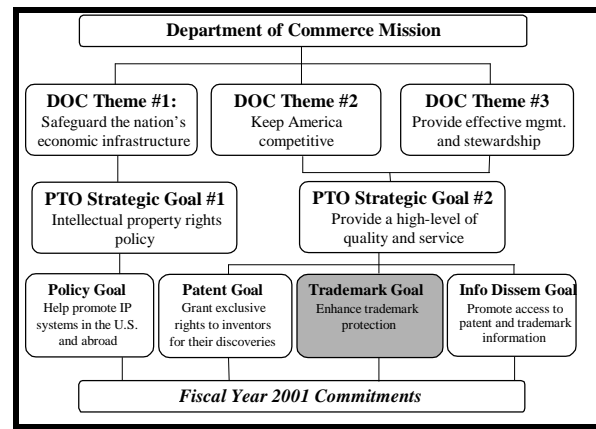


Trademark Business

The Trademark Business is one of the PTO's three core businesses. The primary mission of the Trademark Business is to apply the provisions of the Trademark Act of 1946 in the examination and registration of trademarks. Federal registration of a trademark on the principal register is *prima facie* evidence of the validity of the registration, ownership of the mark by the registrant, and the registrant's exclusive right to use the registered mark in commerce in connection with the goods or services listed in the registration. Federal registration is not required in order to use a mark in the United States. However, Federal registration of a mark permits enforcement of intellectual property rights in Federal courts for claims involving infringement, unfair competition, and counterfeiting, and also provides a basis for obtaining protection for the mark in other countries, under various treaties. This valuable intellectual property right provides protection for the owner's business investment in goods and services sold under the registered mark. Thus, our business directly supports the Department's strategic goal to provide effective management and stewardship of our nation's resources and assets to ensure sustainable opportunities.



The core process of the Trademark Business is the examination of an application for trademark registration. In the course of examining an application, a Trademark attorney makes a determination on the registrability of a trademark, prepares actions on objectionable applications, approves a mark for publication in the *Official Gazette*, and in Intent-to-Use (ITU) cases approves the applicant's Statement of Use for registration following a second examination. Based on the Trademark attorney's decision, the PTO issues notices of allowance and certificates of registration.

The Trademark Business Environment

The growth in trademark application filings continues to increase. The annual growth rate from fiscal year 1992 to 1999 has averaged 12 percent. Filings increased less than four percent between fiscal year 1997 and fiscal year 1998, but the increase from 1998 to 1999 was twenty seven percent. At the time we originally prepared our 2001 request we were projecting annual increases of 10 percent, based on growth of less than four percent from the previous year. Our original request was for a filing level of 281,000 classes of applications in 2000 and 303,000 in 2001. Our revised projection is for 324,700 classes of applications in 2000, and 363,700 classes in 2001.

In order to address our increasing workloads, the Trademark Business hired 137 examining attorneys in fiscal year 1999, increasing its examining corps by 30 percent from 1998 to 367 examiners at the end of the year. As a result of the increase in staff, pendency to first action was reduced by 36 percent to 4.6 months at the end of September. However, due to higher than expected filing levels, we will be unable to achieve our ultimate goal of three month first action pendency.

In addition to increased staffing levels, we have launched a number of management initiatives that are intended to address customer service and quality initiatives and our three month first action goal. For example, attention is being directed towards improved workflow and file management activities that will avoid delays and rework. Actual filings and performance results achieved in the past four years are summarized in Table 6, as are our goals for fiscal year 2000 and fiscal year 2001.

The greatest potential for performance improvement will come from implementing Trademark automation. Automating processing activities in the current production process will reduce pendency time. Separate, task-oriented processing activities currently in use are the result of a complex manual process that is dependent on matching papers to files and updating a data base for all pending and registered files. The opportunity for processing delays and misplacing papers and/or files increases with the rise in pending cases and insufficient staffing. With the projected and real constraints placed on the examination process, reengineering offers the best long-term solution to manage the expected increases in workload. Work is in progress to define the project requirements, process changes, resources, milestone dates and implementation schedules. Having achieved the goal of accepting electronic filings in a pilot project, the implementation of a file management process to facilitate quality and production time improvements is underway. Staff participation in the project development stage will continue to be encouraged.

Four projects that will support reengineering and offer the best opportunity to improve production and ultimately reduce pendency by saving process time in the near future have been identified. Progress has been made towards all four projects. The completion of these projects will allow for all business with trademark customers to eventually be conducted electronically.

