are based on requirements in that notice. RIN 0651-AC71-0651-AC75 provide details of certain proceeding specific aspects of those requirements. RIN 0651-AC74 adds arbitration and related requirements to this information collection as the LSAIA’s arbitration provisions were limited to derivation proceedings.

Table 1 provides the specific statutes and regulations requiring the USPTO to collect the information discussed above:

**Table 1: Information Requirements for Patent Review and Derivation Proceedings**

Requirement	Statute	Rule
Petition for <i>Inter Partes</i> Review	35 U.S.C. § 312	37 CFR 42.5, 42.6, 42.8, 42.11, 42.13, 42.20, 42.21, 42.22, 42.24(a)(1), 42.63, 42.65, and 42.101 through 42.105
Petition for Post-Grant Review or Covered Business Method Patent Review	35 U.S.C. § 322	37 CFR 42.5, 42.6, 42.8, 42.11, 42.13, 42.20, 42.21, 42.22, 42.24(a)(2), 42.24(a)(3), 42.63, 42.65, 42.201 through 42.205, and 42.302 through 42.304
Petition for Derivation	35 U.S.C. § 135	37 CFR 42.5, 42.6, 42.8, 42.11, 42.13, 42.20, 42.21, 42.22, 42.24(a)(4), 42.63, 42.65, 42.402 through 42.406
Reply to Petition for <i>Inter Partes</i> Review	35 U.S.C. § 313	37 CFR 42.6, 42.8, 42.11, 42.13, 42.21, 42.23, 42.24(c), 42.51, 42.52, 42.53, 42.54, 42.63 and 42.65
Reply to Petition for Post-Grant Review or Covered Business Method Patent Review	35 U.S.C. § 323	37 CFR 42.6, 42.8, 42.11, 42.13, 42.21, 42.23, 42.24(c), 42.51, 42.52, 42.53, 42.54, 42.63 and 42.65
Request for Reconsideration	35 U.S.C. §§ 2(b)(2), 316(a)(13), and 326(a)(12)	37 CFR 42.71
Motions, Replies and Oppositions After Institution in <i>Inter Partes</i> Review	35 U.S.C. § 316	37 CFR 42.6, 42.8, 42.11, 42.13, 42.21, 42.22, 42.23, 42.24(a)(5), 42.24(b), 42.24(c), 42.51, 42.52, 42.53, 42.54, 42.63, 42.64, 42.65, 42.107, 42.120, 42.121, and 42.123
Motions, Replies and Oppositions After Institution in Post-Grant Review or Covered Business Method Review	35 U.S.C. § 326	37 CFR 42.6, 42.8, 42.11, 42.13, 42.21, 42.22, 42.23, 42.24(a)(5), 42.24(b), 42.24(c), 42.51, 42.52, 42.53, 42.54, 42.63, 42.64, 42.65, 42.221, 42.207, 42.220 and 42.223
Motions, Replies and Oppositions in Derivation Proceeding	35 U.S.C. § 135(b)	37 CFR 42.6, 42.8, 42.11, 42.13, 42.21, 42.22, 42.23, 42.24(a)(5), 42.24(b), 42.24(c), 42.51, 42.52, 42.53, 42.54, 42.63, 42.64, 42.65
Request for Oral Hearing	35 U.S.C. §§ 2(b)(2), 316(a)(10), and 326(a)(10)	37 CFR 42.70
Request to Treat a Settlement as Business Confidential	35 U.S.C. §§ 135(e), 317(a), and 327(a)	37 CFR 42.74(c) and 42.410
Request for Adverse Judgment, Default Adverse Judgment or Settlement	35 U.S.C. §§ 2(b)(2), 135(e), 317, and 327	37 CFR 42.73(b) and 42.74(b)
Arbitration Agreement and Award	35 U.S.C. § 135(f)	37 CFR 42.410
Request to Make a Settlement Agreement Available	35 U.S.C. §§ 135(e), 317(b), and 327(b)	37 CFR 42.74(c)
Notice of Judicial Review of a Board Decision (e.g., Notice of Appeal Under 35 U.S.C. § 142)	35 U.S.C. §§ 141, 142, 145, and 146	37 CFR 90.1 through 90.3

## 2. Needs and Uses

The public will use this new information collection to petition the Board to initiate *inter partes* reviews, post-grant reviews, covered business method patent reviews, and derivation proceedings, as well as initiate other actions, that are set forth in the six notices of proposed rulemaking and provided for by the Leahy-Smith America Invents Act.

