

To: "Marcie Lovett, Records and Information Governance Division Director, Office of the Chief Technology Officer, United States Patent and Trademark Office, P.O. Box 1450, Alexandria, VA 22313-1450"

This is a written comment in response to the "Patent and Trademark Financial Transactions ACTION: Proposed collection; comment request." Published at 82 FR 52889 (11/15/2017), relating to "OMB Number: 0651-0043. IC Instruments and Forms: PTO-2038. Type of Review: Extension of a Previously Existing Information Collection."

The Abstract section I states that "After establishing a USPTO.gov account username and password, customers may add their credit card, deposit account, and EFT information to their account using the Financial Manager web interface. Customers may then manage and report on these stored payment methods online. The stored payment methods may be used when the customer conducts transactions with the USPTO."

The Data section II states that "The USPTO expects that 75% of the submission in this this collection will be prepared by financial administrators and that 25% will be prepared by paraprofessionals/paralegals. The mean hourly rate for financial administrator is \$40.84 according to the Bureau of Labor Statistics' Occupational Employment Statistics program (OES 15-1141). The mean hourly rate for paralegals is \$145 according to the 2016 compensation survey by the National Association of Legal Assistants. Using those proportions and the estimated rates of \$40.84 per hour for financial administrators and \$145 per hour for paraprofessionals, the USPTO estimates that the average rate for all respondents will be approximately \$66.88 per hour. Therefore, the USPTO estimates that the respondent cost burden for submitting the information in this collection will be approximately \$293,993.33 per year."

The "Requests for Comments" section IV states "Comments submitted in response to this notice will be summarized or included in the request for OMB approval of this information collection; they also will become a matter of public record. Comments are invited on: (a) Whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility; (b) The accuracy of the agency's estimate of the burden (including hours and cost) of the proposed collection of information; (c) Ways to enhance the quality, utility, and clarity of the information to be collected; and (d) Ways to minimize the burden of the collection of information on respondents, e.g., the use of automated collection techniques or other forms of information technology."

My comments follow.

I. BACKGROUND

I am a registered patent practitioner and patent attorney. I am the president and a manager of a law firm directed to intellectual property practice, I have held that position since 2002. Formerly, I was a partner at another law firm whose focus was also intellectual property. I was registered by the USPTO in 1992, and graduated law school in 1994. I am widely published on issues relating to patent law and speak at Bar organizations on patent law topics. I am involved in patent prosecution before the USPTO, and I use Financial Manager, and my firm's USPTO deposit account. I am qualified to provide factual information noted in my comments.

II. Response to "(b) The accuracy of the agency's estimate of the burden (including hours and cost) of the proposed collection of information;"

I believe that the estimate is grossly inaccurate for the following reason.

1. The USPTO's conclusion regarding who files documents in patent applications is incorrect.

There is no fact stated that supports the USPTO's expectation that "The USPTO expects that 75% of the submission in this this collection will be prepared by financial administrators and that 25% will be prepared by paraprofessionals/paralegals."

Financial managers do not file responses to USPTO office actions.

Responses to USPTO office actions often require fee payments, which typically requires use of Financial Manager. These fee payments must be made concurrent with the filing, including fee payments for statutory disclaimers (typically terminal disclaimers required to be filed in response to a double patenting rejection); and fees for petitions for extensions of time (required for any response file after 3 months and prior to 6 months from the date of the office action to which the filing is a response); and fees for additional claims in excess submitted with an amendment that are in addition to the fees paid for the number of claims previously submitted). The person filing the responses normally must access Financial manager during the filing process in order to pay the corresponding fees for the responses. That is frequently the patent practitioner, and not a paralegal. Sometimes, it is a paralegal. Thus, contrary to the USPTO's expectation, patent attorneys often file such responses. The USPTO has actual information identifying whether a response was filed by a patent practitioner or a person acting on behalf of the patent practitioner, because that information must be submitted by the user of the USPTO's electronic filing system and appears in the Electronic Acknowledgment Receipt, and substantially all responses to office actions are filed using the USPTO's electronic filing system. Accordingly, the USPTO has the information necessary to determine the fraction of filings made by patent practitioners.

2. The USPTO's expectation of the costs associated with filing responses in patent applications is incorrect.

The AIPLA (American Intellectual Property Law Association)'s statistics in the "AIPLA Report of the Economic Survey", 2013 edition, contains the following information regarding billing rates of patent practitioners.

Page I-20, average hourly billing rate for solo practitioners: \$295/hr

Page I-34, average hourly billing rate for law firm partner: \$469/hr

Page I-48, average hourly billing rate for law firm associate: \$339/hr

These numbers far exceed the hourly costs of \$40.84/hr and \$145/hr the USPTO estimated to be the rates for personnel filing documents in the USPTO, and far exceeds the \$66.88/hr estimate of the average cost for "submitting information in this collection."

3. The USPTO's hourly rate estimates are wrong.

The USPTO's hourly rate estimates are wrong because the USPTO chose the wrong definition of a financial manager by selecting "for financial administrator is \$40.84 according to the Bureau of Labor Statistics' Occupational Employment Statistics program (OES 15-1141)." This rate is incorrect because it does not reflect the fact that attorneys are subject to fiduciary duties and BAR rules that require personal involvement of the attorney in financial matters, for example to ensure no comingling of client funds, and to ensure that client funds are accounted for. Consequently, law firms do not typically employ firm attorneys as "financial administrator." I know that our firm employs exclusively firm attorneys as financial administrators. Accordingly, this fact shows the USPTO chose an artificially low hourly rate for the financial administrator of a law firm.

4. The USPTO failed to include the time costs associated with maintaining a Financial Manager account.

The USPTO estimated a time for response for "Financial Manager Stored Payment Methods" ("FM account") What this line item means, is unclear. It is unclear whether this line item includes only

the time to set up an FM account, the time to maintain and FM account, and the time to make a payment online which requires use of an FM account.

My estimate of the time to set up an FM account in the first instance is 5 minutes, based upon personal experience.

My estimate of the time to make each payment online using and FM account is on the order of 3 minutes, based upon personal experience. My estimate of the number of times per year I make such payments is 50, based upon personal experience.

My estimate of the time to time to maintain an FM account, by responding to each biannual requirement to change password, is 3 minutes. Each registered user of FM has the same requirement. The USPTO has the information to determine the number of registered FM users. The USPTO line item for an FM account shows a total annual time burden of 233 hours, and an average hourly rate of \$66.88. I believe both of those are gross underestimates.

III. Response to “(c) Ways to enhance the quality, utility, and clarity of the information to be collected;”

You should clarify the meaning of each line item.

Example: “Credit Card Payment Form. (PTO–2038)” presumably means “Preparing and filing a payment using the ‘Credit Card Payment Form.’ (PTO–2038)”

Example: “Financial Manager Stored Payment Methods”. This statement is opaque. You need to identify each action relating to “Financial Manager Stored Payment Methods” as a separate line item, and account accordingly. On such line item might be, for example, “Making a payment using Financial Manager in association with filing a response to an office action, using the EFS Web filing system”. Another such line item might be, for example, ““Making a payment using Financial Manager in association with filing a new application in the USPTO using the EFS web filing system.”

IV. Response to “(d) Ways to minimize the burden of the collection of information on respondents, e.g., the use of automated collection techniques or other forms of information technology.”

The single most effective action the USPTO could take to “minimize the burden” is to discontinue the mandatory requirement for users to periodically update their passwords in FM. The password updating is no longer considered a best practice in IT, and the USPTO’s continued requirement imposes an unnecessary burden on users.

Truly, /RichardNeifeld/

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