



## American Intellectual Property Law Association

October 5, 2018

The Honorable Andrei Iancu  
Under Secretary of Commerce for Intellectual Property and  
Director of U.S. Patent and Trademark Office  
U.S. Patent and Trademark Office  
600 Dulany Street  
Alexandria, VA 22314  
Via email: [Strategicplanning1@uspto.gov](mailto:Strategicplanning1@uspto.gov)

**RE:           Comments on United States Patent and Trademark Office Draft Strategic  
Plan for FY 2018-2022**

Dear Under Secretary Iancu:

The American Intellectual Property Law Association (AIPLA) thanks the USPTO for the opportunity to present comments on the USPTO 2018-2022 Strategic Plan dated August 14, 2018 (“Strategic Plan”). AIPLA would be happy to answer any questions that our comments might raise.

AIPLA is a national bar association of approximately 13,500 members that include patent attorneys, patent agents, and other IP professionals engaged in private or corporate practice, in government service, and in the academic community. AIPLA members represent a wide and diverse spectrum of individuals, companies, and institutions involved directly or indirectly in the practice of patent, trademark, copyright, trade secret, and unfair competition law, as well as other fields of law affecting intellectual property. Our members represent both owners and users of intellectual property, and they have a keen interest in a strong, and efficient Patent and Trademark Office (USPTO). Our mission includes helping establish and maintain fair and effective laws and policies that stimulate and reward invention while balancing the public’s interest in healthy competition, reasonable costs, and basic fairness.

As we emphasized in our comments submitted during the preparation of the 2014-2018 USPTO Strategic Plan,<sup>1</sup> AIPLA believes the most important factor for the success of the USPTO in furthering the patent system is full funding of the USPTO. Any sequester or diversion of the fees paid by its users (many of whom are represented by AIPLA members), significantly impairs the USPTO’s efforts in fulfilling its mission and implementing the Strategic Plan. Additionally, the balance between fee levels and USPTO performance should be made clear to the users and the public, including facilitating a better understanding of how the level of USPTO service is dependent on the amount of expenditure fees available.

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<sup>1</sup> AIPLA Comments regarding the Draft USPTO FY 2014-2018 Strategic Plan, available at [https://www.aipla.org/docs/default-source/advocacy/aipla-comments-on-uspto-strategic-plan-fy2014-2018---11-27-2013.pdf?sfvrsn=cff790cd\\_0](https://www.aipla.org/docs/default-source/advocacy/aipla-comments-on-uspto-strategic-plan-fy2014-2018---11-27-2013.pdf?sfvrsn=cff790cd_0)

## STRATEGIC GOALS

As a preliminary matter, AIPLA has three overall comments.

1. AIPLA recommends that the goal of “Maintaining a sustainable funding model” be listed and prioritized as the first Strategic Goal. Without adequate funding, achievement of the other Strategic Goals will be impaired and will make the achievement of those goals much more challenging, if not impossible.
2. The Strategic Plan should make clear whether and how the goal objectives identified for each Strategic Goal are prioritized.
3. The Key Performance Indicators (KPIs) are listed for goal objectives, but no information is provided to determine how achievement of each objective will be measured or reported. While there is some discussion following each objective as to showing how each is linked to the KPI, further explanation is requested.

AIPLA’s further comments regarding the Strategic Goals are provided below under the Goal headings listed in the draft Strategic Plan.

### GOAL I OPTIMIZE PATENT QUALITY AND TIMELINESS

AIPLA considers the funding and optimization of patent quality and timeliness to be the most important goals for sustained improvement of the U.S. patent system. We commend the USPTO for making the latter a strategic goal for 2018-2022. AIPLA has a long history of engaging in an ongoing dialog with the USPTO on these issues and has provided user input in response to USPTO notices and calls for comments. We also participate in international discussions, including the Trilateral and IP5 discussions, which focus in part on quality and timeliness. For example, AIPLA, as part of the Industry IP5, participates in the Global Dossier Task Force in improving the efficiency of document exchanges and reducing the need for patent applicants to submit the same documents to different IP5 Offices.

