

Paperwork Reduction Act:

**Does the U.S. Patent and Trademark Office Have
Valid OMB Control Numbers for the
Information Collection Requirements in Rules 111, 115, and 116?**

Updated Based on Recent OMB Action

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UPDATE
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A July 21, 2013 version of this Working Paper analyzed whether the U.S. Patent and Trademark Office (USPTO) had valid OMB control numbers for the information collection requirements contained in 37 C.F.R. §§ 111, 115, and 116 (“Rules 111, 115, and 116”). The Working Paper was posted on rbbelzer.com¹ and disseminated widely to persons known to have previously submitted public comments on certain USPTO Information Collection Requests (ICRs)—most importantly, ICRs related to OMB Control Number 0651-0031 (“Patent Processing (Updating)”).

On July 31, 2013, OMB issued a Notice of Action that approved ICR 0651-0031 through July 31, 2016.² With respect to the issues raised in the July 21 Working Paper, the relevant text of the Notice of Action states:

TERMS OF CLEARANCE: Updated supporting statement to account for items not subject to the Paperwork Reduction Act in Rule 1.130, 1.131, 1.132, and Amendments and Responses.

This revised Working Paper reviews the evidence previously set forth and analyses OMB’s Notice of Action. The following conclusions are drawn:

1. OMB’s action is highly nontransparent. Except for the reference to an “updated supporting statement,” the Notice of Action contains no reasoned basis for the determination, as required by the Administrative Procedure Act.
2. The “updated supporting statement” supplied by the USPTO is less transparent than the OMB action. Instead of providing an explanation, all information relevant to Rule 111/115/116 submissions was simply deleted. Supporting Statements are revised at OMB’s direction. Therefore, the lack of transparency in the revised Supporting Statement is intentional.
3. OMB’s determination that the information collection requirements contained in Rules 111, 115, and 116 are exempt from the Paperwork Reduction Act has no merit. To be exempt, these Rules must be covered by one of the exemptions to the definition of *information* set forth in 5 C.F.R. §§ 1320.3(h)(1)-(10). A review of these exemptions shows that none of them applies to submissions filed under these rules that gave cause to raise the question in the first place.
4. It is possible but highly unlikely that OMB is unaware that Rule 111/115/116 submissions rarely qualify for any of the exemptions in 5 C.F.R. §§ 1320.3(h)(1)-(10). For this to be true, OMB would have to have been profoundly negligent in

¹ Belzer (2013).

² Office of Management and Budget (2013).

its inquiry into the facts. A more plausible explanation is that OMB knew that Rule 111/115/116 submissions do not qualify for an exemption, but deemed them exempt anyway to spare the Patent Office the stark consequences of unenforceable regulations due to decades of extensive PRA noncompliance.

5. OMB's action is an abuse of the authority delegated to it by Congress via the Paperwork Reduction Act. The exemptions to the definition of *information* promulgated by OMB at 5 C.F.R. §§ 1320(h) are not inherently contrary to statute. Indeed, they are narrowly crafted so as to avoid excluding broad swaths of actual paperwork burden. Regardless of OMB's motivation, however, interpreting a narrow regulatory exemption in a way that is unmoored from its text cannot be defended as a proper exercise of delegated authority.
6. OMB's action is vulnerable to legal challenge. 44 U.S.C. 3507(d)(6) explicitly denies judicial review of OMB decisions "to approve or not act upon a collection of information contained in an agency rule." However, the law does not exempt OMB from judicial review of other actions it may take, nor is OMB exempt from review for *procedural* compliance with the "reasoned decision-making" requirement of the Administrative Procedure Act. OMB's July 31 decision to exempt Rule 111/115/116 submissions is just such an action.
7. OMB also exempted Rule 130/131/132 affidavits and declarations from the Paperwork Reduction Act, an action that is similarly without merit and vulnerable to legal challenge. Only one of the 10 exemptions listed in 5 C.F.R. § 1320.3(h) could apply to these submissions. To make it fit the facts, however, requires the text of the exemption to be ignored.

This Working Paper revises the July 21 version to take account of OMB's July 31 action. Where material edits have been made to the July 21 text, they are flagged as such in footnotes. A new section is inserted in place of Section III of the July 21 version discussing the OMB action and refuting it on the merits. The old Section III is moved to an appendix for historical reference. Finally, a new Section IV is added explaining why OMB's action is vulnerable to legal challenge.