In addition to the proposed rules, the USPTO has also developed a Trial Practice Guide that provides different scenarios based on the proposals in the rulemakings. Once the final rules are implemented, the USPTO will revise the Trial Practice Guide accordingly. A copy of the Trial Practice Guide is available on the USPTO Internet Web site at [www.uspto.gov](http://www.uspto.gov). The Board will use the information collected under these proposed rules in deciding the various proceedings.

The Board disseminates certain information that it collects through various publications and databases. This information includes opinions, binding precedent, and judgments in trials and derivation proceedings.

Opinions authored by the Board have varying degrees of authority attached to them. There are precedential opinions, which when published, are binding and provide the criteria and authority that the Board will use to decide all other factually similar cases (until the opinion is overruled or changed by statute). There are informative opinions which are non-precedential and illustrate the norms of Board decision-making for the public. The final type of Board opinion is the routine opinion. Routine opinions are also non-precedential and are publicly available opinions that are not designated as precedential or informative. Since public policy favors a widespread publication of opinions, the Board publishes all publicly available opinions, even if the opinions are not binding precedent upon the Board.

An opinion of the Board made precedential by the procedures contained in the Board's Standard Operating Procedures, whether the current or earlier versions, is considered to be binding precedent. Other Board opinions which are published or otherwise disseminated are not considered binding precedent of the Board.

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. 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 collection of information is used by the public and the USPTO:

**Table 2: Needs and Uses of Information Collected for Patent Review and Derivation Proceedings**

Form and Function	Form #	Needs and Uses
Petition for <i>Inter Partes</i> Review	No Form Associated	<ul style="list-style-type: none"> <li>• Used by parties who are not the owners of a patent to file a petition to institute an <i>inter partes</i> review of a patent.</li> <li>• Used by parties to request to cancel as unpatentable one or more claims of a patent only on a ground that could be raised under 35 U.S.C. § 102 or 103 and only on the basis of prior art consisting of patents or printed publications.</li> <li>• Used by parties to demonstrate that they have standing to file the petition (i.e., the patent is available for <i>inter partes</i> review and the petitioner is not barred from requesting such review).</li> <li>• Used by the Board to determine whether to institute an <i>inter partes</i> review including whether the petition identifies all real parties in interest, identifies each claim challenged (including the grounds on which the challenge to each claim is based, and the evidence that supports the grounds), provides copies of the necessary documents, and that the necessary fee is included.</li> </ul>
Petition for Post-Grant Review or Covered Business Method Patent Review	No Form Associated	<ul style="list-style-type: none"> <li>• Used by parties who are not owners of a patent to file a petition to institute a post-grant review of a patent.</li> <li>• Used by parties to request to cancel as unpatentable one or more claims of a patent on any ground that could be raised under 35 U.S.C. § 282(b)(2) or (3) (relating to invalidity of the patent or any claim) as part of a post-grant review.</li> <li>• Used by parties to file a petition for a transitional proceeding with respect to a covered business method patent when the person or person's real party in interest or privy has been sued for infringement of the patent or has been charged with infringement under that patent.</li> <li>• Used by the Board to determine whether to institute a post-grant review including whether the petition identifies all real parties in interest, identifies each claim challenged (including the grounds on which the challenge to each claim is based and the evidence that supports the grounds), provides copies of the necessary documents, and that the necessary fee is included.</li> <li>• Used by the Board to determine whether to institute a transitional proceeding for covered business method patents including whether a claim is a method or corresponding apparatus for performing data processing or other operations used in the practice, administration, or management of a financial product or service and not a technological invention.</li> </ul>
Petition for Derivation	No Form Associated	<ul style="list-style-type: none"> <li>• Used by an applicant for patent to petition the Board to institute a derivation proceeding.</li> <li>• Used by the applicant to demonstrate that they have standing to file the petition for derivation (i.e., timely filing a petition that demonstrates that the earlier filed application derived the claimed invention and was filed by another inventor without authorization and that the applicant has taken steps to obtain patent protection for the invention).</li> <li>• Used by the Board to determine whether to institute a derivation proceeding as long as the necessary requirements are met (i.e., the petition identifies the precise relief requested, the petition is filed within one year after the first publication of a claim to an invention, the fee is submitted with the petition).</li> </ul>
Reply to Petition for <i>Inter Partes</i> Review	No Form Associated	<ul style="list-style-type: none"> <li>• Used by patent owner to set forth reasons why no <i>inter partes</i> review should be instituted.</li> <li>• Used by the Board together with the petition for <i>inter partes</i> review to determine whether to institute an <i>inter partes</i> review.</li> </ul>
Reply to Petition for Post-Grant Review or Covered Business Method Patent Review	No Form Associated	<ul style="list-style-type: none"> <li>• Used by patent owner to set forth reasons why no post-grant review or covered business method review should be instituted.</li> <li>• Used by the Board together with the petition for post-grant review or covered business method review to determine whether to institute a</li> </ul>