In addition to the listed Objectives in the draft Strategic Plan, we recommend enhancing facilitation of communications between Applicants and the Examiners during the examination process. For example, use of interviews (e.g., in-person, telephonic, or web-based) should be encouraged and made more common. Training for both Examiners and Applicants on the effective use of interviews can enhance both quality and timeliness in support of a primary goal, as mentioned above.

#### **Objective 1: Optimize Patent Application Pendency**

While both quality and timeliness are important, AIPLA believes quality should be listed before timeliness. Although Objective 1B (i.e., align production capacity with incoming workload) addresses the need to match filing surges in particular technologies with availability of skilled patent examiners, listing quality before timeliness emphasizes the importance of aligning the necessary resources to provide a quality examination, thus further supporting timeliness.

AIPLA supports work-sharing among the patent offices around the world, wherein international work products are used. For example, the independent work of the Examiners can be supplemented by Patent Cooperation Treaty (PCT) searches and prior art searches from other Offices. In addition, the Global Dossier can be used share examiner work products from related patent applications filed in various Offices. Such work-sharing efforts enhance the quality and timeliness of the examination process.

AIPLA commends the USPTO on the availability of the Patent Application Initiatives Timeline<sup>2</sup> and USPTO Data Visualization Center<sup>3</sup>. The former provides a user-friendly webpage regarding options available to an Applicant that may further enhance examination quality and/or timeliness. The latter provides public access to patent examination metrics in a transparent manner which provides visibility of the examination process, which in turn can aid in better understanding examination results and provide a better basis from which to provide comments for maintaining or adjusting the examination processes and tools. The USPTO is encouraged to further develop and improve the tools available to Applicants to enhance their USPTO experience, as well as continually make users aware of these resources.

## **Objective 2: Issue Highly Reliable Patents**

AIPLA requests clarity on the meaning of “reliability” regarding “Issuing Highly Reliable Patents.” We suggest that the definition include a description of quality in terms of the ability of the patent owner to value the patent right as a business asset. This should take into account the predictability of the grant result, from examination to enforcement through litigation, and in the case of patents, survival of the patent through a post-issuance proceeding. A focus on quality not only benefits the patent owner by increasing reliability of the rights granted, but also brings a benefit to the public through the notice function of granted patents.

To facilitate achieving this objective, tracking and publishing data regarding the frequency of different types of rejections (e.g., §101, §102, §103, and §112 rejections) may enable both the USPTO and Applicants to monitor trends, particularly when changes are made to the law, regulations, or internal USPTO guidelines enabling both to better understand the impact of those changes and perhaps fine tune its rejections and responses, respectively. Further, continual updates, with examples, of the USPTO approaches to §101, §102, §103, and §112 rejections are also suggested.

## **Objective 3: Foster Innovation Through Business Effectiveness**

A key part of supporting this objective is a reliable, robust IT system. AIPLA supports the efforts of the USPTO to modernize its legacy IT infrastructure and recognizes the importance of this effort to the USPTO’s ability to accomplish most of the other goals of its Strategic Plan, as well as to run its day-to-day operations. In regard to the latter, the USPTO’s IT systems have become critical not only for internal use but also for the user community. Electronic submission of documents to the USPTO, for example, has become the norm, and reliable access and adequate capacity are critical to the user community. Many users are also highly dependent on

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<sup>2</sup> USPTO Patent Application Initiatives Timeline, available at <https://www.uspto.gov/patent/initiatives/uspto-patent-application-initiatives-timeline>.

<sup>3</sup> USPTO Data Visualization Center, Patent Dashboard, available at <https://www.uspto.gov/dashboards/patents/main.dashxml>.

reliable access to the Electronic Filing System (EFS), Patent Application Information Retrieval (PAIR), and patent related search systems available on the USPTO Website. Of course, internal systems are just as critical to support USPTO operations, especially with extensive telework programs. AIPLA believes that strengthening IT infrastructure and legacy systems should be a priority.