I. Background

A. The Paperwork Reduction Act Process

The Paperwork Reduction Act (“PRA”, 44 U.S.C. § 3501 *et seq.*) provides a comprehensive scheme to “minimize the paperwork burden for individuals, small businesses, educational and nonprofit institutions, Federal contractors, State, local and tribal governments, and other persons resulting from the collection of information by or for the Federal Government.” 44 U.S.C. § 3501(1). Agencies are required to “establish a process within the office headed by the Chief Information Officer,” one “that is sufficiently independent of program responsibility to evaluate fairly whether proposed collections of information should be approved” by the Office of Management and Budget (“OMB”). 44 U.S.C. § 3506(c)(1). Procedurally, agencies submit Information Collection Requests (“ICRs”) to OMB for review (5 C.F.R. §§ 1320.10-12) after conducting certain tasks prescribed by statute (44 U.S.C. § 3506(c) and OMB (5 C.F.R. §§ 1320.7-12)).

More specifically, prior to the submission of each ICR to OMB for review, this agency office must conduct a review, as set forth in 44 U.S.C. § 3506(c)(1)(A), and ensure that each collection of information adheres to certain enumerated requirements, as set forth in 44 U.S.C. § 3506(c)(1)(B), including the display of a valid OMB control number. An agency shall not conduct or sponsor a collection of information unless, in advance, it has conducted the § 3506(c)(1) review, evaluated public comments received under § 3506(c)(2), submitted to OMB the certifications required by § 3506(c)(3) along with records supporting such certifications, and published the notice required under § 3507(a)(1)(D). These procedures were first established in 1981 (Pub. L. 96-511) and were amended in 1995 (Pub. L. 104-13).

B. The PRA’s “Public Protection Provisions”

OMB is charged by statute with implementing the PRA; its decisions to approve or disapprove agency information collection requests are not judicially reviewable. 44 U.S.C. § 3507(d)(6). The PRA also contains certain “Public Protection Provisions” that can be invoked when agencies seek to enforce information collection requirements that were disapproved by OMB, never submitted for OMB approval, or lapsed. The PRA would have quickly failed without these provisions; agencies likely would not bother to seek and obtain prior OMB approval before imposing information collection requirements.

The Public Protection Provisions work by relieving the public of any obligation to comply with unapproved information collections. If an agency imposes a penalty on any person for failure to comply, 44 U.S.C. § 3517(a) requires that such penalty be vacated:

Notwithstanding any other provision of law, no person shall be subject to any penalty for failing to comply with a collection of information that is subject to this subchapter if—

- (1) the collection of information does not display a valid control number assigned by the Director in accordance with this subchapter; or
- (2) the agency fails to inform the person who is to respond to the collection of information that such person is not required to respond to the collection of information unless it displays a valid control number.

Though the statute does not say so explicitly, the Public Protection Provisions also apply in the case where an agency displays an *invalid* OMB control number or falsely represents an information collection requirement as approved.

The PRA also provides, in 44 U.S.C. § 3512(b), a way to enforce this right:

The protection provided by this section may be raised in the form of a complete defense, bar, or otherwise at any time during the agency administrative process or judicial action applicable thereto.

Enforcement is not limited to certain venues, such as Executive branch agencies, nor is it time-limited such that it expires if not exercised within a specified period. Persons may invoke this defense in their dealings with the agency that conducted or sponsored the unapproved collection of information, a sister agency charged with enforcing such requirements, or in an Article III court.

C. Requesting Formal Determinations by OMB under 44 U.S.C. § 3517(b)

In cases where the penalty consists of an enforcement action or arises after a final agency administrative action, the mechanism for exercising this right is straightforward: appeal via the agency's administrative process and, if such appeals are exhausted without relief, to an Article III court.

How to proceed is not obvious, however, when the agency conducting or sponsoring the unapproved collection of information requires compliance as a condition for obtaining a benefit to which a member of the public is otherwise entitled. Typically in such cases, the agency declines to complete its administrative action unless and until the person complies. Persons are effectively penalized simply by agency inaction, yet establishing standing absent final agency action can be problematic.

