

STRATEGIC GOAL 2

*Provide infrastructure for innovation to
enhance American competitiveness*



DEPARTMENT OF COMMERCE



UNITED

STATES OF

AMERICA





United States Patent and Trademark Office

Mission Statement

The USPTO mission is to ensure that the intellectual property system contributes to a strong global economy, encourages investment in innovation, fosters entrepreneurial spirit, and enhances the quality of life for everyone.

(The mission statement has been re-worded since publication of the FY 2001 Annual Performance Report and FY 2002 Annual Performance Plan. It was previously worded as: "The U. S. Patent and Trademark Office mission is to promote industrial and technological progress in the United States and strengthen the economy by: administering the laws relating to patents and trademarks while ensuring the creation of valid, prompt and proper intellectual property rights; and advising the Administration on all domestic and global aspects of intellectual property.")

Priorities

The United States Patent and Trademark Office's (USPTO's) mission in administering the intellectual property laws has a continuous tradition stretching back to the founding of the republic. However, the economic environment in which it undertakes that mission has changed in the past decade. Technological innovation and the marketing of new goods and services have increasingly driven U.S. economic growth. This has led to prolonged rapid growth in demand for the USPTO's principal products: patents and trademark registrations. Now more than ever, it is critical for the USPTO to reinforce its position as the leading intellectual property organization in the world by providing the highest quality patents and trademarks in a timely manner. To achieve its mission, the USPTO must transform itself to become a more agile, capable, and productive organization.

The USPTO began FY 2002 guided by the strategic plan that was developed in 1994 and updated in 1999 for the period 1999-2004. While the mission, goals, and strategies have served the USPTO well, the environment in which the intellectual property system operates worldwide has changed dramatically. There are an estimated seven million pending patent applications in the world's examination pipeline, technology has become increasingly complex, and customer demands for higher quality products and services has escalated. These dynamics, along with Congressional concerns about the USPTO's ability to continue to operate under a traditional business model, led to the development of a new strategic plan.

The USPTO *21st Century Strategic Plan* is a far-reaching and aggressive plan designed to transform the USPTO into an organization that is responsive to the global economy in which it operates. After implementation of the Plan, market forces will drive the USPTO's business model, geography and time will be irrelevant when doing business with the Office, products and services will be tailored to customer needs, and examination will be its core expertise. The Plan is centered around three long-term cross-cutting strategic goals:

- **Agility** — Address the twenty-first century economy by becoming a more agile organization. USPTO will create a flexible organization and work processes that can handle increasing expectations of its markets, the growing complexity and volume of its work, and the globalization that characterizes the twenty-first century economy. USPTO will work, both bilaterally and multilaterally, with its partners to create a stronger, better coordinated, and more streamlined framework for protecting intellectual property around the world. USPTO will transform its workplace by radically reducing labor-intensive paper processing.

- *Capability* — Enhance quality through workforce and process improvements. USPTO will make patent and trademark quality its highest priority by emphasizing quality in every component of the Plan. Through timely issuance of high-quality patents and trademarks, the USPTO will respond to market forces by promoting advances in technology, expanding business opportunities, and creating jobs.
- *Productivity* — Accelerate processing times through focused examination. USPTO will reduce patent and trademark pendency, substantially cut the size of its backlog of work, and recover its investments in people, processes and technology.

The *21st Century Strategic Plan* was made public in June 2002. At the same time, USPTO proposed a reallocation of 2003 resources to jump-start the Plan, and the Administration put forth proposed legislation to restructure the USPTO's fee schedule. In late FY 2002, USPTO began to gradually move forward in adopting the goals and objectives put forth in the Plan, to the extent they were consistent with Congressional intent and supported by USPTO stakeholders and applicants.

USPTO also supports the Department of Commerce goal to "Provide Infrastructure for Innovation to Enhance American Competitiveness" through its objective to "Protect Intellectual Property." All forms of intellectual property protection — patents, trademarks, and copyrights — uphold the philosophy of rewarding individual effort as the best way of utilizing the talents of creators to advance public welfare. Intellectual property is a potent force in the competitive free enterprise system. By continuing to protect intellectual endeavors and encourage technological progress, the USPTO seeks to preserve the U.S.'s technological edge, which is a key to current and future competitiveness.