The search function of the USPTO patent database and the patent application publication database can be improved in several critical aspects. For example, currently it is not possible to simultaneously search databases for both patents and published patent applications. Having the option to search both databases simultaneously would enhance the user experience. A further improvement AIPLA believes would substantially benefit both Examiners and the public is the use of artificial intelligence to enhance search results. There may be efficiencies and cost savings in working with other IP Offices to create the next generation of search systems.

We also believe information regarding the current status of the end-to-end electronic processing project is lacking. The previous Strategic Plan emphasized the need for electronic end-to-end processing, however the current status of the project is not clear. Also unclear is the level of resources devoted to development and implementation of such processing.

AIPLA encourages the USPTO to continue efforts to improve and implement work sharing with other IP Offices, as well as use of the Global Dossier.

#### **Objective 4: Enhance Operations of the Patent Trial and Appeal Board**

AIPLA welcomes the efforts of the PTAB to resolve appeals and *inter partes* matters in a timely manner while also improving predictability and quality, including having the proper balance between the Applicant and public interests. As these efforts continue, it is particularly important to track the progress through the KPIs.

## **GOAL II OPTIMIZE TRADEMARK QUALITY AND TIMELINESS**

#### **Objective 1: Optimize Trademark Application Pendency**

AIPLA has a long history of engaging in an ongoing dialog with the USPTO on these issues, including providing user input in response to USPTO notices and calls for comments. We also participate in international discussions, including the TM5 User Sessions, ID5 User Sessions and meetings of the World Intellectual Property Organization Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications, which have focused in part on quality and timeliness. We note that first action/allowance pendency between 2.5 and 3.5 months is particularly helpful for applicants seeking international trademark protection after the application clears publication for opposition but prior to expiration of the six-month Paris Convention priority.

#### **Objective 2: Issue High Quality Trademarks**

We note that the rates of affirmance by the Trademark Trial and Appeal Board (TTAB) of Examiner decisions on grounds such as likelihood of confusion (section 2(d)) and mere

descriptiveness (section 2(e)(1)) are very high and this reveals a high-quality examination process.

To facilitate achieving this objective, tracking and publishing data regarding the frequency of different types of refusals (e.g., 2(d), 2(e)(1), etc.) and statistical rates of affirmance and reversal by the TTAB, may enable both the USPTO and Applicants to better monitor trends and to understand how the USPTO is carrying out its statutory authority. Furthermore, as changes are implemented to examination procedures and internal guidelines in view of such tracked data, the public will be able to better understand the impact of those changes.

It would also be helpful to provide a description of the data-driven analytics the USPTO has in mind for KPI 2 (referring to Key Performance Indicator 2 in the draft Strategic Plan, “Adopt data driven analytics to enhance quality”).

AIPLA commends the USPTO on the availability of the Timeliness for the Trademark Application and Post-Registration Process<sup>4</sup> and the USPTO Data Visualization Center, Trademarks Dashboard.<sup>5</sup> The former provides a user-friendly Webpage regarding the steps and time frames for processing a trademark application for and maintaining a trademark registration. The latter provides public access to trademark examination metrics in a transparent manner. Such publicly accessible metrics provides visibility of aspects of the examination process, which in turn can aid in better understanding examination results and provide a better basis from which to provide comments for maintaining or adjusting examination processes and tools. The USPTO is encouraged to further develop and improve tools available to applicants to enhance their USPTO experience, as well as continually make users aware of these resources.

### **Objective 3: Foster Business Effectiveness**

As discussed above with respect to patents, a key part of supporting this objective is a reliable, robust IT system. AIPLA supports the efforts of the USPTO to modernize its legacy IT infrastructure and recognizes the importance of this effort in the USPTO’s ability to accomplish most of the other goals of its Strategic Plan, as well as to run its day-to-day operation. Regarding the latter, the USPTO’s IT systems are critical for trademarks. Electronic submission of documents to the USPTO is the norm, and reliable access and adequate capacity are critical to the user community. Users are also highly dependent on reliable access to the Trademark Electronic Search System (TESS) and Trademark Electronic Application System (TEAS) on the USPTO Website. Of course, internal systems are just as critical to support USPTO operations, especially with extensive telework programs. Again, AIPLA believes that strengthening IT infrastructure and legacy systems should be a priority.