The PRA provides a little-known procedure that may offer a pathway for relief in such cases:

Any person may request the [OMB] Director to review any collection of information conducted by or for an agency to determine, if, under this subchapter, a person shall maintain, provide, or disclose the information to or for the agency.

OMB is required to respond to all such requests; the PRA does not permit OMB to leave a request unanswered:

Unless the request is frivolous, the Director shall, in coordination with the agency responsible for the collection of information—

(1) respond to the request within 60 days after receiving the request, unless such period is extended by the Director to a specified date and the person making the request is given notice of such extension; and

(2) take appropriate remedial action, if necessary.

44 U.S.C. § 3512(b).

D. Determinations An Applicant Should Seek From OMB³

During the examination of a patent application, the USPTO on numerous occasions may demand that an applicant produce and submit certain information (“Amendments and Responses”) pursuant to 37 C.F.R. §§ 1.111, 1.115, or 1.116 (“Rules 111, 115, or 116”). Failing to produce and submit this information within the stated time period may result in involuntary abandonment of the patent application. Involuntary abandonment is within the definition of “penalty” set forth in 44 U.S.C. § 3502(14) and 5 C.F.R. § 1320.3(j).

Any person (including an applicant who has been required to submit an Amendment or Response) may ask OMB to issue a formal determination pursuant to 44 U.S.C. § 3517(b) whether he is required to “maintain, provide, or disclose the information to or for the agency.” In particular, a person asking OMB for a formal opinion on the information collection requirements contained in Rules 111, 115, or 116 would ask OMB to issue the following determinations:

1. Persons who otherwise would have been covered by Rule 111 are not required to have maintained, provided, or disclosed the collections of information contained therein at any time since January 1, 1994 [or other date] because there was no valid OMB control number.
2. Persons who otherwise would have been covered by Rule 115 are not required to have maintained, provided, or disclosed the collections of information contained therein at any time since January 1, 1994 [or other date] because there was no valid OMB control number.
3. Persons who otherwise would have been covered by Rule 116 are not required to have maintained, provided, or disclosed the collections of information

³ This subsection may have been rendered inoperative because of OMB’s July 31, 2013 action that is the subject of the revised Working Paper. It is left intact as a guide that interested parties may wish to follow for seeking OMB determinations with regard to other collections of information.

contained therein at any time since January 1, 1994 [or other date] because there was no valid OMB control number.

II. Applying 44 U.S.C. § 3517(b) to USPTO Rules 111, 115, and 116

The USPTO does not now have, and apparently has never had, a valid OMB control number for Amendments and Responses under Rules 111, 115, or 116. Subsection A summarizes the information collection requirements contained in these Rules. Subsection B shows that, on every instance in which the USPTO promulgated or amended one or more of these Rules, the Office falsely claimed that these information collection requirements had already been approved by OMB when in fact it had never submitted a contemporaneous request for approval. Subsection C recounts the history of OMB control number 0651-0031 (“Patent Processing (Updating)”), showing that at no time prior to January 2013 did the USPTO ever seek OMB approval of these information collection requirements. Finally, it is shown that the USPTO’s January 2013 Information Collection Request was misleading and deceptive. Having recognized that the Office had for decades failed to seek and obtain OMB approval, the Patent Office tried to cover up its error by misrepresenting the January 2013 request as a mere “program change.”

A. Rule Texts

For convenience, the information collection provisions in each of these Rules is summarized below.

1. Rule 111 (“Reply by applicant or patent owner to a non-final Office action”)

Rule 111 establishes information collection requirements for patent applicants or owners who have received nonfinal Office actions on their applications that are “adverse in any respect.” Generally, an adverse action consists of the rejection of one or more claims. Rule 111 says such patent applicant or owner “must reply and request reconsideration or further examination, with or without amendment ... reduced to a writing which distinctly and specifically points out the supposed errors in the examiner’s action...” Rule 111(a)(1). Rule 111(a)(2) also includes certain provisions governing “supplemental replies.”

2. Rule 115 (“Preliminary amendments”)

Rule 115 establishes information collection requirements for preliminary amendments filed with the Patent Office on or before the mailing date of the first Office action. An applicant typically files a Preliminary amendment when some of the information necessary for an issuable patent is not available on the original filing date, and so is supplied shortly thereafter, before the examiner first examines the application. Rule 115 sets deadlines for when a Preliminary Amendment may be filed, and Rule 121 sets requirements for content and form.