Form and Function	Form #	Needs and Uses
		post-grant review or covered business method review.
Request for Reconsideration	No Form Associated	<ul style="list-style-type: none"> <li>• Used by parties to request the Board to reconsider the decision not to institute a trial or another decision.</li> <li>• Used by the Board to review the original decision to not institute a trial or another decision.</li> </ul>
Motions, Replies and Oppositions After Institution in <i>Inter Partes</i> Review	No Form Associated	<ul style="list-style-type: none"> <li>• Used by parties to seek relief in a proceeding including motions to amend, motions to exclude evidence, motions to seal, motions for joinder, motions to file supplemental information, motions for judgment based on supplemental information, motions for observations on cross-examination, and motions to correct clerical or typographical mistakes in a petition for <i>inter partes</i> review.</li> <li>• Used by the opposing parties to set forth the reasons why the Board should not grant the relief sought in a motion.</li> <li>• Used by the Board in issuing a final written decision with respect to patentability of a challenged patent claim.</li> </ul>
Motions, Replies and Oppositions After Institution in Post-Grant Review or Covered Business Method Review	No Form Associated	<ul style="list-style-type: none"> <li>• Used by parties to seek relief in a proceeding including motions to amend, motions to exclude evidence, motions to seal, motions for joinder, motions to file supplemental information, motions for judgment based on supplemental information, motions for observations on cross-examination, and motions to correct clerical or typographical mistakes in a petition for post-grant review or covered business method patent review.</li> <li>• Used by the opposing parties to set forth the reasons why the Board should not grant the relief sought in a motion.</li> <li>• Used by the Board in issuing a final written decision with respect to patentability of a challenged patent claim.</li> </ul>
Motions, Replies and Oppositions in Derivation Proceeding	No Form Associated	<ul style="list-style-type: none"> <li>• Used by parties to seek relief in a proceeding including motions to amend, motions to exclude evidence, motions to seal, motions for joinder, motions to file supplemental information, motions for judgment based on supplemental information, motions for observations on cross-examination, and motions to correct clerical or typographical mistakes in a petition for a derivation proceeding.</li> <li>• Used by the opposing parties to set forth the reasons why the Board should not grant the relief sought in a motion.</li> <li>• Used by the Board in issuing a final written decision with respect to the alleged derivation.</li> </ul>
Request for Oral Hearing	No Form Associated	<ul style="list-style-type: none"> <li>• Used by parties to request an oral hearing.</li> <li>• Used by the Board to schedule an oral hearing if appropriate.</li> </ul>
Request to Treat a Settlement as Business Confidential	No Form Associated	<ul style="list-style-type: none"> <li>• Used by parties to request that the settlement agreement be kept confidential and be filed separately from the patent or application file.</li> <li>• Used by the Board to provide that the settlement agreement be designated as business confidential and kept separately from the publicly available patent or application files.</li> </ul>
Request for Adverse Judgment, Default Adverse Judgment or Settlement	No Form Associated	<ul style="list-style-type: none"> <li>• Used by a party to concede the contest.</li> <li>• Used by the Board to render judgment against the party conceding the contest.</li> </ul>
Arbitration Agreement Award	No Form Associated	<ul style="list-style-type: none"> <li>• Used by parties to give notice to the Office of the result of an arbitration between parties.</li> <li>• Used by the Board to update the records of an instituted derivation proceeding.</li> </ul>
Request to Make a Settlement Agreement Available	No Form Associated	<ul style="list-style-type: none"> <li>• Used by a requester to gain access to a settlement agreement.</li> <li>• Used by the Board to determine whether the requester may be granted access to the settlement agreement.</li> </ul>