The projects are planned to:

1. Capture newly filed applications in an electronic format.
2. Produce full text and image capture for publication of the Trademark Official Gazette (TMOG) with in-house printing of the Trademark registration certificate.
3. Create PC-based Trademark Reporting and Monitoring (TRAM) System data entry/text editing.
4. Replace TRAM.

The first project, piloting data capture through the Trademark Image Capture and Retrieval System (TICRS) has proven somewhat successful although a number of process issues must be addressed before scanning and optical character recognition (OCR) technology can replace data entry. The scanning and capture of incoming trademark data and documents will reduce processing times and improve operating efficiency. Use of OCR technology to convert scanned documents to text affords the elimination of manual data entry and improved quality. Drawing pages that were previously pulled from files to create camera-ready copies for publication printing are now scanned, as are copies that are delivered to the Trademark Search Library. The process has improved as a result, and drawing pages are no longer lost or misplaced. The process has expanded to include scanning all new application papers to test the quality of data, as well as preparing, scanning, indexing, and retrieving papers. The results of the TICRS project are intended to provide the capabilities necessary to manage applications and correspondence in electronic form by capturing and retrieving both incoming and outgoing correspondence. TICRS is the first stage in a process that will ultimately lead to full electronic document processing, the concept for the Trademark Information System (TIS), which is planned to accept and maintain electronic file records.

Standard application filing forms are available on the PTO Web site for applicants to complete and mail now. The Trademark Electronic Application System (TEAS) currently offers on-line help and validation checks to ensure requirements are addressed before the initial application for registration is electronically filed. Additional forms are under development in a TEAS format to make it possible for all forms to be filed electronically. The use of standard forms will improve the process of capturing data and will allow the Office to make greater use of OCR technology by accepting applications in paper form or electronically through TEAS over the Internet.

The second project is the development of in-house camera-ready (text and image) TMOG and printing of registration certificates. The transfer of TMOG materials electronically to the Government Printing Office (GPO) will significantly alter the current process, which requires weekly pulling of drawing pages from files for creation of camera-ready copies to produce the TMOG and registration certificates. The new process will allow for in-house printing of certificates, filling customer requests, or producing certified copies. The ability to produce registration certificates on demand will benefit a number of Office functions and directly support efforts to improve customer service by eliminating delays in processing requests that previously had to be submitted to GPO. This project has demonstrated the capability to produce an entire TMOG record with text and images. Implementation has been delayed pending introduction of the TRAM replacement system and resolution of staffing issues. Implementation offers the potential for printing all trademark registration certificates in-house in the future. Training and staffing issues must also be addressed, as the process change will have a significant impact on current process and skill requirements.

The third project, replacing TRAM, will be completed by April 2000. The TRAM System provides support to all facets of Trademark operations. TRAM operates on the UNISYS A16 computer system and includes a database of bibliographic text and prosecution history data for more than 2.3 million marks. TRAM supports Trademark operations from receipt of a new application in the PTO, processing and examination of the application, photocomposition activities related to the publication of the TMOG, to post registration activities required to maintain registered trademarks. Bibliographic data in TRAM for pending applications and active registrations is updated on a real time basis, is used to produce the Trademark Official Gazette, is sold to the public in machine readable form, and is extracted for use in the automated search system (X-Search). The TRAM System maintains current location and status information on applications and registrations enabling the PTO to promptly determine the status of any file and to locate files in Trademark work areas or the warehouse. Management information produced by TRAM allows Trademark managers to monitor employee production, track and adjust workflow, control backlogs, and review the quality of data stored in the system. TRAM replacement also provides support for business process changes and operational improvements.

The fourth project, developing the electronic Trademark Information System (TIS), will be integrated with reengineered work processes. The Trademark Business plans to initiate development of TIS in fiscal year 2002 and incrementally deploy capability through fiscal year 2004. TIS will eventually accept electronically filed trademark applications, maintain an electronic file for application and registration, perform workflow electronically, record prosecution history and production information, improve search capabilities, photocompose the Trademark Official Gazette and Registration Certificates, and disseminate trademark information. The redeveloped TRAM system will serve as a foundation from which to develop TIS.