3. Rule 116 (“Amendments and affidavits or other evidence after final action and prior to appeal”)

Rule 116 establishes information collection requirements for amendments, affidavits, or other evidence that a patent applicant or owner may provide after a final Office action. These amendments may, for example, cancel claims or comply with any requirement of form expressly set forth in a previous Office action (Rule 116(b)(1)), present rejected claims in better form for consideration on appeal (Rule 116(b)(2)), or touch the merits of the application provided that the applicant makes a showing of good and sufficient reasons why the amendment is necessary and was not earlier presented (Rule 116(c)).

B. The USPTO’s Noncompliance with the Paperwork Reduction Act

In this section, the Patent Office’s systematic noncompliance with the Paperwork Reduction Act is documented for each of the three Rules in question. Electronic access to the Federal Register begins with 1994, so the review below does not include the 1981 and 1987 actions.⁴

1. Rule 111

Rule 111 was promulgated on May 29, 1981 (46 Fed. Reg. 29182) and amended on October 10, 1997 (62 Fed. Reg. 53192), September 8, 2000 (65 Fed. Reg. 54672), September 21, 2004 (69 Fed. Reg. 56542), and January 27, 2005 (70 Fed. Reg. 3891).

a) October 10, 1997, final rule⁵

This final rule amended Paragraph (a) to clarify the usage of certain terms, and amended Paragraph (b) to explicitly recognize that a reply must be reduced to a writing that points out the specific distinctions believed to render the claims, including any newly presented claims, patentable. The extent to which this final rule altered the information collection requirements contained in Rule 111 is not clear. The preamble clearly stated, however, that applicants have a duty to respond to be entitled to reconsideration or further examination. This duty translates into an information collection requirement.

The Paperwork Reduction Act section of the preamble identifies 10 different OMB control numbers affected by this final rule. 62 Fed. Reg. 53178-53180. These control numbers are listed in Table A below. The preamble indicates that the USPTO did not contemporaneously submit ICRs for any of these 10 OMB control numbers, stating that the “collections of information involved in this Final Rule have been reviewed and approved by OMB.” 62 Fed. Reg. 53178/2.

⁴ OMB’s electronic docket also is incomplete for ICRs predating the most recent update of reginfo.gov. For example, it does not include pre-update Supporting Statements, public comments, and similar documents.

⁵ U.S. Patent and Trademark Office (1997).

A review of these OMB Control Numbers confirms that the USPTO did not seek approval of any information collection requirements related to Rule 111 in this final rule. That includes the most plausible OMB control number among them—0651-0031 (“Patent Processing (Updating)”)—which is shown in Table A highlighted in *italics* and shaded in yellow. Without an ICR requesting the approval of information collections related to these amendments to Rule 111, changes in information collection requirements made via this final rule cannot have been approved by OMB.

b) September 8, 2000, final rule⁶

This final rule revised the business goals for the organizations reporting to the Commissioner for Patents for the stated purpose of “increase[ing] the level of service to the public by raising the efficiency and effectiveness of the Office’s business processes.” The rule “chang[ed] the rules of practice to eliminate unnecessary formal requirements, streamline the patent application process, and simplify and clarify the provisions of the rules of practice.”

The Paperwork Reduction Act section of the preamble identifies 11 different OMB control numbers that were affected by this final rule. See 65 Fed. Reg. 54654-54656. These control numbers are listed in Table B below. The preamble indicates that the USPTO did not contemporaneously submit ICRs for these 11 OMB control numbers, stating that the “collections of information involved in this notice of proposed rulemaking [sic] have been reviewed and previously approved by OMB.” See 65 Fed. Reg. 54654/3.⁷

A review of the schedule of ICRs submitted for these OMB control numbers confirms that the USPTO did not contemporaneously seek approval of any information collection requirements related to Rule 111 in this final rule. This includes the most plausible OMB control number among them—0651-0031 (“Patent Processing (Updating)”)—which is shown in Table B highlighted in *italics* and shaded in yellow. Without an ICR requesting the approval of information collections related to these amendments to Rule 111, changes in information collection requirements made via this final rule cannot have been approved by OMB.

c) September 21, 2004, final rule⁸

⁶ U.S. Patent and Trademark Office (2000).