FY 2002 Performance

In FY 2002, USPTO had four goals and eight measures which focused on (1) enhancing the quality of our products and services and (2) minimizing application processing time for patents and trademarks. Of those eight measures, USPTO met three of them.

USPTO received 333,688 Utility, Patent, and Reissue (UPR) patent applications for the fiscal year just ended, more than any previous year despite the downturn in the economy. Additionally, USPTO published 169,729 pending applications within 18 months after filing and issued 162,221 patent grants. A record number of trademark applications were registered and disposed, and pending inventories were substantially reduced. Trademark registrations increased by more than 30 percent to 133,225 including 164,457 classes. Total Trademark Office disposals were 228,191 including 284,559 classes. The Trademark Office's inventory of total applications under examination was reduced by 30 percent from 332,900 files with more than 458,300 classes at the start of the year, to 233,100 files including 318,300 classes.

Technology has become increasingly complex, and demands from customers for higher quality products and services have escalated. USPTO's applicants are concerned that the fees they pay to have their patent and trademark applications examined are being diverted for other purposes, thereby jeopardizing the benefits intellectual property rights bring to our national economy. In the U.S., customer demands have created substantial workload challenges in the processing of patents. The Congress, the owners of intellectual property, the patent bar, and the public-at-large have all told USPTO that it must address these challenges aggressively and promptly. USPTO's new "21st Century Strategic Plan" will assist in addressing these challenges and will transform the USPTO into a quality-driven, highly-productive, and cost-effective organization that will promote expansion of business opportunities, stimulate research and development, and expand U.S. businesses globally.

Targets and Performance Summary

See individual Performance Goal section for further description of each measure.

Performance Goal 1A: Enhance the Quality of our Patent Products and Services

Measure	FY 1999 Actual	FY 2000 Actual	FY 2001 Actual	FY 2002 Target	FY 2002 Actual	FY 2002 Met	FY 2002 Not Met
Improve the quality of patents by 55% by reducing the error rate from 6.6% to 3% by FY 2006	5.5%	6.6%	5.4%	5.0%	4.2%	X	
Increase overall customer satisfaction from 64% to 80% by FY 2006	57%	64%	64%	67%	63%		X

Performance Goal 1B: Minimize Patent Application Processing Time

Measure	FY 1999 Actual	FY 2000 Actual	FY 2001 Actual	FY 2002 Target	FY 2002 Actual	FY 2002 Met	FY 2002 Not Met
Reduce average first action pendency to 12 months by FY 2006	13.8	13.6	14.4	14.7	16.7		X
Reduce average total pendency to 26 months by FY 2006	25.0	25.0	24.7	26.5	24.0	X	

Performance Goal 2A: Enhance the Quality of our Trademark Products and Services

Measure	FY 1999 Actual	FY 2000 Actual	FY 2001 Actual	FY 2002 Target	FY 2002 Actual	FY 2002 Met	FY 2002 Not Met
Reduce the error rate from 6% to 3% by 2004	New	3.4%	3.1%	5.0%	4.3%	X	
Increase overall customer satisfaction from 70% to 80% by FY 2005	69%	65%	70%	72%	65%		X

Performance Goal 2B: Minimize Trademark Application Processing Time

Measure	FY 1999 Actual	FY 2000 Actual	FY 2001 Actual	FY 2002 Target	FY 2002 Actual	FY 2002 Met	FY 2002 Not Met
Reduce average first action pendency to 2 months by FY 2004	4.6	5.7	2.7	3.0	4.3		X
Reduce average total pendency to 12 months by FY 2006	18.9	17.3	17.8	15.5	19.9		X

Resource Requirements Summary

(Dollars in Millions. Funding amounts reflect total obligations.)

