

**SUPPORTING STATEMENT**  
**United States Patent and Trademark Office**  
**Secrecy and License to Export**  
**OMB CONTROL NUMBER 0651-0034**  
**(December 2016)**

**A. JUSTIFICATION**

**1. Necessity of Information Collection**

In the interest of national security, patent laws and rules place certain limitations on the disclosure of information contained in patents and patent applications and on the filing of applications for patents in foreign countries.

In particular, whenever the publication or disclosure of an invention by the publication of an application or by the granting of a patent is, in the opinion of the head of an interested Government agency, determined to be detrimental to national security, the Commissioner for Patents at the United States Patent and Trademark Office (USPTO) must issue a secrecy order and withhold the publication of a patent application and the grant of a patent for such period as the national interest requires. A patent will not be issued on the application, nor will the application be published, as long as the secrecy order is in force. If a secrecy order is applied to an international application, the application will not be forwarded to the International Bureau as long as the secrecy order is in effect.

Three types of secrecy orders, each of a different scope, can be issued. The first type, Secrecy Order and Permit for Foreign Filing in Certain Countries, is intended to permit the widest utilization of the technical data in the patent application while still controlling any publication or disclosure that would result in an unlawful exportation. The second type, the Secrecy Order and Permit for Disclosing Classified Information, is to treat classified technical data presented in a patent application in the same manner as any other classified material. The third type of secrecy order is used where the other types of orders do not apply, including orders issued by direction of agencies other than the Department of Defense.

Under the provision of 35 U.S.C. § 181, a secrecy order remains in effect for a period of one year from its date of issuance. A secrecy order may be renewed for additional periods of not more than one year upon notice by a government agency that the national interest continues to so require. The applicant is notified of such renewal.

When the USPTO places a secrecy order on a patent application, the rules authorize the applicant to petition the USPTO for permits to allow disclosure, modification, or rescission of the secrecy order, or to obtain a general or group permit. In each of these circumstances, the petition is forwarded to the appropriate defense agency for decision. Also, the Commissioner for Patents at the USPTO may rescind any order upon

notification by the heads of the departments and the chief officers of the agencies who caused the order to be issued that the disclosure of the invention is no longer deemed detrimental to the national security.

Unless expressly ordered otherwise, action on the application and prosecution by the applicant will proceed during the time the application is under secrecy order to a specific point as indicated under 37 CFR 5.3. Applications under secrecy order that come to a final rejection must be appealed or otherwise prosecuted to avoid abandonment. Appeals in such cases must be completed by the applicant, but unless specifically indicated by the Commissioner of Patents at the USPTO, will not be set for hearing until the secrecy order is removed.

In addition to the issuance of secrecy orders, the USPTO is required to grant foreign filing licenses to applicants. The filing of a patent application is considered a request for a foreign filing license. However, in some instances an applicant may need a license for filing patent applications in foreign countries prior to a filing in the USPTO or sooner than the anticipated licensing of a pending patent application.

To file a patent application in a foreign country, the applicant can petition the USPTO for a foreign filing license either with or without a corresponding United States application. In addition, the applicant can petition to change the scope of a license and, when a patent application is filed through error in a foreign country without the appropriate filing license, an applicant can petition the USPTO for a retroactive license.

This collection includes the information needed by the USPTO to review the various types of petitions regarding secrecy orders and foreign filing licenses. This collection of information is required by 35 U.S.C. 181-188 and administered by the USPTO through 37 CFR 5.1-5.33.

## **2. Needs and Uses**

There are no forms associated with the petitions in this collection. Response to this information collection is necessary to obtain a permit to disclose, modify or rescind a secrecy order, to obtain general or group permits, to obtain foreign filing licenses, including retroactive foreign filing licenses, to expedite the handling of a license, or to change the scope of a license.

The information collected, maintained, and used in this collection is based on OMB and USPTO guidelines. This includes the basic information quality standards established in the Paperwork Reduction Act (44 U.S.C. Chapter 35), in OMB Circular A-130, and in the USPTO information quality guidelines.

