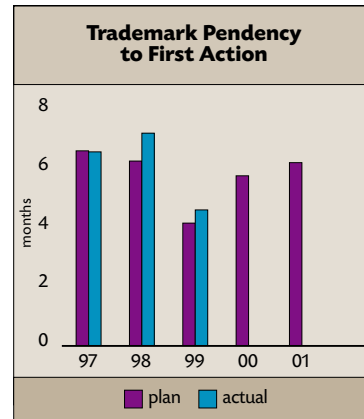


Trademarks

In FY 1999, the PTO trademark business experienced one of its largest one-year increases in application filings. Customers filed 240,308 applications for trademark registration in 295,165 classes, 27 percent more than were filed in FY 1998. For the last six months of the fiscal year, over 5,300 applications, averaging more than 6,200 classes, were received weekly. Because of the tremendous growth in filings, and the increase in staffing to address that growth, disposals were less than expected as the more experienced examiners devoted much of their time training and mentoring the large number of new examiners hired during the year. Registrations were down slightly from 1998, to 87,774, containing 104,324 classes.



Campbell Soup Company's red and white label design was first registered in 1906.



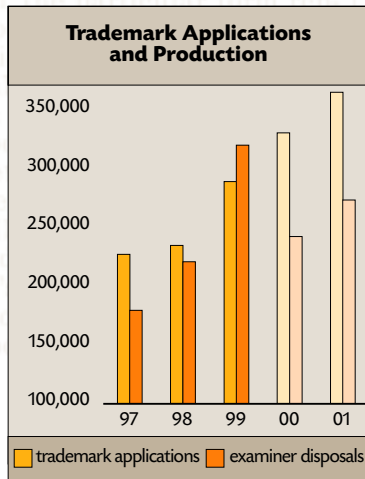
The Hershey's Kisses® trademark was first registered in 1921, the famous Kiss design, however, was registered in 1983.





Starkist® trademark registered 1940.
“Charlie” trademark registered 1970.

A concerted effort was made in FY 1999 to focus examiner activities on new applications. Because the examiner’s initial action provides applicants the first indication that their trademarks may be registered, applicants can then use this information to formulate decisions on developing their products. This focus led to a decrease in first action pendency from 7.2 months at the end of FY 1998 to 4.6 months at the end of FY 1999, an improvement of 36 percent. The ultimate goal is to reduce the time it takes for the initial action—first-action pendency—to three months. To do this, the number of law offices was increased



from 9 to 15, and the number of trademark examining attorneys was increased by 86 to 367. We hired 136 examining attorneys in 1999, the second consecutive year we have hired more than 100 new examiners. The plan is to maintain staffing at 375 examiners and to fill positions that support examination and production necessary to manage the level of filings received. This can be accomplished by staffing to the level that was authorized in the PTO’s 2000 appropriation.

Trademark application filings are a reflection of the strong national economy and the growth in business and e-commerce. Doing business on the Internet has stimulated interest in trademark protection. The PTO, in response to this, has made it easier than ever for individuals and small businesses to apply for Federal registration of their trademarks through e-TEAS, the Trademark Electronic Application System.

A sports team’s identity is wrapped up in its name and team symbol. Fans show their support by buying team jackets, hats, and other items. Trademark protection for those names and symbols ensures that fans can buy the real thing and be protected from rip-offs. The trademark also protects the team’s revenue stream.



Nittany Lion® trademark registered 1985.



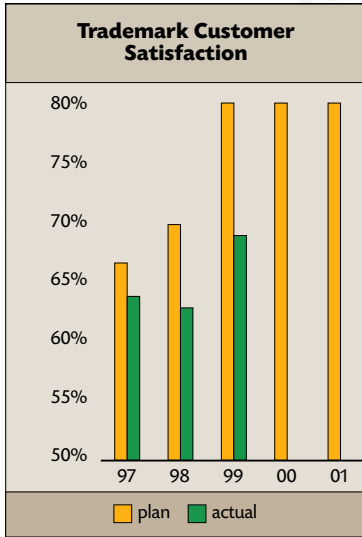
Washington Capitals® trademark registered 1999.



Denver Broncos® trademark registered 1998.