Information Technology (IT)

Full-Time Equivalent (FTE)

Performance Goal:

1A – Enhance the Quality of our Patent Products and Services

1B – Minimize Patent Application Processing Time

	FY 1999 Actual	FY 2000 Actual	FY 2001 Actual	FY 2002 Actual
Salaries and Expenses (Patents)				
Total Funding	669.5	738.8	882.3	976.6
IT Funding ¹	101.5	126.7	183.1	163.0
FTE	4,919	5,136	5,207	5,550

Performance Goal:

2A – Enhance the Quality of our Trademark Products and Services

2B – Minimize Trademark Application Processing Time

	FY 1999 Actual	FY 2000 Actual	FY 2001 Actual	FY 2002 Actual
Salaries and Expenses (Trademarks)				
Total Funding	118.0	133.4	126.2	122.9
IT Funding ¹	29.3	34.7	32.0	28.0
FTE	856	871	942	873

Discontinued Performance Goal: Strengthen Intellectual Property Protection in the United States and Abroad, Making it More Accessible, Affordable, and Enforceable

	FY 1999 Actual	FY 2000 Actual	FY 2001 Actual	FY 2002 Actual
Total Funding	16.1	23.1	32.1	44.5
IT Funding ¹	4.2	4.7	4.7	5.1
FTE	85	121	129	170

Grand Total	FY 1999 Actual	FY 2000 Actual	FY 2001 Actual	FY 2002 Actual
Total Funding	803.6	895.3	1,040.6	1,144.0
Direct	803.3	894.7	1,040.5	1,143.3
Reimbursable ²	0.3	0.6	0.1	0.7
IT Funding ¹	135.0	166.1	219.8	196.1
FTE	5,860	6,128	6,278	6,593

¹ IT funding included in total funding.

² Reimbursable funding included in total funding.

Skills Summary: Knowledge of global intellectual property rights systems and policies, expertise in intellectual property law, and appropriate scientific and technical expertise.

FY 2002 Performance Goals

Performance Goal 1A: Enhance the Quality of Our Patent Products and Services

(This goal has been reworded since the publication of the FY 2000 Annual Program Performance Report and FY 2002 Annual Performance Plan. This goal was previously worded as: "Enhance the quality of patent products and services, transition to e-government, and optimize patent processing time.")

Corresponding Strategic Goal

Strategic Goal 2: Provide infrastructure for innovation to enhance American competitiveness.

Rationale for Performance Goal

By measuring the quality of patent products and services and increasing the customer satisfaction rate to world-class service levels, USPTO will establish the confidence in our products and services increasingly needed to spur the economy and reduce unneeded litigation costs.

FY 2002 Performance

Customers are concerned with the quality of the products and services they receive in exchange for the fees they pay. The Patent Organization's efforts throughout fiscal year 2002 have provided significant quality and organizational process business benefits. The Patent Organization continues to focus its resources and its planning to address the changing needs of its customers, while serving as a catalyst for the U.S. economy.

Measure 1A(a): Improve the Quality of Patents by 55% by Reducing the Error Rate from 6.6% to 3% by FY 2006

	FY 1999	FY 2000	FY 2001	FY 2002
Target	New	New	New	5.0%
Actual	5.5%	6.6%	5.4%	4.2%
Met/Not Met				Met

Explanation of Measure

An error is defined as at least one claim within the randomly-selected allowed application under quality review that would be held invalid in a court of law, if the application were to issue as a patent without the required correction. Some examples of errors include the issuance of a claim notwithstanding the existence of anticipatory prior art under 35 USC 102, or relevant prior art under 35 USC 103 that would render the allowed claim obvious. Other errors may include lack of compliance of a claim to the other statutory requirements (i.e., 35 USC 101, 35 USC 112) and judicially created doctrines.

FY 2002 Performance

USPTO met its target. Under the *21st Century Strategic Plan*, the Patents Organization will enhance current quality assurance programs to include greater review of work in progress. This will include the implementation of in-process reviews, “second pair of eyes” reviews, transactional surveys in the Patents Organization, and end-process reviews. In addition, the Patents Organization is creating new programs for certifying the knowledge, skills, and abilities of its employees.

Measure 1A(b): Increase Overall Customer Satisfaction from 64% to 80% by FY 2006

	FY 1999	FY 2000	FY 2001	FY 2002
Target	65%	60%	67%	67%
Actual	57%	64%	64%	63%
Met/Not Met	Not Met	Met	Not Met	Not Met

(This measure has been reworded since the publication of the FY 2000 Annual Program Performance Report and FY 2002 Annual Performance Plan. This measure was previously worded as: “Percent of customers satisfied overall.”)