The specific statutes and regulation authorizing the USPTO to collect this information are provided in discussed in Table 1 below:

**Table 1: Information Requirements and Needs and Uses of Information Collected**

Item #	Requirement	Statute	Rule	Form #	Needs and Uses
1	<ul style="list-style-type: none"> <li>Petition for Rescission of Secrecy Order</li> </ul>	35 U.S.C. § 181-188	37 CFR 5.1–5.33	No Form	<ul style="list-style-type: none"> <li>Used by the public to present evidence to the USPTO that the patent application no longer requires a secrecy order.</li> <li>Used by the USPTO to determine whether an invention remains subject to a secrecy order.</li> </ul>
2	<ul style="list-style-type: none"> <li>Petition to Disclose or Modification of Secrecy Order</li> </ul>	35 U.S.C. § 181-182	37 CFR 5.4	No Form	<ul style="list-style-type: none"> <li>Used by the public to petition the USPTO for a permit to disclose a patent application currently under a secrecy order.</li> <li>Used by the public to petition the USPTO to modify a secrecy order.</li> <li>Used by the USPTO to query a defense agency to determine whether a permit can be issued to allow disclosure of a patent application currently under a secrecy order.</li> <li>Used by the USPTO to query a defense agency to determine whether a patent application currently under a secrecy order can be modified.</li> </ul>
3	<ul style="list-style-type: none"> <li>Petition for General and Group Permits</li> </ul>	35 U.S.C. § 181	37 CFR 5.5 37 CFR 5.5(e)	No Form	<ul style="list-style-type: none"> <li>Used by organizations or individuals inside an organization to petition the USPTO for a permit allowing use of patent applications under secrecy orders.</li> <li>Used by the USPTO to query a defense agency to determine whether an organization or individuals inside an organization qualify for permission to handle patent applications under secrecy orders.</li> </ul>
4 5 6 7	Petitions for Foreign Filing Licenses: <ul style="list-style-type: none"> <li>Petition for Expedited Handling of License (no corresponding application)</li> <li>Petition for Expedited Handling of License (corresponding U.S. application)</li> <li>Petition for Changing Scope of License</li> <li>Petition for Retroactive License</li> </ul>	35 U.S.C. §§ 184-186	37 CFR 5.11–5.33 37 CFR 5.12, 5.13; 37 CFR 1.17(g) 37 CFR 5.12, 5.14; 37 CFR 1.17(g) 37 CFR 5.15; 37 CFR 1.17(g) 37 CFR 5.25; 37 CFR 1.17(g)	No Forms	<ul style="list-style-type: none"> <li>Used by the public to petition the USPTO for various licenses to file and/or export patent applications, technical data, and other information in a foreign country.</li> <li>Used by the public to request a change in the scope of a license.</li> <li>Used by the public to appeal the USPTO's denial of a retroactive license.</li> <li>Used by the public to ensure that the appropriate fees have been submitted.</li> <li>Used by the USPTO to examine and issue or revoke, as appropriate, various types of foreign filing licenses.</li> <li>Used by the USPTO to determine whether an unlicensed filing violated any export regulations.</li> <li>Used by the USPTO to ensure that the appropriate fees have been submitted.</li> </ul>

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

The USPTO currently accepts the electronic filing of most patent applications and related documents through its Web-based patent application and document submission solution, EFS-Web. The USPTO's Legal Framework for EFS-Web, available at [www.uspto.gov](http://www.uspto.gov), provides more information about the types of patent applications and documents permitted to be filed via EFS-Web. With respect to the information associated with this collection, the USPTO at this time only accepts through EFS-Web petitions for foreign filing licenses for applications on file with the USPTO. The USPTO is not currently collecting through EFS-Web petitions for foreign filing licenses where there is not a U.S. patent application on file or any of the petitions under the secrecy order program. However, a separate database is being used to collect petition information related to expedited foreign filing license petitions, and the petition itself is being scanned and retained in electronic form on Image File Wrapper (IFW).

Due to its extremely sensitive nature (national security interests) and low volume, information associated with this collection pertaining to applications under a secrecy order cannot be electronically collected in a feasible manner. In particular, information associated with this collection pertaining to applications under a secrecy order cannot be collected using the same electronic system that is used for the filing of papers pertaining to applications not under a secrecy order. An entirely separate electronic system would have to be designed and implemented, including separate, secure servers. On balance, the cost factor of designing and putting into operation such a system against the low volume of filings makes this alternative cost prohibitive and not a feasible option.