The Trademark Business Case

The prime indicator of the steadfast importance of trademarks for the commercialization of U.S. products and services is the growing number of trademark application filings. (These workload indicators are presented in [Table 6](#).) Registered U.S. trademarks identify a specific source of goods or services and, as such, they can be among the most valuable assets owned by a business. This identifying mark of a product or service also helps consumers to choose between one product and another, and to expect a consistent level of product quality characteristic of the mark. Thus, trademarks have financial and practical value for both the trademark owner and the consumer.¹ Therefore, the ability of our business to handle the growing number of application filings has become increasingly important.

As described above, the PTO made a major push towards enhancing the staffing level of the Trademark Business in an effort to regain its ability to achieve its business goals. The business case supporting the initial fiscal year 2001 budget request focused on maintaining the level of resources necessary to process filings for 339,000 classes. This included maintaining first action pendency at 3.0 months and registration/disposal pendency at 13.8 months, meeting customer service standards and performance targets, and addressing long term operational capability by exploring process enhancement opportunities through information technology and process reengineering. We were focusing on achieving first action pendency in fiscal year 2000 to 3.0 months because of its expressed importance for our customers. A timely first action allows applicants to make early marketing decisions regarding products and services they plan to sell under the mark, thus allowing them a business advantage over competitors. With the unexpected increase in filings received in 1999, and the increases that are now expected in fiscal years 2000 and 2001, we will be unable to meet our pendency goals.

Table 6

Key Workload Indicators						
	FY1996	FY1997	FY1998	FY1999	FY2000	FY2001
Applications Received - classes	200,640	224,355	232,384	295,169	324,700*	363,700
Percentage Increase of Applications Received	14	12	4	27	10	12
Statements of Use Filed	25,388	31,784	37,060	34,367	49,500	54,500
Registration Issued - certificates	78,674	97,294	89,634	87,774	124,700	137,300
Registration Issued - classes	91,339	112,509	106,279	104,324	154,000	169,500
First Action Pendency - months	5.9	6.4	7.2	4.6	5.5	6.0
Registration/Disposal Pendency - months	16.5	16.9	17.8	18.9	19.0	19.5

* Based on final fiscal year 1999 filing levels and initial 2000 estimates, fiscal year 2000 trademark filing levels could reach 331,000, or 12 percent over 1999 filing levels.

¹ The Trademark Business maintains a register of more than 930,000 trademarks providing businesses and consumers notice of marks that are in active use.

Year 2001 Commitments

All Trademark Business activities planned for fiscal year 2001 support one or more of our High Impact Agency Commitments:

- Render a trademark first action in three months (to be achieved in fiscal year 2000 and maintained in fiscal year 2001).
- Offer electronic filing capabilities to our customers.
- Electronically process trademark applications.
- Enable customers to use the Internet to conduct business electronically.

Business Goals and Objectives

Our macro performance goal is to enhance trademark protection. This goal focuses on the ultimate outcome or benefit of a registered trademark for the owner and, therefore, serves as the principal driver of the manner in which we set our operational priorities, allocate resources and conduct business. Resources are directed to those activities or new initiatives that would have the greatest impact on the quality, efficiency and effectiveness of the examination process. Performance is measured by the number of applications filed; the number of trademark disposals per FTE; the unit cost of trademarks disposed; actual pendency; the percentage of files that achieve the Office's pendency goals; the level of customer satisfaction; and the level of employee satisfaction. In direct support of our mission and macro performance goal, we have established the following objectives:

- Maximize the business potential of trademarks for customers.
- Enhance electronic communication with customers and electronic processing among employees by transforming trademark processing into a fully electronic operation.
- Enhance electronic processing among employees while creating a balance between work and personal lives of employees by implementing trademark work-at-home.

Similarly, we have delineated the following business goals that cannot be achieved given the increase in filings.

- ◆ Reduce trademark application processing time by implementing process changes and leveraging information technology to accomplish the following:
 - Reduce the time to mail filing notices to 14 days.
 - Examine new applications and provide a written communication regarding registrability within three months of the filing date.
 - Determine the registrability of trademarks within 13 months of receipt of the application.

- Issue Notices of Abandonment within 45 days of the date the file is abandoned.
- Mail Certificates of Registration within seven days of registration.
- Centralize the "change of address" function.

We will achieve these improvements by focusing on the following:

Process - Implement the reengineered trademark process design and leverage information technology to automate the process in increments that deliver the highest return on investment.

Training - Train all trademark employees in all aspects of the trademark process.