Explanation of Measure

The Patents Organization derives quality targets from internal objective data and customer satisfaction data obtained through annual surveys. The objective is to measure performance with respect to quality of the services rendered and the quality of patents granted. USPTO will be developing a new customer satisfaction index that will incorporate a number of metrics to measure achievement toward the capability goals. The index, when developed and implemented, will be baselined and used in the future as a more balanced tool for measuring performance with respect to quality and customer satisfaction.

FY 2002 Performance

USPTO did not meet its target. USPTO has been surveying customers of the patent process since FY 1995. Overall satisfaction remained virtually the same until FY 1998 with significant improvement in FY 1999 and FY 2000. The leveling off of overall satisfaction in FY 2001 and FY 2002 is not surprising given the great advances over the previous three years, which USPTO survey contractors labeled statistically significant. They have cautioned that repeated significant increases in overall satisfaction are highly unusual.

Program Evaluation

USPTO conducted ongoing reviews on the quality of patent examination. The information from these reviews helps the Patent Organization units identify the training that is necessary to enhance overall product quality and to improve the consistency of examination. The results of the reviews provide analysis in the form of reports to USPTO management. These reports serve as a basis for developing training tools for educating examiners. In addition to reporting specific errors, the analysis provides information on recurring problems and trends.

USPTO conducted internal and external customer surveys and customer service training for employees, and also supported a wide variety of customer feedback activities. USPTO needs customer input to ensure that activities geared toward improving products and services are supportive of customer needs and expectations. It seeks this input through focus groups, partnership meetings, technology fairs, workshops, and publicity campaigns. Customer feedback is taken into consideration when planning future activities.

Performance Goal 1B: Minimize Patent Application Processing Time

(This goal has been reworded since the publication of the FY 2000 Annual Program Performance Report and FY 2002 Annual Performance Plan. This goal was previously worded as: “Enhance the quality of patent products and services, transition to e-government, and optimize patent processing time.”)

Corresponding Strategic Goal

Strategic Goal 2: Provide infrastructure for innovation to enhance American competitiveness.

Rationale for Performance Goal

The term of patent protection is currently defined as beginning on the date the patent is granted and ending 20 years from the earliest filing date of the application. Since the amount of time the Patent Organization uses to process an application takes away from the patent term enjoyed by the inventor if the application is granted, it is incumbent upon the Patent Organization to minimize the application processing time. A shortened patent term and lengthened pendency complicate business decisions and negatively impact a patentee’s ability to collect royalties, raise capital, and bring new products to market; particularly in computer-related fields where the product cycle is relatively short.

The two primary measures of Patent Organization processing time are: (1) first action pendency, which measures the average time in months until an examiner’s initial determination of the patentability of an invention; and (2) total pendency, which measures the average time in months until an examiner either allows the patent or the application is abandoned by the applicant.

Measure 1B(a): Reduce Average First Action Pendency to 12 Months by FY 2006				
	FY 1999	FY 2000	FY 2001	FY 2002
Target	New	New	New	14.7
Actual	13.8	13.6	14.4	16.7
Met/Not Met				Not Met

Explanation of Measure

First action pendency is the average time in months from when an application is filed until an examiner makes the initial determination of patentability. As such, it is a key milestone in the processing of the application.

FY 2002 Performance

USPTO did not meet its target. Delay in the timely hiring of new patent examiners resulted in not meeting the first action pendency target by two months. The initiatives identified in the USPTO 21st Century Strategic Plan will reduce patent pendency, substantially cut the size of the work backlog, and recover our investments in people, processes and technology.

Measure 1B(b): Reduce Average Total Pendency to 26 Months by FY 2006

	FY 1999	FY 2000	FY 2001	FY 2002
Target	23.3	26.2	26.2	26.5
Actual	25.0	25.0	24.7	24.0
Met/Not Met	Not Met	Met	Met	Met

(This measure has been reworded since the publication of the FY 2000 Annual Program Performance Report and FY 2002 Annual Performance Plan. This measure was previously worded as: "Average pendency to issue or abandonment (months).")

Explanation of Measure

Total pendency is the average time in months from when an application is filed until an examiner either allows the patent or the application is abandoned by the applicant.

FY 2002 Performance

USPTO met its target. The initiatives identified in the USPTO 21st Century Strategic Plan will continue to reduce patent pendency, substantially cut the size of the work backlog, and recover its investments in people, processes and technology.