New features and capabilities are being added to EFS-Web as it undergoes further development, and customers will eventually be able to file all applications and related documents electronically through EFS-Web. As the USPTO expands the use of electronic filing, the USPTO will reevaluate whether it is feasible for the secrecy order program petitions to be filed electronically as well. If the security issues are resolved and the electronic collection of these items becomes feasible, the USPTO will submit the associated electronic forms to OMB for review, as necessary.

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

This information is collected to issue permits to disclose, modify or rescind secrecy orders, to grant general or group permits, to obtain foreign filing licenses, including retroactive foreign filing licenses, to expedite the handling of a license, or to change the scope of a license. This information is not collected elsewhere and does not result in a duplication of effort.

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

No significant impact is placed on small entities. The same information regarding secrecy orders and foreign filing licenses is required of every applicant and is not available from any other source.

Pursuant to 35 U.S.C. § 41(h)(1), the USPTO provides a fifty percent (50%) reduction in the fees charged under 35 U.S.C. § 41(a) and (b) for those entities asserting small entity status. The USPTO also provides a fifty percent (50%) reduction of the already-reduced small-entity fees for those entities certifying micro entity status. The USPTO's regulations concerning the payment of reduced patent fees by small entities and micro entities are at 37 CFR 1.27-1.29, and reduced fees for the petition filing fees in this collection for applicants with either small entity or micro entity status are shown in 37 CFR 1.17(g).

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

This information is collected only when the respondent petitions the USPTO for permits to disclose, modify or rescind secrecy orders, to grant general or group permits, to obtain foreign filing licenses, including retroactive foreign filing licenses, to expedite the handling of a license, and to change the scope of a license. It could not be conducted less frequently. If the collection of information were not collected, the USPTO could not comply with the requirements of 35 U.S.C. §§ 181-188 and 37 CFR 5.1–5.33.

## **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 60-Day Notice was published in the *Federal Register* on October 12, 2016 (81 Fed. Reg. 70395). The comment period ended on December 12, 2016. No public comments were received.

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

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

## **10. Assurance of Confidentiality**

Confidentiality is governed by statutes 35 U.S.C. §§ 122 and 181 and regulations 37 CFR 1.11, 1.14 and 5.1-5.3. This collection contains confidential information that is subject to the Privacy Act. Systems of Records Notices for Patent Application Secrecy Order Files (Commerce/PAT-TM-8) and Petitioners for License to File for Foreign Patents (Commerce/PAT-TM-13) have been published in the *Federal Register*. Records are maintained for referral to authorized government agencies under 35 U.S.C. § 181 for determination of the requirement for a secrecy order, notification of the applicant or his duly appointed representative of such secrecy order, to prevent

disclosure of information that might be detrimental to national security, and in accordance with agency rules.

Anyone wishing to view documents recorded under secrecy orders or view recorded documents in which the Federal government has an interest must submit authorization in writing before the USPTO will release the documents for inspection, according to 37 CFR 3.58. Records are stored in paper in file folders and on magnetic storage media. Documents under secrecy orders cannot be filed electronically due to national security concerns.

Administrative controls are used to safeguard this information as appropriate. Records are stored in a locked vault in areas accessible only to authorized personnel who are properly screened, cleared and trained. Where information is retrievable by terminal, all safeguards appropriate to secure the ADP telecommunications system (hardware and software) are utilized.

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

None of the required information is considered to be sensitive.

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

Table 2 calculates the burden hours and costs of this information collection to the public, based on the following factors:

- **Respondent Calculation Factors**

The USPTO estimates that it receives approximately 2,559 responses annually, with approximately 20% (507) of these responses from small entities and approximately 10% (52) of the small entities will qualify as micro entities.

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 between 30 minutes (0.5 hours) to 4 hours to gather the necessary information, prepare the appropriate petition, and submit the petition to the USPTO, depending on the complexity of the situation.

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 the professional rate of \$410 per hour for respondent cost burden calculations, which is the mean rate for attorneys in private firms as shown in the 2015 Report of the Economic Survey, published by the Committee on Economics of Legal Practice of the American Intellectual Property Law Association (AIPLA). The USPTO expects that the information in this collection will be prepared by attorneys. This is a fully-loaded hourly rate.