Form and Function	Form #	Needs and Uses
Notice of Judicial Review of a Board Decision (e.g., Notice of Appeal Under 35 U.S.C. § 142)	No Form Associated	<ul style="list-style-type: none"> <li>• Used by parties to notify the USPTO that a party has filed a notice of appeal or election.</li> <li>• Used by the Board to recognize that the final decision of the Board has been appealed.</li> </ul>

### 3. Use of Information Technology

Under the proposed rulemakings, the USPTO is proposing that all of the patent review and derivation proceeding papers be filed electronically, unless otherwise authorized by the Board. The Board did consider proposing a mandatory electronic filing system and a paper filing system, but determined that there would be difficulties with both approaches. The Board feels that a mandatory electronic filing system may result in unnecessary cost and burdens, especially in cases where a party lacks the ability to file electronically. Based upon the Board's previous experience, a paper based filing system may increase delay in processing the papers, a delay in public availability, and the possibility that a paper could be misplaced and that confidential papers could accidentally be made available to the wrong party or more widely to the public. With the proposal that all of the patent review and derivation proceeding papers be filed electronically unless otherwise authorized, the Board envisions that the entity's size and sophistication would be considered in determining whether alternative filing methods would be authorized.

As a result of the new proceedings proposed by the rulemakings, the USPTO is developing a system called Patent Review Processing System (PRPS). This system will allow parties to file the new proceedings electronically.

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 in published applications through the USPTO e-FOIA website.

### 4. Efforts to Identify Duplication

This information is collected only when parties file petitions and other associated papers for *inter partes* reviews, post-grant reviews, covered business method patent review, and derivations. This collection does, in part, solicit data already available at the USPTO, in that certain copies of evidence may have been submitted earlier as part of the patent examination process of the application that resulted in the patent under review. The duplication of effort is limited, however, and the agency considers it necessary. In order to be clear as to the evidence, copies of evidence relied on in the *inter partes* review, the post-grant review, the covered business method patent review, and the derivation proceeding need to be filed with the petition or in the proceeding. While the copies of

evidence required by the petitions may be duplicates of evidence already in the file of the application that resulted in the patent under review, the necessity of absolute clarity as to the evidence relied on outweighs the burden on the public.

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

The same information is required from every applicant, and this information is not available from any other source.

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

This information is collected only when a member of the public files petitions for *inter partes* review, post-grant review, covered business method patent review, or an applicant files a petition seeking a derivation proceeding or files any of the replies, requests, motions, oppositions, or other papers associated with these proceedings. This information is not collected elsewhere. Therefore, this collection of information could not be conducted less frequently. If this information was not collected, the Board could not ensure that the petitioner has submitted all of the necessary information (and applicable fees) necessary to initiate these new proceedings, nor could the Board determine whether the proceeding should be instituted. If this information was not collected, the Office could not comply with the requirements of 35 U.S.C. §§ 135, 141 and 142, 145 and 146, 312 and 313, 316 and 317, 322 and 323, 326 and 327 and proposed 37 CFR Part 42 and 90.