Education - Provide access to trademark information and trade-related publications to increase employee knowledge and understanding of the process, including the different uses of trademarks in domestic and international markets.

Improve Communication with Applicants.

Statutory - Analyze the nature of office actions and seek to revise the rules or statutes to increase the number of applications completed accurately at time of filing, thereby increasing the percentage of applications that qualify for first action publication for opposition.

Harmonization - Assist the PTO Policy specialists in pursuing international harmonization of trademark laws.

Table 7

Operational Budget
(Dollar amounts in thousands)

	Fiscal Year 1999 Actual		Fiscal Year 2000 Currently Available		Fiscal Year 2001 Request	
	FTE	Dollars	FTE	Dollars	FTE	Dollars
Trademark Process	670	\$70,791	942	\$78,916	990	\$86,894
Information Technology²	78	\$25,538	85	\$25,736	85	\$29,868
Development		3,552		2,562		1,711
Operations		21,986		23,174		28,157
Resource Management³	43	\$4,928	51	\$5,600	51	\$7,516
Trademark Total	791	\$101,257	1,078	\$110,252	1,126	\$124,278

For fiscal year 2001, we propose a budget of 1,126 FTE and \$124,278,000. This represents an increase of 48 FTE and \$14,026,000 over the fiscal year 2000 operating budget or an increase of 46 FTE and \$10,444,000 over base. Cost estimates also include our share of resource management and information technology infrastructure, distributed in accordance with our activity-based cost accounting model.

Manage Growth

In fiscal year 2001, 35 FTE and \$3,000,000 is requested to address increasing workloads through hiring additional trademark attorneys and fully funding our pre-examination services and quality assurance contracts. If we were able to hire additional trademark attorneys and technical support staff commensurate with the growth in trademark filings, and exercise alternative accommodation options (such as work-at-home), pendency would be at or near goal. However, with the increase in projected filings and the current level of resources, pendency to first action is expected to be 6.0 months, above our goal of 3.0 months, and pendency to registration or abandonment is expected to increase to 19.5 months.

² Cost estimates for development and operations are burdened with the Trademark Business' share of enterprise information technology infrastructure, and distributed in accordance with our activity-based cost accounting model.

³ Cost estimates include information technology development and operations as burdened and distributed in accordance with our activity-based cost accounting model.

Beyond our hires in fiscal year 2001, requests for increases in personnel will be incrementally reduced relative to filings as the benefits of reengineering and automation begin to be realized. As a result, our operations will become more effective and efficient thereby improving performance and customer service. Examples of manual tasks that will be reduced or eliminated include: mail processing, sorting, and matching; manually moving files through the examination and registration process; and retrieving paper files from the warehouse. Initial process changes started in fiscal year 1998, and full implementation of the reengineered process design is planned for completion in fiscal year 2004. In addition to resource savings realized from reduced pendency, reengineering will yield intangible benefits such as improved levels of customer and employee satisfaction. With the aggregate effect of constraints already placed on the examination process, reengineering offers the best solution for effectively managing the projected increases in trademark application filings.

The Trademark reengineered process design assumes electronic filing; electronic data exchange among applicants, registrants, and the PTO; and electronic file wrappers with a fully integrated electronic file management system to be implemented shortly after the turn of the 21st century. Given the required resources, the most significant result expected after full implementation of the reengineered process design would be a further reduction in first action pendency -- the processing time from receipt of a trademark application to first action -- from our current goal of three months to one month early in this decade. Reductions in pendency will be the result of process improvements that will reduce or eliminate the separate manual tasks or activities and process queues that naturally occur in a paper-based manual process. The one-month to first action pendency goal will be realized when a majority of applicants make use of electronic filing and staffing levels are adequate to process and examine the level of filings received.

Trademark Trial and Appeal Board. We also are requesting an increase of 10 FTE and \$800,000 in fiscal year 2001 for the TTAB. The Board hears and decides adversary proceedings involving: oppositions to the registration of trademarks; petitions to cancel trademark registrations; proceedings involving applications for concurrent use registration of trademarks; and appeals of a trademark examining attorney's decision not to allow registration. Cases decided by the Board and the pendency of those cases are included in trademark pendency measures. This increase is necessary in order to meet increasing workloads at the Board. As the Board's workloads expand at a rapid rate due to increased production in trademark examination, cases disposed must increase at a greater rate in order to reduce the inventory of pending cases and contribute to the overall pendency goal of the Trademark Business. These resources will provide additional professional staff necessary to handle growing workloads.