**Table 2: Burden Hour/Burden Cost to Respondents**

Item #	Item	Hours (a)	Responses (yr) (b)	Burden (hrs/yr) (c) (a) x (b)	Rate (\$/hr) (d)	Total Cost (\$/hr) (e) (c) x (d)
1	Petition for Rescission of Secrecy Order	3.0	10	30.0	\$410.00	\$12,300.00
2	Petition to Disclose or Modification of Secrecy Order	2.0	15	30.0	\$410.00	\$12,300.00
3	Petition for General and Group Permits	1.0	1	1.0	\$410.00	\$410.00
4	Petition for Expedited Handling of License (no corresponding application)	0.5	2,200	1,100.0	\$410.00	\$451,000.00
5	Petition for Expedited Handling of License (corresponding U.S. application)	0.5	250	125.0	\$410.00	\$51,250.00
6	Petition for Changing Scope of License	0.5	3	1.5	\$410.00	\$615.00
7	Petition for Retroactive License	4.0	80	320.0	\$410.00	\$131,200.00
	<b>TOTAL</b>	---	<b>2,559</b>	<b>1,607.5</b>	---	<b>\$659,075.00</b>

**13. Total Annualized (Non-hour) Cost Burden**

There are no capital start-up, maintenance, or record keeping costs associated with this information collection. There are, however, non-hour costs due to filing fees and postage costs for the foreign filing petitions. The filing fees have been returned to this collection after having been moved to 0651-0072, which has been discontinued. No fees are associated with the secrecy order petitions.

The total annual filing fee/non-hour cost burden to respondents is outlined in Table 4 below:

**Table 4: Filing Fees/Non-hour Cost Burden to Respondents for Secrecy and License to Export**

#	Item	Responses (a)	Filing Fee (\$) (b)	Total Non-Hour Cost Burden (a) x (b) (c)
1	Petition for Rescission of Secrecy Order	10	\$0.00	\$0.00
2	Petition to Disclose or Modification of Secrecy Order	15	\$0.00	\$0.00
3	Petition for General and Group Permits	1	\$0.00	\$0.00
4	Petition for Expedited Handling of License (no corresponding application)	1,716	\$200.00	\$343,200.00
4	Petition for Expedited Handling of License (no corresponding application) (small entity)	440	\$100.00	\$44,000.00

#	Item	Responses (a)	Filing Fee (\$) (b)	Total Non-Hour Cost Burden (a) x (b) (c)
4	Petition for Expedited Handling of License (no corresponding application) (micro entity)	44	\$50.00	\$2,200.00
5	Petition for Expedited Handling of License (corresponding U.S. application)	195	\$200.00	\$39,000.00
5	Petition for Expedited Handling of License (corresponding U.S. application) (small entity)	50	\$100.00	\$5,000.00
5	Petition for Expedited Handling of License (corresponding U.S. application) (micro entity)	5	\$50.00	\$250.00
6	Petition for Changing Scope of License	1	\$200.00	\$200.00
6	Petition for Changing Scope of License (small entity)	1	\$100.00	\$100.00
6	Petition for Changing Scope of License (micro entity)	1	\$50.00	\$50.00
7	Petition for Retroactive License	62	\$200.00	\$12,400.00
7	Petition for Retroactive License (small entity)	16	\$100.00	\$1,600.00
7	Petition for Retroactive License (micro entity)	2	\$50.00	\$100.00
	<b>Totals</b>	<b>2,559</b>	<b>- - -</b>	<b>\$448,100.00</b>

The USPTO estimates that 99 percent of the petitions in this collection are submitted by facsimile or hand carried because of the quick turnaround required. For the 1 percent of the public that chooses to submit the petitions to the USPTO by mail through the United States Postal Service, the USPTO estimates that the average first class postage cost for a mailed submission will be \$6.45. The USPTO estimates that 26 submissions per year may be mailed to the USPTO for a total estimated postage cost of \$167.70.

Therefore, the USPTO estimates that the total (non-hour) cost burden for this collection in the form of filing fees (\$448,100.00) and postage costs (\$167.70) is \$448,267.70.

