

GOVERNMENT PERFORMANCE AND RESULTS ACT OF 1993

The PTO takes every opportunity to explore new ways of providing our customers and stakeholders with high-valued products and services. In January 1994, we were selected to participate in the Government Performance and Results Act (GPRA) pilot program. The purpose of the GPRA is to improve the effectiveness and accountability of federal programs by focusing on program results, quality and customer satisfaction. As a pilot program participant, the PTO has committed to establishing, monitoring and reporting on our program performance, goals and indicators. The following are our 1994 and 1995 major performance goals:

- ▶ Decrease patent pendency and maintain financial self-sufficiency.
- ▶ Decrease trademark pendency and maintain financial self-sufficiency.
- ▶ Engage in business-like partnerships with Patent and Trademark Depository Libraries (PTDLs) tailored to the industry base of that regional industrial arena, and increase the number of PTDLs throughout the nation.
- ▶ Conduct customer focus group sessions and surveys of individual users, internal customers, law and intellectual property associations, and other stakeholders.

The PTO has chosen to take a proactive role in instituting the provisions of the GPRA. In September 1994 we published a Strategic Plan for fiscal years 1996-2000. This comprehensive, high-level document provides a foundation for planning throughout our organization.

The PTO is a pioneer in establishing performance goals and measurements. In response to the needs of PTO's users and stakeholders, in 1982 the PTO engaged in a successful user fee program to reverse the trend and confidence of those who ascribed to the *U.S. News and World Report's* February 2, 1981 statement that, "The U.S. patent process is so sluggish, outdated and undependable that it is contributing to the decline of innovation in America." In 1989, the PTO met its commitment to reduce patent pendency (the time expended from patent application receipt to patent issue) to 18 months and became the world's fastest and most economical issuer of patents. The trademark program realized its commitment to reduce backlogs and deliver a better quality and more timely trademark registration in 1985.

The achievement of these goals was a result of an agreement among the PTO, Congress, and our users that, if fees were increased to recover a higher percentage of operational costs, the PTO would reduce backlogs and deliver better quality and more timely patent issues and trademark registrations. Thus the direct linkage emerged between PTO's commitment to improved program performance in exchange for fees paid by the public. Since 1982, despite fluctuations in patent and trademark pendency of one to three months throughout this period, the PTO has continued to take the necessary steps to maintain the commitment that was made to users and Congress over a decade ago.

Our vision for the future is to return to a stable overall pendency level of 18 months for the issuance of a patent and 13 months for the registration of a trademark. In addition, the PTO will continue to seek innovative ways to address acceptable pendency levels for individual areas of technology patents and trademarks. Eighteen-month patent pendency is the shortest time reasonable and attainable under current statutes and rules and is the international publication standard. Three months to first action notice (the rendering of an initial opinion on the registrability of a trademark early in the examination process which provides an important indication of whether the trademark may ultimately register) and 13 months to disposal (registration or abandonment) of a trademark application is the most acceptable standard for a trademark registration.

The continuation of the commitment to PTO users to provide the most timely and high quality services and products in return for total reliance on user fees and no general taxpayer support will remain the major program performance goal for the bureau. Our efforts to achieve financial self-sufficiency began in fiscal year 1983. This goal was realized with the enactment of the Omnibus Budget Reconciliation Act of 1990 when financial self-sufficiency was accelerated by the imposition of a surcharge upon patent statutory fees. In addition to our performance goal of decreasing pendency, we will continue to strive to maintain financial self-sufficiency. Two equally important performance goals will be to improve the methods of disseminated patent and trademark information and to begin the measurement of the overall quality of services to customers.

Our experience in program performance measurement has taught us that this process must be a continuous cycle of defining and refining measurement tools to assure that the quality of our service is customer oriented. Recognizing the importance of tapping into the resources of ALL customers, the PTO is conducting customer focus sessions and satisfaction surveys to attain a higher level of quality service that is defined through the perspective of those who fund our bureau — the fee paying users. In our fiscal year 1994 and 1995 GPRA Performance Plans, the PTO included eight pivotal factors which will set the stage for gauging program performance necessary to attain the four major goals: performance vision, a strategic framework, performance goals, processes for achievement, methods of verification and validation, performance indicators, baseline target levels, and finally, anticipated impediments to goal attainment.