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

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

## **8. Consultations Outside the Agency**

The USPTO published six notices of proposed rulemaking outlining changes in the rules of practice in proceedings before the Patent Trial and Appeal Board and proposing new appeal procedures in the *Federal Register*. The changes and new proceedings proposed in the rulemakings are provided for by the Leahy-Smith America Invents Act. These six proposed rulemakings are titled as follows:

- “Rules of Practice for Trials Before the Patent Trial and Appeal Board and Judicial Review of Patent Trial and Appeal Board Decisions” (RIN 0651-AC70)
- “Changes to Implement *Inter Partes* Review Proceedings” (RIN 0651-AC71)
- “Changes to Implement Post-Grant Review Proceedings” (RIN 0651-AC72)
- “Changes to Implement Transitional Program for Covered Business Method Patents” (RIN 0651-AC73)
- “Changes to Implement Derivation Proceedings” (RIN 0651-AC74)



- “Transitional Program for Covered Business Method Patents – Definition of Technological Invention” (RIN 0651-AC75)

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.

## **10. Assurance of Confidentiality**

Generally, the file of any *inter partes* review, post-grant review, covered business method patent review, and derivation would be available to the public. See 35 U.S.C. §§ 122, 316(a)(1), and 326(a)(1). In the notice of proposed rulemaking titled “Rules of Practice for Trials Before the Patent Trial and Appeal Board and Judicial Review of Patent Trial and Appeal Board Decisions,” the Board proposes rules that provide for protective orders governing the exchange and submission of confidential information in Board proceedings. In proposed 37 CFR 42.55, petitioners filing confidential information can file, concurrently with the filing of the petition, a motion for a protective order as to the confidential information. Under these proposals, the petitioner must serve the patent owner the confidential information and can do so under seal. The patent owner may then access the confidential information prior to the institution of a trial by agreeing to the terms of the motion for protective order. With this proposed rule, the Board seeks to streamline the process of seeking protective orders prior to the institution of the review while balancing the need to protect confidential information against an opponent’s need to access the information used to challenge the opponent’s claims.

In proposed 37 CFR 42.56, the Board outlines when the confidential information that is subject to a protective order would become public. Under these proposals, the Board envisions that confidential information submitted under a protective order would ordinarily become public 45 days after denial of a petition to institute a trial or 45 days after final judgment in a trial. Under 37 CFR 42.56, the Board proposes allowing a party to file a motion to expunge from the record confidential information prior to the information becoming public. The Board envisions that this proposal would balance the needs of the

parties to submit confidential information with the public interest in maintaining a complete and understandable file history for public notice purposes, especially since there is an expectation that information be made public where the existence of the information is referred to in a decision to grant or deny a request to institute a review identified in a final written decision. The Board believes that the proposed rule would encourage parties to redact sensitive information when possible rather than sealing the entire document.

In the notice of proposed rulemaking titled “Changes to Implement *Inter Partes* Review Proceedings,” as part of the requirements for a petition for *inter partes* review, the rule states that under 35 U.S.C. § 312(b) and 35 U.S.C. § 311, the USPTO will make the petition for *inter partes* review available to the public as soon as practicable after the receipt of the petition.

In the notice of proposed rulemaking titled “Changes to Implement Derivation Proceedings,” one of the new provisions added by the Leahy-Smith America Invents Act deals with the confidentiality of written settlement agreements. Under 35 U.S.C. § 135(e), as amended, a written settlement or understanding of the parties must be filed with the Director. At the request of a party, the written settlement can be treated as business confidential information. Upon such designation, this information will be kept separate from the file of the involved patents or applications, will only be made available to Government agencies on written request, and will only be made available to other persons upon showing of good cause.

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

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

## **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 4,967 responses per year for this collection, with approximately 562 of these responses submitted by small entities. Out of these 4,967 responses, the USPTO estimates that only 4 responses will be submitted in paper, while the rest will be submitted electronically.
- **Burden Hour Calculation Factors**  
The USPTO estimates that it will take the public approximately 6 minutes to 180 hours and 24 minutes (0.10 to 180.4 hours) to complete this information, depending on the situation. This includes the time to gather the necessary information, prepare the petitions, replies, requests, motions, oppositions, or other documents, and submit them to the USPTO. The USPTO estimates that it will take the same amount of time to complete the petition for *inter partes* review and the motions/replies/oppositions filed in *inter partes* review that are filed in paper as it does to complete those filed electronically.