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

The USPTO estimates that it takes a GS-7, step 5, approximately 1 hour each to process the petition for rescission of a secrecy order, the petition to disclose or modification of secrecy order, and the petition for general and group permits. The hourly rate for a GS-7, step 5, is currently \$23.38 according to the U.S. Office of Personnel Management's (OPM's) wage chart, including locality pay for the Washington, DC area. When 30% is added to account for a fully-loaded hourly rate

(benefits plus overhead), the rate per hour for a GS-7, step 5, is \$30.39 (\$22.38 + \$7.01).

The USPTO estimates that it takes a GS-13, step 2, approximately 30 minutes (0.5 hours) each to process the petitions for expedited handling of license (no corresponding application and corresponding U.S. application), 0.5 hours to process the petition for changing the scope of a license, and 4 hours to process the petition for retroactive license. The hourly rate for a GS-13, step 2, is currently \$44.97. When 30% is added to account for a fully loaded hourly rate (benefits plus overhead), the rate per hour for a GS-13, step 2, is \$58.46 (\$44.97 + \$13.49).

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

**Table 5: Burden Hour/Burden Cost to the Federal Government for Secrecy and License to Export**

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 Rescission of Secrecy Order	1.0	10	10.0	\$30.39	\$303.90
Petition to Disclose or Modification of Secrecy Order	1.0	15	15.0	\$30.39	\$455.85
Petition for General and Group Permits	1.0	1	1.0	\$30.39	\$30.39
Petition for Expedited Handling of License (no corresponding application)	0.5	2,200	1,100.0	\$58.46	\$64,306.00
Petition for Expedited Handling of License (corresponding U.S. application)	0.5	250	125.0	\$58.46	\$7,307.50
Petition for Changing Scope of License	0.5	3	1.5	\$58.46	\$87.69
Petition for Retroactive License	4.0	80	320.0	\$58.46	\$18,707.20
<b>TOTAL</b>	---	<b>2,559</b>	<b>1,572.5</b>	---	<b>\$91,198.53</b>

## 15. Reason for Change in Burden

### A. Changes in Collection Since the Previous Renewal in 2013

OMB previously approved the renewal of this information collection in December 2013. The current collection contains:

- 2,294 responses
- 1,431 burden hours
- \$530,901.00 in respondent hourly cost burden
- \$131.00 in annual (non-hour) costs

### B. Changes Proposed in This Request to OMB

The proposed collection, as outlined in the tables above, seeks to modify the existing collection. The proposed collection contains an estimated:

- 2,559 responses

- 1,607.5 burden hours
- \$659,075.00 in hourly respondent cost burden
- \$448,267.70 in annual (non-hour) costs

#### Change in Respondent Cost Burden

The total respondent cost burden for this collection has increased by \$128,174.00 (from \$530,901.00 to \$659,075.00) from the previous renewal of this collection in December 2013:

- **Increases in estimated hourly rates.** The 2013 renewal used an estimated rate of \$371 per hour for attorneys per hour. For the current renewal, the USPTO is using updated hourly rates of \$410, based on the 2015 AIPLA Economic Survey.
- **Increases in estimated burden hours.** The total estimated burden hours have increased from 1,431 in the 2013 renewal to 1,607.5 for the current renewal due to overall increases in the estimated annual responses for this collection.

#### Changes in Responses and Burden Hours

For this renewal, the USPTO estimates that the annual responses will increase by 265 (from 2,294 to 2,559) and the total burden hours will increase by 176.5 (from 1,431 to 1607.5) from the currently approved burden for this collection.

#### Changes in Annualized (Non-hour) Cost Burden

The total annualized (non-hour) cost burden for this renewal of \$448,267.70 is an increase of \$448,136.70 from the currently approved total of \$131.00. The increase in costs for the current renewal is due administrative adjustments such as the return of fees from collection 0651-0072 and the increase in postage costs and non-hourly respondents.

### **16. Project Schedule**

There is no plan to publish this information for statistical use.

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

There are no forms in this information collection. Therefore, the display of the OMB Control Number and the expiration date is not applicable.

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

No exceptions to the certificate statement are included in this collection of information.

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

This collection of information does not employ statistical methods.