GOVERNMENT PERFORMANCE AND RESULTS ACT PERFORMANCE PLAN

Patent Program Performance Vision:

To enhance the standard of living, quality of life, and economic growth in the United States through the timely issuance of patents. The issuance of timely and valid patents assist in maintaining our nation's global economic leadership, and provides incentive and protection for inventors to pioneer new products and technologies into the marketplace. In conformance with the PTO 1996 - 2000 Strategic Plan, the PTO's objective is to maintain a stable pendency level which fosters industrial and technological innovation in the United States. PTO will stabilize (as achieved in fiscal year 1989) the patent pendency level by achieving to improve its ability to predict and respond to external political, economic, and technological changes, which may impact filing levels, fee revenue, pendency, and ultimately, national innovation.

Strategic Framework Goal:

While serving all customers in a timely and courteous manner, provide quality intellectual property protection, by issuing patents in a timely manner.

Program Performance Goal:

Decrease patent pendency and maintain financial self-sufficiency.

Processes:

- ▶ Enhance human resources.
- ▶ Leverage information technologies.
- ▶ Employ better processes.

Verification and Validation:

- ▶ Patent program managers will use automated systems for tracking and monitoring all patent applications.
- ▶ PTO managers will monitor performance through the use of monthly Executive Information System (EIS) reports and analysis.

Performance Indicators:

	<i>1989</i> <i>Baseline</i>	<i>1994</i> <i>Actual</i>	<i>1995</i> <i>Target</i>	<i>1996</i> <i>Target</i>
Financial self-sufficiency (percent)	70.26	100	100	100
Months to issue or abandonment	18.4	19.0	18.9	19.0
Months from pendency to first action	7.3	7.7	7.0	8.1

Impediments:

- ▶ Applications (or inputs) are subject to economic and political changes in the U.S. and abroad.
- ▶ Application examination times are subject to technical complexity of applications, examiner experience, response time of applicants to office actions, and number of patent examiners available for examining.

Trademark Program Performance Vision:

To promote and protect industrial and technological productivity through the timely registration of trademarks (as achieved in fiscal year 1985). PTO's goal is to improve its ability to predict and respond to changes in the external environment, which may impact filing levels, fee revenue, pendency, and ultimately, industrial growth. Consistent pendency levels support U.S. businesses in making major marketing and production decisions regarding the placement of new products and services in the marketplace. In conformance with the PTO 1996-2000 Strategic Plan, achievement of this goal will reinforce confidence in consumer and business protection, which is inherent in a timely and defensible trademark registration.

Strategic Framework Goal:

While serving all customers in a timely and courteous manner, provide quality intellectual property protection, by registering trademarks in a timely manner.

Fiscal Year 1994 Performance Goal:

Decrease trademark pendency and maintain financial self-sufficiency.

Processes:

- ▶ Enhance human resources.
- ▶ Leverage information technologies.
- ▶ Employ better processes.

Verification and Validation:

- ▶ Trademark program managers will use automated systems for tracking and monitoring all trademark applications.
- ▶ PTO managers will monitor performance through the use of monthly Executive Information System (EIS) reports and analysis.

Performance Indicators:

	<i>1989</i> <i>Baseline</i>	<i>1994</i> <i>Actual</i>	<i>1995</i> <i>Target</i>	<i>1996</i> <i>Target</i>
Financial self-sufficiency (percent)	100	100	100	100
Months to register trademark	13.8	16.3	15.5	13.9
Months to first action	2.8	5.2	3.9	3.0

Impediments:

- ▶ Applications (or inputs) are subject to economic and political changes in the U.S. and abroad.
- ▶ Application examination times are subject to technical complexity of applications, examiner experience, response time of applicants to office actions, and number of trademark examiners available for examining.