- **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 Committee on Economics of Legal Practice of the American Intellectual Property Law Association (AIPLA).

**Table 3: Burden Hour/Burden Cost to Respondents for Patent Review and Derivation Proceedings**

Item	Hours (a)	Responses (yr) (b)	Burden (hrs/yr) (c) (a) x (b)*	Rate (\$/hr) (d)	Total Cost (\$/hr) (e) (c) x (d)
Petition for <i>Inter Partes</i> Review	135.3	460	62,238	\$340.00	\$21,160,920.00
Petition for Post-Grant Review or Covered Business Method Patent Review	180.4	50	9,020	\$340.00	\$3,066,800.00
Petition for Derivation	180.4	50	9,020	\$340.00	\$3,066,800.00
Reply to Petition for <i>Inter Partes</i> Review	100.0	406	40,600	\$340.00	\$13,804,000.00
Reply to Petition for Post-Grant Review or Covered Business Method Patent Review	100.0	45	4,500	\$340.00	\$1,530,000.00
Request for Reconsideration	80.0	146	11,680	\$340.00	\$3,971,200.00
Motions, Replies and Oppositions After Institution in <i>Inter Partes</i> Review	140.0	2,453	343,420	\$340.00	\$116,762,800.00
Motions, Replies and Oppositions After Institution in Post-Grant Review or Covered Business Method Review	130.0	342	44,460	\$340.00	\$15,116,400.00
Motions, Replies and Oppositions in Derivation Proceeding	120.0	210	25,200	\$340.00	\$8,568,000.00
Request for Oral Hearing	20.0	466	9,320	\$340.00	\$3,168,800.00
Request to Treat a Settlement as Business Confidential	2.0	20	40	\$340.00	\$13,600.00
Request for Adverse Judgment, Default Adverse Judgment or Settlement	1.0	103	103	\$340.00	\$35,020.00
Arbitration Agreement and Award	4.0	2	8	\$340.00	\$2,720.00
Request to Make a Settlement Agreement Available	1.0	20	20	\$340.00	\$6,800.00
Notice of Judicial Review of a Board Decision (e.g., Notice of Appeal Under 35 U.S.C. §142)	0.1	194	19	\$340.00	\$6,460.00
<b>Totals</b>	-----	<b>4,967</b>	<b>559,648</b>	-----	<b>\$190,280,320.00</b>

\* Note: Where applicable, burden hour sums have been rounded to the nearest whole number

### 13. Total Annual (Non-hour) Cost Burden

Of the six notices of proposed rulemakings related to this information collection, the USPTO estimates that five of them contain proposals that will add annual (non-hour) costs to this collection in the form of filing fees and postage costs. These NPRMs are “Rules of Practice for Trials Before the Patent Trial and Appeal Board and Judicial Review of Patent Trial and

Appeal Board Decisions” (RIN 0651-AC70), “Changes to Implement *Inter Partes* Review Proceedings” (RIN 0651-AC71), “Rules of Practice for Changes to Implement Post-Grant Review Proceedings” (RIN 0651-AC72), “Changes to Implement Transitional Program for Covered Business Method Patents” (RIN 0651-AC73), and “Changes to Implement Derivation Proceedings” (RIN 0651-AC74).

There are filing fees associated with the petitions for *inter partes* review, petitions for post-grant review or covered business method patent review, petitions for derivation, and requests to make a settlement agreement available. The USPTO estimates that the total filing fees associated with this collection will be approximately \$18,851,000 per year, as calculated in Table 4 below.