⁷ Notice the erroneous reference to a *notice of proposed rulemaking* even though this was a final rule. In the preamble to the actual notice of proposed rulemaking, the USPTO stated that the “collections of information involved in this notice have been reviewed and previously approved by OMB.” See U.S. Patent and Trademark Office (1999), 53817/1. That is, both preambles state that the new information collection requirements contained in the proposed and final revisions to Rule 111, respectively, had already been approved by OMB. Neither preamble states *when* OMB issued this approval.

⁸ U.S. Patent and Trademark Office (2004a).

The stated purpose of this final rule was to “transform the Office into a quality-focused, highly productive, responsive organization supporting a market-driven intellectual property system.” It made changes to numerous information collection requirements, including Rule 111.

The Paperwork Reduction Act section of the preamble (pp. 56533-56535) identifies seven different OMB control numbers that were affected by this final rule. They are listed in Table C below. The preamble indicates that the USPTO did not submit ICRs related to these seven OMB control numbers, stating that the “collections of information involved in this final rule have been reviewed and previously approved by OMB” (p. 54533/2).⁹

A review of these OMB Control Numbers confirms that the USPTO did not seek approval of any information collection requirements related to Rule 111 in this final rule. That includes the most plausible OMB control number among them—0651-0031 (“Patent Processing (Updating)”)—which is shown in Table C highlighted in *italics* and shaded in yellow. Without an ICR requesting the approval of information collections related to these amendments to Rule 111, changes in information collection requirements made via this final rule cannot have been approved by OMB.

d) January 27, 2005, final rule¹⁰

This final rule revised the patent fees set forth in the rules of practice to conform them to the patent fees set forth in the Consolidated Appropriations Act of 2005. Rule 111 was affected by this rule only because a typographical error in subsection (a)(2)(i) related to supplemental replies was corrected. No significant changes in information collection requirements would be expected due to the correction of a typographical error.

⁹ In the preamble to the notice of proposed rulemaking, the USPTO used identical stated that the “collections of information involved in this final rule [sic] have been reviewed and previously approved by OMB.” See U.S. Patent and Trademark Office (2003). Notice the erroneous reference to a *final rule* (p. 53844) even though this was a *notice of proposed rulemaking*. In any case, the USPTO asserted that neither the notice of proposed rulemaking nor the final rule materially altered the information collection requirements contained in Rule 111 beyond what had already been approved by OMB. The USPTO did not identify when that OMB approval was said to have occurred.

¹⁰ U.S. Patent and Trademark Office (2005).

Table A: OMB Control Numbers Affected by October 10, 1997 Final Rule¹¹

OMB Control Number	ICR Title	Form Number(s)	Contemporaneous ICR Submissions? [5 CFR 1320.11(h)]
0651-0016	Rules for Patent Maintenance Fees	PTO/SB/45, 47, 65, 66	No
0651-0021	Patent Cooperation Treaty	PCT/RO/101; ANNEX/134/144; PTO-1382; PCT/IPEA/401; PCT/IB/32	No
0651-0022	Deposit of Biological Materials for Patent Purposes.	None	No; ICR Ref No 199710-0651-001 submitted 10/31/1997 as an extension without change
0651-0027	Changes in Patent and Trademark Assignment Practices	PTO-1618, 1619; PTO/SB/15, 41	No
<i>0651-0031</i>	<i>Patent Processing (Updating)</i>	<i>PTO/SB/08/21-27, 31, 42, 43, 61, 62, 63, 64, 67, 68, 91, 92, 96, 97</i>	<i>No</i>
0651-0032	Initial Patent Application	PTO/SB/01-07, 13; PCT/17-19, 29, 101-110	No
0651-0033	Allowance and Refiling	PTO/SB/13, 14, 44, 50-57; PTOL-85b	No
0651-0034	Secrecy/License to Export	None	No
0651-0035	Address-Affecting Provisions	PTO/SB/81-84, 121-125	No
0651-0037	Provisional Applications	PTO/SB/16	No

¹¹ Data obtained from reginfo.gov.