Program Evaluation

Timeliness is measured by the Patent Application Location and Monitoring (PALM) system, the USPTO computerized records system that lists the status and content of each patent application. The annual customer satisfaction survey yields additional information on timeliness from our customers. A section of the survey is devoted to customers' perceptions on how well USPTO is meeting the timeliness standards it has established. The annual customer survey has proven to be a reliable method for gathering information on timeliness as it is administered to a wide variety of USPTO customers. The survey allows USPTO to isolate particular areas within the organization where timeliness issues are problematic or successful. Furthermore, it allows USPTO to evaluate the impact of timeliness on overall customer satisfaction levels.

Performance Goal 2A: Enhance the Quality of Our Trademark Products and Services

(This goal has been reworded since the publication of the FY 2000 Annual Program Performance Report and FY 2002 Annual Performance Plan. This goal was previously worded as: “Enhance the quality of trademark products and services, transition to e-government, and minimize trademark processing time.”)

Corresponding Strategic Goal

Strategic Goal 2: Provide infrastructure for innovation to enhance American competitiveness.

Rationale for Performance Goal

By measuring the quality of trademark products and services, and by increasing the customer satisfaction rate, USPTO will establish the confidence in its products and services that is needed to spur the U.S. economy. USPTO’s objective is to measure its performance with respect to the quality of the trademarks it registers and the service it renders to the users of the trademark system.

FY 2002 Performance

Customers are concerned with the quality of the products and services they receive in exchange for the fees they pay. The Trademark Organization’s efforts throughout fiscal year 2002 have provided significant quality and organizational process business benefits. The Trademark Organization continues to focus its resources and planning to address the changing needs of its customers.

Measure 2A(a): Reduce the Error Rate from 6% to 3% by FY 2004				
	FY 1999	FY 2000	FY 2001	FY 2002
Target	New	New	New	5.0%
Actual		3.4%	3.1%	4.3%
Met/Not Met				Met

Explanation of Measure

An error rate is any error that has the potential to affect the registrability, validity, or value of a trademark registration. Examples of errors include failure to refuse registration because of a prior registration that may cause confusion and failure to refuse a trademark that is merely descriptive of the goods or services.

FY 2002 Performance

USPTO met its target. Examination quality was 95.7 percent based on standards for assessing the “clear error” rate for determining the type of errors that could affect the registrability of a mark. The review of pending, registered, and abandoned files by the Office of Trademark Quality Review determined the “clear error” rate to be 4.3 percent for the year. Errors related to marks that would be considered “confusing similar” under section 2(d) of the statute were determined in 4.4 percent of applications for a quality rating of 95.6 percent. The quality rate was 97.1 percent for findings on procedural errors.

During the past year, the Trademark Organization worked in cooperation with the Office of Quality Management and Training and the Office of Trademark Quality Review to benchmark a more consistent set of quality measures that would better reflect the current quality of examination.

Measure 2A(b): Increase Overall Customer Satisfaction from 70% to 80% by FY 2005				
	FY 1999	FY 2000	FY 2001	FY 2002
Target	80%	72%	65%	72%
Actual	69%	65%	70%	65%
Met/Not Met	Not Met	Not Met	Met	Not Met

(This measure has been reworded since the publication of the FY 2000 Annual Program Performance Report and FY 2002 Annual Performance Plan. This measure was previously worded as: “Percent of customers satisfied overall.”)

Explanation of Measure

USPTO has been surveying customers of the trademark process since FY 1995. Trademarks derive quality targets from internal objective data and customer satisfaction data obtained through annual surveys. The objective is to measure performance with respect to quality of the services rendered and the quality of trademarks registered.

FY 2002 Performance

USPTO did not meet its target. USPTO will be developing a new quality index that will incorporate a number of metrics, including those identified below, to measure achievement toward the capability goals. The index, when developed and implemented, will be baselined and used in the future as a more balanced tool for measuring performance with respect to quality.

Program Evaluation

USPTO conducted ongoing reviews of the quality of trademark examinations. The reviews of trademark applications were focused on four areas: substantive statutory criteria for registrability, search for confusingly similar marks, proper examination practice and procedure, and proper application of judicial precedents. The information from these reviews helps the business units identify the training that is necessary to enhance overall product quality and to improve the consistency of examination. The results of the reviews provide analysis in the form of reports to USPTO management. These reports serve as a tool for educating examiners and examining attorneys. In addition to reporting specific errors, the analysis provides information on recurring problems and trends.