Quality and Customer Satisfaction

We are requesting an increase of 1 FTE and \$111,000 for the Office of Trademark Quality Review (OTQR) to enable us to continue to review a four percent sample of examined trademark applications. This target is consistent with recommendations from the Inspector General. OTQR's performance has been timely, professional and of high quality. We review a four percent random sample of examined trademark applications in various stages of pendency, as well as those which have abandoned or registered to determine the quality of examination. Trademark filings are increasing at an average growth rate of nearly 12 percent since 1992. The increase of one FTE is necessary to handle the increased workload coming from the Trademark organization.

We are committed to improving the level of customer satisfaction as measured by surveys of trademark customers. Based on previous results we have identified critical areas -- clarity and promptness of communication with customers -- that were targeted for immediate improvement. Our training initiatives are designed to create an environment where employees understand the correct course of action to take and thereby improve the methods by which they process requests or respond to customer inquiries. Our education initiatives are increasing employee knowledge of the trademark process so they have a comprehensive understanding of the different uses of trademarks in domestic and international markets. We have begun work on two programs that will address customer satisfaction while improving file management and processing times by addressing the source of problems that create delays and rework. Customer satisfaction survey results make it clear that the key to resolving complaints is our ability to eliminate problems or resolve them promptly when they occur.

Training – Our goal is to train all trademark employees in all aspects of the trademark process and create an environment where employees understand the correct course of action to take thereby improving the methods by which they process requests or respond to customer inquiries. Training programs have been revised to provide instruction for new hires and to create an educated workforce. The formal training program for new examining attorneys was revised beginning with the attorneys hired in fiscal year 1998. The current ten-week program focuses on an analytical approach to examination with topics organized into fifteen modules to improve consistency and prepare examiners to make independent decisions. A formal training program for incumbent and new technical support staff is being developed with an approach that is similar to the program for examining attorneys. Formal training for new managers and supervisors will be developed to focus on understanding and improving core business functions and customer service.

We are also committed to providing access to trademark information and trade-related publications. This access will increase employee knowledge and understanding of the process, including the different uses of trademarks in domestic and international markets, and create informed and responsive employees by increasing awareness of the possible impact of the external environment on trademark operations and the role our business plays in accomplishing the PTO mission.

Improve Communication with Applicants - Provide clearly written answers to questions most frequently asked by customers; resolve customer inquiries through a single contact; provide timely written communications; reduce the number of calls related to process problems; ensure that all materials submitted to the Office are promptly and properly matched with the application or registration; and reduce or eliminate the number of petitions and letters of protest.

Root Cause Problem Solving – A process that employs “root cause problem solving” methodology is underway to identify the source of process errors, to resolve problems, and to provide employees the opportunity to improve process understanding as a means to correct problems. Process problems that have not been addressed through normal channels are being directed to this process for resolution. Data is recorded and a structured methodology is employed to trace the cause of failures to provide service. Once corrective action has been taken, problems are documented to prevent similar failures in the future. The process is a source of valuable information for improvements in workflow and file management.

Information Technology

Many of our reengineering changes support President Clinton's Framework for Global Electronic Commerce. Among these activities are electronic filing; providing the status of trademark applications over the Internet; and providing access to trademark databases over the Internet. A continued investment in information technology will support the objectives of our business.

An increase of \$1,000,000 is requested to establish an additional examining office that will offer expedited processing and examination, including full use of electronic communications for receiving, processing, and examining electronically filed applications. The goal is to encourage the use of electronic filing and prosecution of applications and registrations by trademark customers and to take full advantage of electronic technologies that have been incorporated into our processes. The Trademark Business will work closely with its unions to establish this new processing environment.

No increase is requested for the development of other trademark systems in fiscal year 2001. The projects outlined below will contribute to the accomplishment of our mission, goals, and objectives.