Electronic Trademark Filing and Processing

Several new systems were successfully implemented in FY 1999 that move the PTO closer to its goal of transforming trademark processing into a fully electronic operation by FY 2004.



Since October 1, 1998, the PTO has offered electronic filing to its customers through the Trademark Electronic Application System (e-TEAS), thus fulfilling one of our commitments to Vice President Gore as a HIA. E-TEAS permits customers to file an application for the registration of a trademark over the Internet to the PTO website. In FY 1999 more than 20,600 applications were received over the Internet for electronic registration.

Customers who file electronically will know almost immediately that an application has been received along

with notice of the serial number. Initial processing of applications is more accurate and faster, a full one-third faster, because a number of manual processing steps are eliminated prior to examination.

To aid the customer, the rules for electronic filing have been revised. For instance, signature requirements have been modified, making it easier for attorneys to file on behalf of their clients. Another change has been that for applications filed through e-TEAS the date of receipt, regardless of whether it is a business day, will be the date for according a filing date.

For those applicants who need to include additional materials with their application, copies of all the trademark application filing forms are now available on the PTO website. The forms may be downloaded, completed, and mailed to the PTO.

Unfortunately, most applications are still received on paper. To speed up the time it takes to process an application, and to significantly reduce errors, the majority of applications are now scanned. In the next year the PTO will replace manual data entry with scanning for nearly all paper correspondence. Although this process has been more labor-intensive than the old paper system, it is expected that as we gain more experience using the scanning system, and as customers adopt standardized formats, the process and quality will improve. The plan is to encourage the majority of customers to file electronically.

The Morton® Umbrella Girl trademark, first used in 1914, was registered in 1946. The logo seen on the container on the right was introduced in 1968.



1914



1921



1933



1941



1956

TradeUps TradeUps, a PC-based system that electronically codes applications and adds the data to the PTO's Trademark Reporting and Monitoring (TRAM) database in standard "tagged" formats has been in use for capturing all new application data since 1998. In 1999, TradeUps was enhanced to permit a full image of the scanned application page to be available on-line, a modification that allows examiners to complete their review for formalities and initial data capture from the electronic record. An automated interface to TradeUps was added, and it now can accept data submitted electronically for e-TEAS applications, eliminating the need for a paper review of the application for initial processing. TradeUps II supports text editing of the initial database record for changes that occur throughout the examination process. Future versions of TradeUps will include post-registration and intent-to-use functions. Full implementation of TradeUps in 2000 will permit all transactions that update TRAM allowing for the replacement of TRAM.

Trademark Reporting and Monitoring In the past year, changes were made to the Trademark Reporting and Monitoring (TRAM) system to accommodate provisions required under the Trademark Law Treaty (TLT). Changes required to implement TLT delayed the PTO's strategy to move forward with a new version of TRAM and have extended the PTO's hopes of developing a system to completely replace paper with electronic files. The enhanced TRAM system will provide the basis for a replacement open system due in 2000. By replacing proprietary technologies with open systems, the PTO will be able to improve the TRAM system's reporting capabilities, integrate intent-to-use processing into the law offices, and support workflow changes. The first phase will enhance the pre-examination, examination, and intent-to-use functions with improvements in batch programs, on-line transactions, and reporting. The PTO plans to begin development in 2002 of a trademark information system that, together with TEAS and TradeUps, will replace paper applications altogether and permit full electronic processing of applications and related documents.



Trademarks provide product recognition, giving the consumer information about the source and quality of the product, while helping the producer develop brand loyalty among customers. The Morton® salt brand is so powerful, for example, that although table salt producers provide similar products, most salt round cans purchased in the U.S. bear the image of the Umbrella Girl and the trademarked slogan, "when it rains, it pours."



Trademark Application and Registration Retrieval

Trademark application and registration status information became available to the general public over the Internet through the Trademark Application and Registration Retrieval (TARR) system in August 1999. The PTO website provides general PTO information and phone numbers for contacting the Office.

Trademarks on the Web

Trademark text data and trademark images were made available in September 1998 on the PTO website. The PTO Web Trademarks database permits searching of the bibliographic text of pending and registered trademarks from anywhere. The data are extracted from trademark databases and updated every other month. The Trademark Electronic Search System (TESS) is scheduled to replace the existing search engine in the next year with data that are updated daily and a search capability similar to what is used in the Office by examiners.