Certain improvements to existing IT aspects of the trademark system would be desirable. For example, TESS can be improved in a several aspects. Most notably, the system times out much too quickly. Also, the search result links should stay live if the user copies and pastes a list of search results. Users would also benefit from enhanced visualization of search results. Accordingly, we propose that users be able to select which parts of the record are visible in the

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<sup>4</sup> USPTO Timeliness for the trademark application and post-registration process, available at <https://www.uspto.gov/trademark/trademark-timelines/trademark-application-and-post-registration-process-timelines>.

<sup>5</sup> USPTO Data Visualization Center, Trademarks Dashboard, available at <https://www.uspto.gov/dashboards/trademarks/main.dashxml>.

list of results. For example, the system should enable a user to select which aspects of a record are displayed in the columns of search results, such as classes and owner information, in addition to the serial number, the registration number, a description of the mark, and the status of the mark. To this end, we believe that the search results summary page should include a depiction of the stylized mark or design rather than a blank space if the mark is not a word mark, so users would not have to click through each hit to see the mark (if a design) or to determine which classes are included in the application or registration. The use of higher functioning artificial intelligence would enhance the search experience and improve results in TESS.

The Office should assure that its trademark IT systems and electronic forms allow for enhanced ease of use and flexibility for customers in all aspects of trademark operations. Users must be able to avail themselves of all the benefits provided for under the Trademark Act and Rules of Practice. For example, the Office's IT systems should not impede the ability of an intent-to-use applicant to receive additional extensions of time to file a statement of use ("SOU") after filing a statement of use ("SOU") with an "insurance" extension, if the SOU is rejected but time for additional statutory extensions remains.

In seeking ways to improve the USPTO's IT systems, it may be helpful to compare differences in user experiences between the patent and trademark filing and searching systems.

AIPLA encourages the USPTO to continue its efforts to improve and implement work sharing with other IP Offices, as well as participation in TMview and the WIPO Global Brand Database.

#### **Objective 4: Enhance Operations of the Trademark Trial and Appeal Board**

The interaction between the TTAB and the Office of the Chief Information Officer (OCIO) needs to consider not only the next generation of data storage and access but also for the generation after that. The advances in data mining requires multi-generational planning. As AIPLA previously suggested, the TTAB can enhance the quality of orders and opinions and contribute to development of the law through issuance of more precedential decisions.<sup>6</sup>

### **GOAL III PROVIDE DOMESTIC AND GLOBAL LEADERSHIP TO IMPROVE INTELLECTUAL PROPERTY POLICY, ENFORCEMENT, AND PROTECTION WORLDWIDE**

Intellectual property is a vital force in the strength of the U.S. economy and is critical to the global preeminence the U.S. enjoys in innovation. It is recognized that the leadership position of the U.S. in global innovation is vitally important for continued economic growth and for the creation of jobs. Key to achieving this objective is the Strategic Plan for robust domestic leadership and education for IP policy and IP awareness. Negatively critical reviews of IP, particularly patents, are present in the media and overshadow the value and positive

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<sup>6</sup> AIPLA Comments regarding the Draft USPTO FY 2014-2018 Strategic Plan, available at [https://www.aipla.org/docs/default-source/advocacy/aipla-comments-on-uspto-strategic-plan-fy2014-2018---11-27-2013.pdf?sfvrsn=cff790cd\\_0](https://www.aipla.org/docs/default-source/advocacy/aipla-comments-on-uspto-strategic-plan-fy2014-2018---11-27-2013.pdf?sfvrsn=cff790cd_0)

contributions realized by society and the economy from the U.S. IP system. A common theme in these reports and opinions, which undervalue IP, suggests that our society would reap more benefits from ideas and inventions if there was either significantly less or no IP protection in place.

