

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

**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.

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 mechanism for third parties to submit to the USPTO, for consideration and inclusion in the record of a patent application, any 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 final rule 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 changes the rules of patent practice to implement Section 8 of the Leahy-Smith America Invents Act. For example, the USPTO implements 35 U.S.C. 122(e) in a new rule 37 CFR 1.290 and eliminates 37 CFR 1.99. In support of the final rule, 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 set forth in the final rule:

**Table 1: Impacted Information Requirements**

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 is 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.

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

**Table 2: Needs and Uses**

Form and Function	Form #	Needs and Uses
Third-Party Submissions in Nonissued Applications	PTO/SB/429	<ul style="list-style-type: none"><li>• 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.</li><li>• Used by third parties to submit prior art documents in accordance with the peer review pilot program.</li><li>• 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.</li><li>• Used by the USPTO to enter third party-submitted prior art documents in the application file, in accordance with the peer review pilot program.</li></ul>

## 3. Use of Information Technology

The USPTO will permit third-party preissuance submissions to be filed via its electronic filing system (EFS-Web); however, third-party preissuance submissions will not be automatically entered into the electronic image file wrapper (IFW) for an application. Instead, preissuance submissions will 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 will be permitted to be filed electronically, under the final 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 35 U.S.C.

122(e) and the new 37 CFR 1.290 before entering the submission into the IFW of an application or making the submission available to an examiner for consideration. The USPTO intends to complete such determinations 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 will not be entered into the IFW of an application or considered and will be discarded. Also, no refund of the required fees will be provided in the event that 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 intends to notify the third-party submitter of such non-compliance; however, the statutory time period for making a preissuance submission will 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 set forth in the final rule 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 set forth in the final rule 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* and sought comments from the public on the notice of proposed rulemaking and considered those comments in development of the final rule.

The USPTO has consulted with the public about the AIA in general through the agency microsite at [http://www.uspto.gov/aia\\_implementation/index.jsp](http://www.uspto.gov/aia_implementation/index.jsp).

The USPTO has long-standing relationships with groups from whom 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. Views expressed by these groups are 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 confidentiality of patent applications is governed by statute (35 U.S.C. § 122) and regulation (37 CFR 1.11 and 1.14). The USPTO has a legal obligation to maintain the confidentiality of the contents of unpublished patent applications and related documents. 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. Therefore, the information in this collection, if the USPTO determines that it is in compliance with the requirements of 35 U.S.C. 122(e) and the new 37 CFR 1.290, 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, and will be available to the public upon publication of the application or issuance of a patent from the application. 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 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.

These estimates are based on the Agency's long-standing institutional knowledge of and experience with the type of information collected by these items.

- **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.

These estimates are based on the Agency's long-standing institutional knowledge of and experience with the type of information collected and the length of time necessary to complete responses containing similar or like information.

- **Cost Burden Calculation Factors**

The USPTO uses a professional rate of \$371 per hour for respondent cost burden calculations, which is the mean 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). Based on the Agency's long-standing institutional knowledge of and experience with the type of information collected, the Agency believes \$371 is an accurate estimate of the cost per hour to collect this information.

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

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	\$371.00	\$3,524,500.00
Paper Third-Party Submissions in Nonissued Applications	10	80	800	\$371.00	\$296,800.00
<b>TOTAL</b>	- - - -	<b>1,030</b>	<b>10,300</b>	- - - -	<b>\$3,821,300.00</b>

Table 3b shows the impact of the rulemaking and non-rulemaking changes to the burden estimates for this information collection:

**Table 3b: Burden Changes – Rulemaking/Non-Rulemaking Impact**

	Current Inventory*	Rulemaking Impact	Non-Rule Impact	Total Change	New Proposed Burden Estimate
Responses	1,225	Increase of 570	Decrease of 700	Decrease of 130	1,095
Burden Hours	9,350	Increase of 6,850	Decrease of 5,250	Increase of 1,600	10,950
Respondent Cost Burden	\$3,038,750	Increase of \$2,226,250	Decrease of \$1,232,450	Increase of \$993,800	\$4,032,550

\* The current inventory for information collection 0651-0062 also includes Protests by the public against pending applications under 37 CFR 1.291, a requirement of information that is not impacted by the final rule. The full current inventory is detailed in the Revision of a Currently Approved Collection approved by OMB on March 28, 2011, and is available at <http://www.reginfo.gov>.