Work-at-Home

The Work-at-Home project was piloted as a “reinvention lab” for two years beginning in March 1997. The project tested the technical feasibility of providing access to office equipment and access to information databases to eighteen examining attorneys working from their homes three days a week. The project was concluded in March 1999 and the final evaluation report shows that the eighteen examining attorneys increased their productivity by significantly increasing their examination hours. The Office plans to expand the program to up to 60 examining attorneys in the next year and is considering further expansion as alternative methods for addressing ever increasing filings and limited office space.

TABASCO® trademark registered 1927.



Post-it Brand® trademark registered 1982.



Westinghouse® trademark registered 1932.



Pegasus® trademark registered 1931.



Slim Jim® trademark registered 1953.

Customer Satisfaction

Overall customer satisfaction increased, from 63 percent in FY 1998 to 69 percent in FY 1999. Unfortunately, this was short of the FY 1999 target of 80 percent. However, there was significant improvement in several important areas, and efforts will be focused in FY 2000 on internal processing issues relating to timeliness and the handling of delays and mistakes, two problem areas that although much improved from our 1998 results require further attention and improvement.

Quality and Performance

Customer satisfaction survey results make it clear that the key to resolving complaints is the ability to eliminate problems and to resolve those problems promptly when they do occur. As a result the PTO has developed performance measures that will assess the quality of employee work from the customers' point of view. A new program will have managers and customers working together to solve and then improve service

problems. Further, specific staff has been assigned to solving problems and finding the root causes of delays and errors made during application processing. Four specific goals will be addressed in FY 2000.

1. *Quality legal examination:* The determination of registrability will be accurately and clearly stated throughout the examination process.
2. *Timely processing of trademark applications:* Registration will be determined within thirteen months of filing, and PTO notices will be issued in a timely manner.
3. *Accuracy of trademark products:* Care will be taken so that notices with the correct information will be issued.
 - Filing receipts
 - Notice of Allowance
 - Notice of Abandonment
 - Certificates of Registration
4. *Effective handling of customer concerns:* Only clear and accurate answers will be provided to customer questions regarding problems or delays in the processing of trademark applications.



United Way® trademark registered 1975.

United Way®



The Salvation Army® trademark first used 1918, registered 1965.

CNMC trademark registered 1990.



Children's
National Medical Center®

A charity uses and promotes its trademark to associate its cause with a unique name and/or symbol. Donors quickly recognize and associate the trademark with the cause and are assured that their donations will go to the intended charity. Trademarks helped charities raise over \$600 billion last year alone.

Legislative Changes/ Trademark Law Treaty

Congress approved the Trademark Law Treaty and passed the Trademark Law Treaty Implementation Act of 1998 (Public Law 105-330), which went into effect on October 30, 1999. Those member nations that signed the Treaty agreed to simplify and harmonize, or standardize, the requirements for filing applications, dispense with most legalization requirements, limit the list of filing and registration requirements, maintain trademark registrations, and accept multi-class applications and service mark registrations. However, the Treaty actually increases the requirements for post-registration filings.



Mr. Potato Head® trademark registered 1955.

Plans for FY 2000

The PTO business goals for FY 2000 are straightforward. Trademark application processing time will be reduced, and the quality of work will be improved. These goals are consistent with our HIA commitments.

The PTO priorities for FY 2000 are to:

- Continue efforts to improve customer satisfaction;
- Obtain and maintain the staff and the resources necessary to reach the first-action pendency goal;
- Increase the number of registrations published and registered;
- Implement the provisions of the Trademark Law Treaty;
- Continue the restructuring of the internal systems to enable the full use of technology;
- Increase the number and types of applications filed electronically; and
- Increase the number of opportunities for working at home.



Ja-ru® trademark registered 1998.



Monopoly® trademark registered 1935.

Frisbee® trademark registered 1959.



Hula-Hoop® trademark registered 1962.

Nerf® trademark registered 1970.



Companies market their goods through brand identification, and consumers use trademarks to ensure they get the item they want. Remember the rush for Cabbage Patch dolls®, Transformers®, Power Puff Girls®, Beanie Babies®, and Pokemon cards®? Children understand trademarks very well.