- **Trademark Electronic Application System (TEAS)** - TEAS provides on-line help and validation for submitting an application for trademark registration electronically using the Internet. The project began as a limited pilot for testing the concept of electronic filing with selected customers in fiscal year 1998. On October 1, 1998, we began accepting applications with payment by credit card for all customers. In the first year of expanded access we received nearly 21,000 applications. The completed system is intended to support the submission of all Trademark application forms electronically. The electronic receipt and transmission of data will reduce the labor intensive processing of paper documents and is a key ingredient to the eventual automated electronic workflow of the Trademark process. With this solution in place, data accuracy has already improved and the preliminary processing of applications for registration are being processed in one-third less time than paper filed applications.
- **Trademark Information System (TIS)** - This project will be integrated with reengineered work processes. The redesigned TRAM system will serve as the foundation from which to develop TIS. TIS will accept electronically filed trademark applications, maintain an electronic file for application and registration, record prosecution history and production information, improve search capabilities, photo-compose the Trademark *Official Gazette* and registration certificates, and disseminate trademark information. Applications submitted in paper form will be converted to electronic form for processing. TIS will allow for the complete electronic processing and file management of applications and related materials and will result in improved quality and greater access to trademark information for examining attorneys and the public.
- **Trademark Work at Home (TWAH)** - TWAH is a two-year pilot under the National Performance Review that began with 18 trademark attorneys working from home three out of five days a week in March 1997. Based on positive results, the program will be expanded to include up to 25 percent of examining attorneys working from home for up to 60 percent of their time. The final evaluation report has been completed and shows that participants in the pilot increased the number of hours on examination, which resulted in improved production results.

- **Trademark Image Capture and Retrieval System (TICRS)** - We receive and process large volumes of correspondence. Currently paper versions of these documents are routed and stored using conventional file systems. The Trademark Scanning project will be expanded to provide the capabilities necessary to manage these documents electronically. The project permits the capture trademark drawings in applications to replace the manual pulling of drawings for use in the Trademark Search Library. Scanning capabilities currently are in place, and will permit the eventual processing of paper files in an electronic form with the implementation of TIS which is planned to be completed in fiscal year 2004.
- **Trademark Search System (TSS)** - The new search component, which replaced X-Search, offers improved access and added functionality to examining attorneys. During fiscal year 1998 - 1999, the new search system was deployed. Additional capabilities include range searching, additional fields, and the capability to stop a search in progress. The new TSS search component has resulted in improved access to trademark information and much faster response time for examining attorneys.

All program increases include the funds needed to provide new employees with access to our office automation capability. Access is provided through the acquisition of a workstation and office automation software licenses; the preparation and installation of the workstation; and installation and connection to our network (PTONet) and our office automation servers. Once access has been provided, funds are included to provide the required technical support services (desktop workstation maintenance, help desk and software support, troubleshooting, etc.), as well as maintenance of the software licenses, network components, and office automation servers.

With the implementation of these projects, employee ownership and accountability for the benefit of the customer will characterize our future environment. Thus, enhancing human resources will be one of the four corporate foundation strategies we are pursuing to meet the goal of providing our customers with the highest level of quality and service. The fundamental purpose behind our human resource practices is to help build organizational capabilities to support our business goals and objectives by aligning organizational values, business strategies, and core competencies. New approaches to human resources management are necessary particularly for recruiting and training new employees. Most importantly, we must prepare the technical support staff for a technologically challenging future in a reengineered and automated trademark examination environment.

Legislation

The Trademark Law Treaty Implementation Act of 1998 (Public Law 105-330) went into effect on October 30, 1999. The Treaty simplifies and harmonizes the requirements for filing applications and maintaining trademark registrations, which benefit U.S. trademark owners by requiring that member countries dispense with most legalization requirements and limits the list of filing and registration requirements. It also requires member countries to accept multi-class applications and service mark registrations. However, the Treaty increases the requirements for post registration filings.

The PTO prepared for the implementation of the Trademark Law Treaty (TLT) by revising the rules, procedures, workflow processes, and systems necessary to comply with its requirements. Resources were devoted to support the documentation, development, and the information technology changes that were required to administer the Treaty for the Trademark search and data base systems. The legislation implementing the Treaty called for the establishment of three new fees.

Additional legislation that could impact trademark operations by fiscal year 2001:

- The “Trademark Amendments Act of 1999” (H.R. 1565) was signed into law on August 5, 1999, as Public Law 106-43. This law, in part, includes “dilution” as ground for opposition and cancellation in proceedings before the Trademark Trial and Appeal Board.
- The “Madrid Protocol Implementation Act” (H.R. 769) would implement the protocol related to the Madrid Agreement on the International Registration of Marks (adopted June 27, 1989 and effective April 1996). A proposal for the European Union to resolve the voting issue may be accepted soon, clearing the way for the State Department to support the agreement and support legislative action.