**Table 4: Filing Fees – Non-Hour Cost Burden for Patent Review and Derivation Proceedings**

Item	Responses (yr) (a)	Filing Fees (b)	Total Cost (yr) (a x b)
Petition for <i>Inter Partes</i> Review	460	\$35,800.00	\$16,468,000.00
Petition for Post-Grant Review or Covered Business Method Patent Review	50	\$47,100.00	\$2,355,000.00
Petition for Derivation	50	\$400.00	\$20,000.00
Reply to Petition for <i>Inter Partes</i> Review	406	\$0.00	\$0.00
Reply to Petition for Post-Grant Review or Covered Business Method Patent Review	45	\$0.00	\$0.00
Request for Reconsideration	146	\$0.00	\$0.00
Motions, Replies and Oppositions After Initiation in <i>Inter Partes</i> Review	2,453	\$0.00	\$0.00
Motions, Replies and Oppositions After Initiation in Post-Grant Review or Covered Business Method Review	342	\$0.00	\$0.00
Motions, Replies and Oppositions in Derivation Proceeding	210	\$0.00	\$0.00
Request for Oral Hearing	466	\$0.00	\$0.00
Request to Treat a Settlement as Business Confidential	20	\$0.00	\$0.00
Request for Adverse Judgment, Default Adverse Judgment or Settlement	103	\$0.00	\$0.00
Arbitration Agreement and Awards	2	\$0.00	\$0.00
Request to Make a Settlement Agreement Available	20	\$400.00	\$8,000.00
Notice of Judicial Review of a Board Decision (e.g., Notice of Appeal Under 35 U.S.C. §142)	194	\$0.00	\$0.00
<b>Totals</b>	<b>4,967</b>	-----	<b>\$18,851,000.00</b>

There are also postage costs associated with these rulemakings. The Board will require that these papers are filed electronically, unless the Board specifically authorizes paper filings. While the Board expects that paper filings will rarely be authorized, the Board does

estimate that possibly one petition for *inter partes* review and three motions, replies and oppositions after institution in *inter partes* review could be filed in paper.

The USPTO estimates that these items will be mailed to the USPTO by Express Mail using the U.S. Postal Service's flat rate envelope, which can accommodate varying submission weights, estimated in this case to be 16 ounces for the petitions and two ounces for the other papers. The cost of the flat rate envelope is \$18.30. The USPTO estimates that the total postage cost associated with this collection will be approximately \$73 per year, as calculated in Table 5 below.

**Table 5: Postage Costs for Respondents for Patent Review and Derivation Proceedings**

Item	Estimated annual mailed responses	Estimated postage amount	Estimated annual postage costs
Petition for <i>Inter Partes</i> Review	1	\$18.30	\$18.00
Motions, Replies and Oppositions After Institution in <i>Inter Partes</i> Review	3	\$18.30	\$55.00
<b>Totals</b>	<b>4</b>	<b>.....</b>	<b>\$73.00</b>

**The total annual (non-hour) respondent cost burden for this collection in the form of filing fees (\$18,851,000) and postage costs (\$73) is approximately \$18,851,073 per year.**

#### 14. Annual Cost to Federal Government

With the exception of the notices of judicial review of a Board decision (e.g., notice of appeal under 35 U.S.C. §142), all of the items in this collection are processed by administrative patent judges. The notices of judicial review of a Board decision are processed by USPTO staff at a GS-15, step 5 level. The USPTO estimates that it will take GS-15, step 5 staff 6 minutes (0.10 hours) to process the notices of judicial review of a Board decision and that it will take the administrative patent judges between 15 minutes (0.25 hours) and 53 hours to process the remaining items. The USPTO estimates that the fully-loaded hourly rate for an administrative patent judge is \$258.32, based upon the administratively determined pay scale. The current hourly rate for a GS-15, step 5 is \$67.21, according to the U.S. Office of Personnel Management's (OPM's) 2011 wage chart, including locality pay for the Washington, DC area. When 30% is added to account for a fully loaded hourly rate (benefits and overhead), the hourly rate for a GS-15, step 5 to process the notices of judicial review of a Board decision is \$87.37 (\$67.21 + \$20.16).