Information Dissemination Program Performance Vision:

PTO will engage in better ways of serving the informational needs of uniquely focused industries and will implement new methods of generating additional sources of revenue by taking a more business-like approach in meeting our responsibilities for disseminating patent and trademark information. PTO's goal is to enhance methods for disseminating information and increase our capacity to bring PTO's most important services directly to our customers. Currently, patent and trademark information is disseminated through paper, microfilm, microfiche, CD-ROM, and at Patent and Trademark Depository Libraries (PTDLs). As the world enters the information age and the information superhighway, the PTO will strive to globally disseminate patent and trademark information in the most accessible and economical means. Our vision is to begin by utilizing the current PTDL network as mini-PTO satellite offices in areas that have a highly concentrated need for PTO information.

Strategic Framework Goal:

While serving all customers in a timely and courteous manner, provide quality intellectual property protection, by promoting effective access to patent and trademark information.

Fiscal Year 1994 Performance Goal:

Engage in business-like partnerships with PTDLs tailored to the industry base of that regional industrial bases and increase the number of PTDLs throughout the nation.

Processes:

- ▶ Internal PTO approval of partnership agreements by 1st quarter Fiscal Year 1995.
- ▶ External acceptance of two partnership proposals by 1st quarter Fiscal Year 1995.
- ▶ Partnership agreement with the cities of Sunnyvale, CA and Detroit, MI signed by first quarter Fiscal Year 1995.
- ▶ Draft partnership agreement with the city of Albuquerque, NM by 1st quarter Fiscal Year 1996.
- ▶ Development of partnership performance measurements by second quarter Fiscal Year 1995.

Verification and Validation:

- ▶ PTO Business Council will review periodically.
- ▶ Review partnership agreements for compliance.

Performance Indicators:

	<i>1994 Actual</i>	<i>1995 Target</i>	<i>1996 Target</i>
PTDLs	78	83	85
States in which PTDLs are established	49	50	50
Business partnerships	0 ¹	3	5

¹Partnership agreement signed with city of Sunnyvale, CA, in November, 1994.

Customer Service Program Performance Vision:

Users are more willing to invest in research and development if they are confident in the defensibility of the patents issued and trademarks registered by the PTO. In order to increase investment and consumer confidence, the PTO will establish and implement customer satisfaction standards, which fully reflect the needs and perspectives of the stakeholders and users who fund our bureau. We will achieve this goal by conducting customer satisfaction surveys and focus group sessions, designed to provide continuous communication and feedback from our users. By continually assessing and monitoring user needs, the PTO envisions a bureau that is attuned with the demands and expectations of the customers who support our daily operations.

Strategic Framework Goal:

Provide our customers with the highest level of quality and service in all aspects of PTO operations.

Fiscal Year 1994 Performance Goal:

To conduct customer focus group sessions and surveys of individual users, internal customers, law and intellectual property associations, and other stakeholders.

Processes:

- ▶ Identify customers
- ▶ Random sampling
- ▶ Conduct customer focus sessions (CFS)
- ▶ Develop standards based on CFS
- ▶ Disseminate standards to process owners, Partnership Auxiliary Committees (PACs) and Joint Partnership Council (JPC)
- ▶ Publish standards to customers
- ▶ Develop and conduct surveys to validate standards
- ▶ Conduct more CFS
- ▶ Disseminate data from surveys/CFS to process owners, PACs, and JPC for review and development
- ▶ Management makes budget decisions to meet customer need
- ▶ Incorporate into fiscal year 1997 budget request

Verification and Validation:

- ▶ Analysis of customer service survey and focus group results by the PTO Business Council, PTO Union Partnership Council, and program managers.
- ▶ Center for Quality Services will assess customer satisfaction levels on a continual basis.