AIPLA believes these views are misguided and fail to consider the consequences of reducing or eliminating IP protection in our knowledge-based economy. The presumed utopia of open availability to advancements is illusory because commercialization of the knowledge requires monetary investment. Such investment will not occur without IP protection and exclusivity necessary to recoup those investments. It is critically important that efforts be expended to disseminate a consistent message detailing the value of IP and the real-life impacts and benefits which flow to society from the U.S. IP system. More emphasis is necessary to alert society to the impacts of IP on their daily lives and to increase awareness of the value of IP. In the short term, we need to overcome the negative rhetoric with facts and explanations of how IP influences daily life to generate long-term social and cultural support for IP protection. Accordingly, AIPLA strongly endorses providing leadership and education to increase the general understanding of IP policy and IP awareness and its relationship to the promotion of the U.S. economy and job creation.

One aspect not highlighted in Goal III is the continued need to harmonize the U.S. patent laws with other laws around the world. Considering the efforts of the Trilateral and IP5 discussions on harmonization, AIPLA believes both substantive and procedural harmonization of patent laws should be important objectives of both domestic and international policy.

### **Objective 1: Provide Leadership and Education on Domestic Intellectual Property Policy and Awareness**

As noted in our preliminary comments, AIPLA believes, as we emphasized in our comments submitted during the preparation of the 2014-2018 USPTO Strategic Plan<sup>7</sup>, the most important factor for the success of the USPTO in furthering the patent system is full funding of the USPTO. Any diversion or sequester of the fees paid by users, many of whom are represented by AIPLA members, significantly impairs the USPTO's efforts in fulfilling its mission and implementing the Strategic Plan. Additionally, the balance between fee levels and USPTO performance should be made clear to both users and to the public, including understanding that the level of USPTO service is dependent on the amount of expenditure fees available.

AIPLA commends the USPTO for efforts made to reach out to stakeholders to solicit input and comments regarding USPTO resources, programs, and policies. AIPLA agrees that the USPTO should increase efforts to educate the public on the resources available and planned enhancements to those resources. AIPLA encourages the USPTO to continue the use of website announcements, public forums, and webcasts to bring the array of USPTO resources into focus for users.

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<sup>7</sup> AIPLA Comments regarding the Draft USPTO FY 2014-2018 Strategic Plan, available at [https://www.aipla.org/docs/default-source/advocacy/aipla-comments-on-uspto-strategic-plan-fy2014-2018---11-27-2013.pdf?sfvrsn=cff790cd\\_0](https://www.aipla.org/docs/default-source/advocacy/aipla-comments-on-uspto-strategic-plan-fy2014-2018---11-27-2013.pdf?sfvrsn=cff790cd_0)

## **Objective 2: Provide Leadership and Education on International Intellectual Property Policy and Awareness**

AIPLA views this as a critical aspect for U.S. business both domestically and internationally and agrees that the USPTO should be the key resource in providing guidance and assistance in developing IP policy and the education agenda on all aspects of IP protection and enforcement. Not only is the Under Secretary and Director intentionally positioned as the chief IP policy administrator for the Administration, but also because the USPTO possesses a staff with extensive experience in all areas of IP, the USPTO can provide invaluable insight and suggestions to create successful programs which increase the level of protection and enforcement of IP rights. Over the past decade, impressive gains made in the talent, scope of experience, and breadth of knowledge possessed by USPTO employees can be leveraged to provide results in IP protection and enforcement to the advantage of U.S. businesses.

### **MISSION SUPPORT GOAL DELIVER ORGANIZATIONAL EXCELLENCE**

## **Objective 1: Enhance Human Capital Management and Foster Employee Engagement**

Retention and training of a skilled workforce is essential to the ability of the USPTO to carry out its mission. AIPLA suggests that training for Examiners include opportunities for interaction with users so that Examiners may understand the scope and context of IP rights to those stakeholders, how those assets are valued and commercialized, and the impact that quality and timeliness have on IP rights and the IP system as a whole.

Further, retention of Examiners who perform well is a critical factor in achieving many of the stated goals. The USPTO should provide additional explanation regarding how to retain such Examiners.