Fiscal Year 2001 Performance Goals and Measures

Performance measures are being used to assess progress towards achieving goals. Evaluation will be based on data collected from automated systems to determine the effectiveness of the measures as well as the results achieved. Results that do not appear to directly influence PTO or Trademark goals will be redefined to more closely match business goals and objectives. For the short-run, productivity and efficiency measures are not expected to improve given the number of new examiners hired to achieve reductions in pendency.

Table 8

Performance Targets					
Performance Goal: Enhance Trademark Protection	Baseline⁴	FY 1998 Performance	FY 1999 Performance	FY 2000 Target	FY 2001 Target
Effectiveness Measure: Trademark Applications filed – classes	200,640	232,384	295,165	324,700	363,700
Productivity Measure: Trademark disposals per FTE (including Trademark contractors)	221	254	206	194	215
Efficiency Measure: Workload cost indicator ⁵	\$385.20	\$472.23	\$557.87	\$495.95	\$472.36
Quality of Output Measure: Actual pendency – first action (months) ⁶	5.9	7.2	4.6	3.0	3.0
Actual pendency – disposal/registration (months) ⁷	16.5	17.8	18.9	13.8	13.8
Customer Satisfaction Measure: Overall percent of customer satisfaction	64	63	69	80	80
Employee Satisfaction Measure: Overall percent of employee satisfaction	42	49 ⁸	*	75	*

*Surveys are conducted every two years.

⁴ Baseline measures are derived from fiscal year 1996 actual performance results except for the workload cost indicator estimates, which are based on preliminary activity-based cost accounting models of fiscal year 1997 actual cost accounting data.

⁵ The workload cost indicator measures each business area's composite productivity rate, which is the ratio of costs per composite output unit of goods or services provided. This ratio is derived by using total business area costs as the numerator and the actual composite workload number, weighted total of key outputs, as the denominator.

⁶ The 2000 and 2001 performance target of three month first action pendency will not be reached due to unprecedented workload growth and restricted use of fee income. We are projecting first action pendency to increase to six months by 2001.

⁷ The 2000 and 2001 performance target of 13.8 month overall pendency will not be reached due to unprecedented workload growth and restricted use of fee income. We are projecting trademark pendency to increase to 19.5 months by 2001.

⁸ Survey conducted in 1998 using the Office of Personnel Management's Organizational Assessment Survey. Results reported for employees in the Office of the Assistant Commissioner for Trademarks are based on the question "Considering everything, how satisfied are you with your job?"

Table 9

Key Objectives
1999 through 2001

<i>1999 Accomplishments</i>	<i>2000</i>	<i>2001</i>
<ul style="list-style-type: none"> • Reduced first action pendency to 4.6 months by hiring 137 trademark-examining attorneys in fiscal year 1999. • Completed office renovations and hired additional staff to support the increase to 15 Law Offices and expanded service operations in fiscal year 1999. • Conducted customer surveys and achieved a 69 percent satisfaction level. 	<ul style="list-style-type: none"> • Seek to minimize first action pendency and pendency to registration/abandonment with higher than planned filings. • Conduct customer surveys and achieve an 80 percent satisfaction level. • Establish an E-commerce office to receive and prosecute electronically filed applications. 	<ul style="list-style-type: none"> • Seek to minimize first action pendency and pendency to registration/abandonment with higher than planned filings. • Increase staff at the Trademark Trial and Appeal Board to address increased workloads.
<ul style="list-style-type: none"> • TEAS - Began accepting trademark applications electronically over the Internet. 20,600 applications were received in fiscal year 1999. • TICRS – Began scanning all applications, capturing OCR for most applications. • TWAH - Evaluated the two-year pilot. Recommended expansion of up to 25 percent of examining attorneys in 2000. 	<ul style="list-style-type: none"> • TRAM – Replacement fully operational. • TEAS – Expand to include all application forms in an electronic format. Promote the use of TEAS and its benefits; increase the number of electronically filed applications. • TICRS – Pilot scanning of incoming correspondence. • TTABIS – Deploy electronic workflow in the Trademark Trial and Appeal Board. • TWAH – Expand the number of examining attorneys working at home. 	<ul style="list-style-type: none"> • TRAM – Expand to meet operational needs. • TEAS – Expand to include additional electronic correspondence with applicants. Promote the use of TEAS and its benefits; increase the number of electronically filed applications. • TICRS – Deploy scanning of incoming correspondence. • TWAH – Expand the number of examining attorneys working at home.