Performance Indicators:

	<i>1994</i>	<i>1994</i>	<i>1994</i>	<i>1995</i>	<i>1995</i>	<i>1995</i>
	<i>Baseline</i>	<i>Baseline</i>	<i>Baseline</i>	<i>Target</i>	<i>Target</i>	<i>Target</i>
	<i>Patents</i>	<i>TMs</i>	<i>Info. Diss.</i>	<i>Patents</i>	<i>TM</i>	<i>Info. Diss.</i>
Customer satisfaction surveys conducted	8	2	0	5	4	1
Focus group sessions conducted	12	7	4	16	9	5
Customers surveyed satisfied with PTO's overall performance	1	1	1	1	1	1
Customers satisfied with PTO's established patent pendency level	1	1	1	1	1	1
Customers satisfied with PTO's established trademark pendency level	1	1	1	1	1	1

¹Surveys undertaken late in Fiscal Year 1994, therefore computation of data was unavailable for baseline and target levels at time of publication.

GOVERNMENT PERFORMANCE AND RESULTS ACT PATENT AND TRADEMARK OFFICE ANNUAL PERFORMANCE PLAN

Fiscal Year	Patent (UPR)		Patent (UPR)		Patent (UPR)		Total PTO		Patent		Info. Diss.		Patent		Info Diss.	
	Applications Filed	TM	Disseminated (Issued or Registered)	TM	Pendency (in months)	TM	Fee Collections	TM	Financial Self-Sufficiency ¹	TM	External Focus Sessions	TM	Customer Surveys Conducted	TM	TM	TM
1982	116,731	73,621	59,853	43,630	24.2	21.3	252 ²	0.00%	0.00%							
1983	97,448	51,014	55,314	47,685	25.5	20.3	82,734	43.24%	100% ¹⁰							
1984	109,539	61,480	67,214	52,290	25.0	19.1	98,841	48.44%	100% ¹⁰							
1985	116,427	64,677	70,244	71,167	23.2	13.8	107,289	44.88%	100% ¹⁰							
1986	121,611	69,253	71,791	55,162	22.0	12.5	127,896	49.75%	100% ¹⁰							
1987	126,407	70,002	82,635	53,884	20.8	13.0	144,685	47.10%	100% ¹⁰							
1988	137,069	76,813	77,844	52,461	19.9	13.3	168,317	57.39%	100% ¹⁰							
1989	151,331	83,169	96,868	58,599	18.4	13.8	192,322	70.26%	100% ¹⁰							
1990	163,571	127,294	89,551	63,924	18.3	15.3	222,526	98.99%	100% ¹⁰							
1991	167,715	120,365	92,474	49,810	18.2	16.7	344,317 ³	99.51%	100%							
1992	172,539	125,237	100,116	69,691	19.1	15.1	427,815 ⁴	100%	100%							
1993	174,553	139,735	97,386	86,122	19.5	14.4	498,364 ⁵	100%	100%	12	7	5				
1994	186,123	155,376	102,130	68,853	19.0	16.3	546,881 ⁶	100%	100%	12	7	4	8	2	0	
TARGET																
1995	192,000	157,000	105,800	95,800	18.9	15.5	571,439 ⁷	100%	100%	16	9	5	5	4	1	
1996	200,000	166,000	109,200	101,300	19.0	13.9	639,756 ⁸	100%	100%	12	12	12	12	12	12	
1997	208,000	176,000	110,300	107,400	20.1	13.8	665,243 ⁹	100%	100%	12	12	12	12	12	12	

1 Cost recovery percentages for patents and trademarks were calculated by dividing the fiscal year's general fund appropriation amount by the total obligation amount and subtracting that percentage from 100 percent.

2 Prior to 1983, fee collections, with the exception of reexamination fees, were returned to the U.S. Treasury.

3-9 Collections include patent surcharge fees as follows: FY 1991 - \$99,307, FY 1992 - \$95,000, FY 1993 - \$99,000, FY 1994 - \$103,000, FY 1995 - \$107,000, FY 1996 - \$111,000, and FY 1997 - \$115,000.

10 Self-sufficiency calculations for Trademark from 1983 to 1990 include only direct Trademark obligations.

11 Reflects actual collections in thousands that have not been adjusted for deferred revenue.

12 Surveys undertaken late in FY 1994, therefore computation of data as unavailable for baseline and target levels at time of publication.

NOTE: Historical data not available for shaded areas, program not implemented until FY 1994. Pendency levels were extracted from Congressional budget submissions.