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

**Table 6: Burden Hour/Burden Cost to the Federal Government for Patent Review and Derivation Proceedings**

Item	Hours (a)	Responses (yr) (b)	Burden (hrs/yr) (c) (a x b)*	Rate (\$/hr) (d)	Total Cost (\$/yr) (e) (c x d)
Petition for <i>Inter Partes</i> Review	40.0	460	18,400	\$258.32	\$4,753,088.00
Petition for Post-Grant Review or Covered Business Method Patent Review	53.0	50	2,650	\$258.32	\$684,548.00
Petition for Derivation	53.0	50	2,650	\$258.32	\$684,548.00
Reply to Petition for <i>Inter Partes</i> Review	12.0	406	4,872	\$258.32	\$1,258,535.00
Reply to Petition for Post-Grant Review or Covered Business Method Patent Review	14.0	45	630	\$258.32	\$162,742.00
Request for Reconsideration	16.0	146	2,336	\$258.32	\$603,436.00
Motions, Replies and Oppositions After Institution in <i>Inter Partes</i> Review	13.0	2,453	31,889	\$258.32	\$8,237,566.00
Motions, Replies and Oppositions After Institution in Post-Grant Review or Covered Business Method Review	14.0	342	4,788	\$258.32	\$1,236,836.00
Motions, Replies and Oppositions in Derivation Proceeding	14.0	210	2,940	\$258.32	\$759,461.00
Request for Oral Hearing	3.75	466	1,748	\$258.32	\$451,543.00
Request to Treat a Settlement as Business Confidential	1.0	20	20	\$258.32	\$5,166.00
Request for Adverse Judgment, Default Adverse Judgment or Settlement	0.25	103	26	\$258.32	\$6,716.00
Arbitration Agreement and Award	0.50	2	1	\$258.32	\$258.00
Request to Make a Settlement Agreement Available	1.0	20	20	\$258.32	\$5,166.00
Notice of Judicial Review of a Board Decision (e.g., Notice of Appeal Under 35 U.S.C. § 142)	0.10	194	19	\$87.37	\$1,660.00
<b>Totals</b>	-----	<b>4,967</b>	<b>72,989</b>	-----	<b>\$18,851,269.00</b>

\* Note: Where applicable, burden hour sums have been rounded to the nearest whole number

## 15. Reason for Changes in the Annual Burden

The USPTO is submitting this new information collection request in support of six notices of proposed rulemaking outlining changes in the rules of practice in proceedings before the Patent Trial and Appeal Board and proposing new procedures. The changes and new

proceedings proposed in these rulemakings are provided for by the Leahy-Smith America Invents Act. These six proposed rulemakings are titled as follows:

- “Rules of Practice for Trials Before the Patent Trial and Appeal Board and Judicial Review of Patent Trial and Appeal Board Decisions” (RIN 0651-AC70)
- “Changes to Implement *Inter Partes* Review Proceedings” (RIN 0651-AC71)
- “Changes to Implement Post-Grant Review Proceedings” (RIN 0651-AC72)
- “Changes to Implement Transitional Program for Covered Business Method Patent” (RIN 0651-AC73)
- “Changes to Implement Derivation Proceedings” (RIN 0651-AC74)
- “Transitional Program for Covered Business Method Patents – Definition of Technological Invention” (RIN 0651-AC75)

The USPTO is requesting that OMB approve this new information collection and add it to the agency’s information collection inventory.

The USPTO estimates that this collection will have a total of 4,967 responses, 559,648 burden hours, and \$190,280,320 in respondent costs associated with it. **Therefore, the USPTO estimates that a total of 4,967 responses and 559,648 burden hours will be added to the USPTO’s current information collection inventory per year as a program change.**

This new information collection also has annualized costs (filing fees and postage) associated with it. The USPTO estimates that this collection will have a total of \$18,851,000 in filing fees and \$73 in postage costs. **Therefore, the USPTO estimates that a total of \$18,851,073 in annual (non-hour) costs will be added to the USPTO’s current information collection inventory as a program change.**

#### **16. Published Collections of Information**

No special publication of the items in this collection is planned.

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

There are no forms associated with this information collection. Therefore, the display of the expiration date is not applicable.

#### **18. Exceptions to the Certificate Statement**

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

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

This collection of information does not employ statistical methods.