Table B: OMB Control Numbers Affected by September 8, 2000 Final Rule¹²

OMB Control Number	ICR Title	Form Number(s)	Contemporaneous ICR Submissions? [5 CFR 1320.11(h)]
0651-0016	Rules for Patent Maintenance Fees	PTO/SB/45, 47, 65, 66	No
0651-0020	Patent Term Extension	None	No
0651-0021	Patent Cooperation Treaty	PCT/RO/101; ANNEX/134/144; PTO-1382 PCT/IPEA/401; PCT/IB/32	No; ICR Ref No 200008-0651-001 submitted 8/21/2000 as a revision; no ICs relevant to Rule 111 in the collection
0651-0022	Deposit of Biological Materials for Patent Purposes	None	No; ICR Ref No 200010-0651-001 submitted 10/17/2000 as an extension without change
0651-0024	Requirements for Patent Applications Containing Nucleotide Sequence and/or Amino Acid Sequence Disclosures	None	No
0651-0027	Changes in Patent and Trademark Assignment Practices	PTO-1618, 1619; PTO/SB/15/41	No; ICR Ref No 200008-0651-005 submitted 8/11/2000 with no material or nonsubstantive changes only
<i>0651-0031</i>	<i>Patent Processing (Updating)</i>	<i>PTO/SB/08/21-27, 31, 42, 43, 61, 62, 63, 64, 67, 68, 91, 92, 96, 97</i>	<i>No</i>
0651-0032	Initial Patent Application	PTO/SB/01-07, 13; PCT/17-19, 29, 101-110	No
0651-0033	Allowance and Refiling	PTO/SB/13, 14, 44, 50-57; PTOL-85b	No; ICR Ref No. 200010-0651-002 submitted 10/26/2000 as a revision; no ICs relevant to Rule 111
0651-0034	Secrecy/License to Export	None	No
0651-0035	Address-Affecting Provisions	PTO/SB/81-84, 121-125	No

¹² Data obtained from reginfo.gov.

Table C: OMB Control Numbers Affected by September 21, 2004 Final Rule¹³

OMB Control Number	ICR Title	Form Number(s)	Contemporaneous ICR Submissions? [5 CFR 1320.11(h)]
0651-0016	Rules for Patent Maintenance Fees	PTO/SB/45, 47, 65, 66	No
0651-0020	Patent Term Extension	None	No; ICR Ref No 200408-0651-001 submitted 8/6/2004 as an extension without change
<i>0651-0031</i>	<i>Patent Processing (Updating)</i>	<i>PTO/SB/08A, 08B, 17i, 17P, 21-27, 30-37, 42-43, 61-64, 67-68, 91-92, 96-97, 2053-A/B, 2054-A/B, 2055-A/B; PTOL-413A</i>	<i>No; ICR Ref No 200407-0651-002 submitted 7/15/2004 as a revision; no ICRs relevant to Rule 111</i>
0651-0032	Initial Patent Application	PTO/SB/01-07, 13PCT, 16-19, 29, 29A, 101-110	No
06510-0033	Allowance and Refiling	PTO/SB/44, 50-51, 51S, 52-53, 56-58; PTOL-85B	No
0651-0034	Secrecy/License to Export	None	No
0651-0036	Statutory Invention Registration	PTO/SB/94	No

¹³ Data obtained from reginfo.gov.

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1. Rule 115

The September 8, 2000 final rule cited above in the discussion of Rule 111 (65 Fed. Reg. 54604), also amended Rule 115 to set timing deadlines. Rule 115 was further amended in the September 21, 2004 final rule cited above in the discussion of Rule 111 (69 Fed. Reg. 56543), largely to expressly state legal effects of Preliminary Amendments that had previously been assumed.

As noted above in the discussions of the final rules dated September 8, 2000 and September 21, 2004, the Paperwork Reduction Act sections of the preambles identify 11 and seven different OMB control numbers, respectively, which are listed in Table B and Table C. Also as previously noted, both preambles state that the USPTO did not submit an ICR for any changes in information collection requirements related to these OMB control numbers as a result of this rulemaking. Without an ICR requesting the approval of information collections related to these amendments to Rule 115, changes in information collection requirements made via this final rule cannot have been approved by OMB.

2. Rule 116

Rule 116 was amended on August 12, 2004, as part of a larger rulemaking that revised the Rules of Practice before the Board of Patent Appeals and Interferences.¹⁴ The Paperwork Reduction Act section of the preamble states as follows (59 Fed. Reg. 49996/3):

Paperwork Reduction Act: This final rule involves information collection requirements which are subject to review by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501et seq.).