USPTO conducted internal and external customer surveys, customer service training for employees, and supported a wide variety of customer feedback activities. USPTO needs customer input to ensure that activities geared toward improving products and services are supportive of customer needs and expectations. It seeks this input through focus groups, partnership meetings, technology fairs, workshops, and publicity campaigns. Customer feedback is taken into consideration when planning future activities.

Performance Goal 2B: Minimize Trademark Application Processing Time

(This goal has been reworded since the publication of the FY 2000 Annual Program Performance Report and FY 2002 Annual Performance Plan. This goal was previously worded as: “Enhance the quality of trademark products and services, transition to e-government, and minimize trademark processing time.”)

Corresponding Strategic Goal

Strategic Goal 2: Provide infrastructure for innovation to enhance American competitiveness.

Rationale for Performance Goal

The decision on the registrability of a trademark must be rendered on a timely basis. Therefore, the Trademark Organization must maximize the term of trademark protection, reduce internal processing, and minimize the extension of trademark term due to processing delays.

Measure 2B(a): Reduce Average First Action Pendency to Two Months by FY 2004				
	FY 1999	FY 2000	FY 2001	FY 2002
Target	3.9	4.5	6.6	3.0
Actual	4.6	5.7	2.7	4.3
Met/Not Met	Not Met	Not Met	Met	Not Met

(This measure has been reworded since the publication of the FY 2000 Annual Program Performance Report and FY 2002 Annual Performance Plan. This measure was previously worded as: “Average time to examiner’s first action (months).”)

Explanation of Measure

First action pendency is the time from filing to mailing an examiner’s first office action.

FY 2002 Performance

USPTO did not meet its target. The time from filing to mailing an examiner’s first office action increased by the end of the fiscal year to 4.3 months from 2.7 months at the end of the prior fiscal year. The increase was due to shifting priorities for examination on completing applications already under examination. The most significant operational challenge addressed during the past year was the decision to conduct a reduction in force to balance the examiner staff with workloads. The decision was made after carefully considering a number of options, and was consistent with USPTO’s goal of running an efficient and effective Trademark Operation. The nature of registering trademarks makes USPTO susceptible to the same economic forces that have led many businesses to reduce the size of their workforces over the past two years. The initiatives identified in the USPTO 21st Century Strategic Plan will reduce trademark pendency and substantially cut the size of the work backlog.

Measure 2B(b): Reduce Average Total Pendency to 12 Months by FY 2006

	FY 1999	FY 2000	FY 2001	FY 2002
Target	15.5	18.0	19.0	15.5
Actual	18.9	17.3	17.8	19.9
Met/Not Met	Not Met	Met	Met	Not Met

(This measure has been reworded since the publication of the FY 2000 Annual Program Performance Report and FY 2002 Annual Performance Plan. This measure was previously worded as: "Average time to disposal or registration.")

Explanation of Measure

Average total pendency is the average number of months between filing and registration plus the suspended, inter partes cases, and amendments to allege use.

FY 2002 Performance

USPTO did not meet its target. High levels of applications under examination from prior years kept overall total pendency above the thirteen-month goal for 19.9 months. As the total number of applications under examination continues to be reduced and first actions decline once again to the three-month goal, overall pendency to registration will decrease. The most significant operational challenge addressed during the past year was the decision to conduct a reduction in force to balance our examiner staff workloads. The decision was made after carefully considering a number of options, and was consistent with USPTO's goal of running an efficient and effective Trademark Operation. The nature of registering trademarks makes USPTO susceptible to the same economic forces that have lead many businesses to reduce the size of their workforces over the past two years. The initiatives identified in the USPTO 21st Century Strategic Plan will reduce trademark pendency and substantially cut the size of the work backlog.