### 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 decided to apply the fee set forth in 37 CFR 1.17(p) to third-party preissuance submissions under 37 CFR 1.290 and the final rule requires the payment of 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, in the final rule, provides 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 fee and exemption into account, the USPTO estimates that the average fee per submission for the 730 third-party submissions estimated to be received under new rule 37 CFR 1.290 will be \$180, for a cost of \$131,400 in filing fees for Third-Party Submissions in Nonissued Applications.

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 Third-Party Submissions in Nonissued Applications 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 Third-Party Submissions in Nonissued Applications will be \$396.

However, the USPTO is removing \$5,172 in postage costs from this collection attributed to pre-AIA third-party submissions. Under the final rule, 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.

**Table 4: Annual (Non-hour) Cost Burden Changes – Rulemaking/Non-Rulemaking Impact**

	Current Inventory*	Rulemaking Impact	Non-Rule Impact	Total Change	New Proposed Burden Estimate
Fees	\$29,710	Increase of \$102,600	0	Increase of \$102,600	\$132,310
Postage	\$5,880	Decrease of \$5,184	Increase of \$12	Decrease of \$5,172	\$708
Total Annual (Non-hour) Cost Burden	\$35,590	Increase of \$97,416	Increase of \$12	Increase of \$97,428	\$133,018

\* The current inventory for information collection 0651-0062 also includes Protests by the public against pending applications under 37 CFR 1.291, a requirement of information that is not impacted by the final rule. The full current inventory is detailed in the Revision of a Currently Approved Collection approved by OMB on March 28, 2011, and is available at <http://www.reginfo.gov>.

#### 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).

Estimates are based on the Agency’s long-standing institutional knowledge of and experience with processing the type of information collected and the length of time necessary to process similar or like information.

Table 5 calculates the processing hours and costs of this information to the Federal Government:

**Table 5: Burden Hour/Burden Cost to the Federal Government**

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
<b>TOTAL</b>	- - - -	<b>1,030</b>	<b>515</b>	- - - -	<b>\$13,539.00</b>

## 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 final rule, the USPTO estimates that the total annual responses for Third-Party Submissions in Nonissued Applications will be 1,030 and the total annual burden hours for Third-Party Submissions in Nonissued Applications 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. The net decrease in responses is due to two factors. First, the decrease from 1,000 to 300 in third-party submissions under the peer review pilot program estimated to be received results from the USPTO's more recent and more accurate estimates of such submissions. Second, the increase from 160 to 730 in the number of third-party submissions under new 37 CFR 1.290 that are estimated to be received results from the statutory changes enacted under the Leahy-Smith America Invents Act and implemented in new 37 CFR 1.290. The net increase in burden hours is due to the increase from 160 to 730 in the number of third-party submissions under new 37 CFR 1.290 that are estimated to be received and the increase from 7.5 to 10 in the number of hours that it is estimated that it will take the public to gather, prepare, and submit the Third-Party Submissions in Nonissued Applications to the USPTO.

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. Specifically, the USPTO estimates that, as a result of the final rule, it will receive 730 third-party submissions under new rule 1.290, and the 730 third-party submissions will be subject to an average fee of \$180. The final rule 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 to be \$371. This is the mean attorney rate published in the American Intellectual Property Law Association (AIPLA) Report of the Economic Survey, which is published every two years. Based on the USPTO's institutional knowledge of and experience with the type of information in this collection, the USPTO estimates \$371 to be an accurate benchmark. At the time of the last renewal of this collection, the USPTO estimated the hourly respondent cost burden based on an attorney rate of \$325 per hour. For this proposed modification, the estimated rate has increased to \$371 per hour.

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



- **Increase of \$993,800 overall** from \$3,038,750 to \$4,032,550

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

For this renewal, the USPTO estimates a net increase in total (non-hour) costs of \$97,428 (from \$35,590 to \$133,018) 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 in Nonissued Applications. For this submission, the USPTO estimates that the filing fees will increase to \$131,400 for Third-Party Submissions in Nonissued Applications, because the number of third-party submissions received under new rule 37 CFR 1.290 is estimated to increase to 730 and 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.