In addition, on-going training of experienced Examiners is essential to maintain and improve quality examination. As the law evolves through the issuance of court decisions that affect examination policies, retraining is essential. The use and refinement of examination guidelines is encouraged as well as the publication of training materials, including examples so that the public has the opportunity to better understand the examination policies and procedures adopted and taught by the USPTO. Consistent application of proper examination principles is difficult with a large workforce; however, it is critical to ensure confidence in our IP systems, the USPTO and the registration of IP rights. Technical training is encouraged where needed to help patent Examiners keep abreast of emerging technologies, and AIPLA encourages the USPTO to partner with stakeholders to provide technical training by industry experts. While patent Examiners who specialize in a particular technology may become more proficient, it is recognized that generalist Examiners will be needed to balance dockets and evenly distribute backlogged applications.



## **Objective 2: Optimize Speed, Quality, and Cost Effectiveness of Information Technology Delivery to Achieve Business Value**

As discussed above, AIPLA supports the efforts of the USPTO to modernize its legacy IT infrastructure and recognizes the importance of this effort in the USPTO's ability to accomplish most of the other goals of its Strategic Plan, as well as to run its day-to-day operations. In regard to the latter, the USPTO's IT systems have become critical not only for internal use but also by the user community. Electronic submission of documents to the USPTO, for example, has become the norm, and reliable access and adequate capacity are critical to the user community. Many users are also highly dependent on reliable access to the PAIR and search systems available on the USPTO Website. Of course, internal systems are just as critical to support USPTO operations, especially with extensive telework programs. As previously noted, AIPLA believes that strengthening IT infrastructure and legacy systems should be a priority.

In developing and implementing the next generation IT systems, AIPLA suggests the USPTO consider how the new IT systems can serve both current and new technologies.

## **Objective 3: Ensure Financial Sustainability to Facilitate Effective USPTO Operations**

As noted in our preliminary comments and as emphasized in our comments submitted during the preparation of the 2014-2018 USPTO Strategic Plan,<sup>8</sup> AIPLA believes the most important factor for the success of the USPTO in furthering the patent system is full funding of the USPTO. Any diversion or sequester of the user fees paid, many of whom are represented by AIPLA members, significantly impairs the USPTO's efforts in fulfilling its mission and the full implementation of the Strategic Plan. Additionally, the balance between fee levels and USPTO performance should be made clear to the users and public, including understanding that the level of USPTO service is dependent on the amount of expenditure fees available.

## **Objective 4: Enhance USPTO's Interactions with Internal and External Stakeholders and the Public at Large**

There continues to be a critical need with the public in general to clarify many misunderstandings and incorrect perceptions about IP with the hope that more informed and accurate knowledge will improve support for IP rights and protection. These efforts should include protection and enforcement of IP rights in the U.S. and abroad. AIPLA also applauds USPTO programs directed towards small and medium size enterprises, minorities, women, and Native Americans to bring critical IP information to an underserved segment of the U.S. population so they are better prepared to compete domestically and internationally.

AIPLA supports the USPTO plan to improve information and communication channels and take advantage of technology today to support this effort. The USPTO should expand the use of social media and other tools to share information and receive feedback from stakeholders.

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<sup>8</sup> AIPLA Comments regarding the Draft USPTO FY 2014-2018 Strategic Plan, available at [https://www.aipla.org/docs/default-source/advocacy/aipla-comments-on-uspto-strategic-plan-fy2014-2018---11-27-2013.pdf?sfvrsn=cff790cd\\_0](https://www.aipla.org/docs/default-source/advocacy/aipla-comments-on-uspto-strategic-plan-fy2014-2018---11-27-2013.pdf?sfvrsn=cff790cd_0)

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AIPLA also supports the promotion of a customer service culture through, for example, the Ombudsman Program, increased interviews, and employee-initiated efforts to resolve issues and streamline processes.

AIPLA recommends seeking user input on Office training materials and encourages the Office to continue making the training materials available to the public.

Thank you again for the opportunity to make these comments. AIPLA supports the continuing efforts to improve the patent and trademark systems, welcomes the opportunity to answer any questions these comments may raise, and looks forward to a continuing dialogue on this very important subject.

Sincerely,

A handwritten signature in black ink that reads "Myra H. McCormack". The signature is written in a cursive, flowing style.

Myra H. McCormack

President

American Intellectual Property Law Association