Program Evaluation

Timeliness is measured by the Trademark Reporting and Monitoring (TRAM) system, the USPTO computerized records system that lists the status and content of each trademark application. The annual customer satisfaction survey yields additional information on timeliness from customers. A section of the survey is devoted to customers' perceptions on how well USPTO is meeting the timeliness standards it has established. The annual customer survey has proven to be a reliable method for gathering information because it is administered to a wide variety of USPTO customers. It allows USPTO to isolate particular areas within the organization where timeliness issues are problematic or successful. Furthermore, it allows us to evaluate the impacts of timeliness on overall customer satisfaction levels.

USPTO Data Validation and Verification

In accordance with GPRA requirements, USPTO is committed to ensuring that the performance information reported is reliable, accurate, and consistent. To ensure the highest quality data, USPTO has developed a strategy to validate and verify the quality of its performance information. USPTO has undertaken the following:

- *Quality Reviews* — USPTO conducts ongoing reviews on the quality of patent and trademark examination. The focus of the review for patent applications is threefold: (1) identifying patentability errors, (2) assessing adequacy of the field of search and proper classification, and (3) assessing proper examination practice and procedures. For trademark applications, the review includes four areas: (1) substantive statutory criteria for registrability, (2) search for confusingly similar marks, (3) proper examination practice and procedure, and (4) proper application of judicial precedents. The information from these reviews helps the business units identify necessary training with the goal of enhancing overall product quality and improving the consistency of examination. The results of the reviews provide analysis in the form of reports to Patent and Trademark management. These reports serve as a tool for educating examiners and examining attorneys. In addition to reporting specific errors, the analysis provides information on recurring problems and trends.
- *Certification* — Responsibility for providing performance data rests within the Patent and Trademark organizations. USPTO has a process to hold program managers accountable for ensuring procedures are in place regarding the accuracy of their data, and that the performance measurement source is complete and reliable.

The USPTO Data Validation and Verification table can be found on the following page.

USPTO Data Validation and Verification

Performance Measure	Data Source	Frequency	Data Storage	Verification	Data Limitations	Actions to be Taken
Measure 1A(a): Improve the quality of patents by 55% by reducing the error rate from 6.6% to 3% by FY 2006	Office of Patent Quality Review Report.	Input: daily; reporting: monthly	Automated systems, reports.	Manual reports and analysis.	None	None
Measure 1A(b): Increase overall customer satisfaction from 64% to 80% by FY 2006	Customer Surveys	Annually	Paper files and contractors' electronic files.	Paper files and contractors' electronic files.	Independent contractor develops data instrument, conducts survey, and compiles results.	None
Measure 1B(a): Reduce average first action pendency to 12 months by FY 2006	Patent Application Location and Monitoring (PALM) system.	Input: daily; reporting: monthly	PALM, automated systems, reports.	Accuracy of supporting data is controlled through internal program edits in the PALM system. Final test for reasonableness is performed internally by patent examiners and supervisory and program management.	None	None
Measure 1B(b): Reduce average total pendency to 26 months by FY 2006	Patent Application Location and Monitoring (PALM) system.	Input: daily; reporting: monthly	PALM, automated systems, reports.	Accuracy of supporting data is controlled through internal program edits in the PALM system. Final test for reasonableness is performed internally by patent examiners and supervisory and program management.	None	None
Measure 2A(a): Reduce the error rate from 6% to 3% by FY 2004	Office of Trademark Quality Review Report.	Input: daily; reporting: monthly	Automated systems, reports.	Manual reports and analysis.	None	None
Measure 2A(b): Increase overall customer satisfaction from 70% to 80% by FY 2005	Customer surveys	Annually	Paper files and contractors' electronic files.	Paper files and contractors' electronic files.	Independent contractor develops data instrument, conducts survey, and compiles results.	None
Measure 2B(a): Reduce average first action pendency to two months by FY 2004	Trademark Reporting and Monitoring (TRAM) system.	Input: daily; reporting: monthly	TRAM, automated systems, reports.	Accuracy of supporting data is controlled through internal program edits in the TRAM system. Final test for reasonableness is performed internally by examining trademark attorneys and supervisory and program management.	None	None
Measure 2B(b): Reduce average total pendency to 12 months by FY 2006	Trademark Reporting and Monitoring (TRAM) system.	Input: daily; reporting: monthly	TRAM, automated systems, reports.	Accuracy of supporting data is controlled through internal program edits in the TRAM system. Final test for reasonableness is performed internally by examining trademark attorneys and supervisory and program management.	None	None