Currently approved forms include PTO/SB/31 (Notice of appeal) and PTO/ SB/32 (Request for hearing), both of which were cleared under the OMB 0651-0031 collection, which will expire at the end of July 2006.

Notwithstanding any other provision of law, no person is required to respond to nor shall a person be subject to a penalty for failure to comply with a collection of information subject to the requirements of the Paperwork Reduction Act unless that collection of information displays a currently valid OMB control number.

¹⁴ U.S. Patent and Trademark Office (2004b). The America Invents Act of 2011 renamed the Board of Patent Appeals and Interferences to the Patent Trial and Appeal Board.

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This text does not indicate that the USPTO submitted an ICR to seek approval of the information collection requirements contained in amendments to Rule 116. The online docket shows no submission of any contemporaneous ICR for any OMB control number, including 0651-0031.¹⁵ Without an ICR requesting the approval of information collections related to 2004 amendments to Rule 116, changes in information collection requirements made via this final rule cannot have been approved by OMB. The two forms mentioned are merely administrative notices estimated by the USPTO to require only a few minutes to prepare. Neither of them are related in any way to Rule 116.

C. OMB Control Number 0651-0031 (“Patent Processing (Updating)”)¹⁶

A review of the history of this OMB control number indicates that the USPTO never sought approval of Amendments and Responses related to Rules 111, 115, or 116 until January 29, 2013.¹⁷ In the January 2013 ICR submission included two rows for Amendments and Responses in the IC list.¹⁸ Unlike most other information collection items, which include within their titles a reference to the specific rule(s) to which they apply, these information collection items included no such references. Thus, it was not obvious to the casual reader (or perhaps to the harried OMB desk officer) what these items entailed. Nonetheless, they should have attracted attention because the USPTO sought approval of 960,000 new responses estimated to impose 7,680,000 new burden-hours at a monetized cost exceeding \$2.8 billion per year.¹⁹

Clicking on the internal links for these two information collection items on [reginfo.gov](http://www.reginfo.gov) revealed tables that are supposed to disclose information concerning

¹⁵ All but one contemporaneous ICR submission is designated either “no material or nonsubstantive change” or “emergency extension.” The single contemporaneous ICR submission designated “revision of collection” (200407-0651-002) relates to an unrelated rulemaking.

¹⁶ This subsection has been modified to account for Office of Management and Budget (2013).

¹⁷ ICR Reference No. 201301-0651-002, http://www.reginfo.gov/public/do/PRAViewICR?ref_nbr=201301-0651-002.

¹⁸ http://www.reginfo.gov/public/do/PRAICList?ref_nbr=201301-0651-002. This section convincingly shows that the January 2013 ICR was highly misleading in numerous ways. The delay in issuing an approval suggests that OMB is well aware of this fact, either due to its own review or because it was revealed by public comments on the 30-day Notice. (Any such public comments are not publicly available on the [reginfo.gov](http://www.reginfo.gov) website OMB uses as its electronic docket. See http://www.reginfo.gov/public/do/PRAViewDocument?ref_nbr=201301-0651-002, which includes only public comments on the 60-day Notice.)

¹⁹ U.S. Patent and Trademark Office (2013a), Table 3.

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the nature of these new information collection burdens. These tables are reproduced below as Table E and Table F.

These tables confirmed that OMB had never previously approved these information collection items; the numbers of previously approved responses and burden-hours are reported as zeroes. This is consistent with the analysis reported above, showing that the USPTO had not previously sought OMB approval for Amendments and Responses related to Rules 111, 115, or 116.

However, these tables also stated that the new burdens associated with Amendments and Responses were attributable to a “program change due to administrative discretion.” To understand how this could be so, one must review the explanation in the Supporting Statement. But the explanation in the Supporting Statement included two demonstrably false claims.

1. Rule 111, 115, and 116 Amendments and Responses were not “program changes,” as the January 2013 Supporting Statement claimed.

On page 28 of the Supporting Statement, the USPTO claimed that Amendments and Responses contained in Rules 111, 115, and 116 were program changes due to the exercise of administrative discretion (boldface in the original):

Program Changes:

...

- The USPTO is separately accounting for the requirement Amendments and Responses that was separated out from the Transmittal Form. The USPTO estimates that it will take 8 hours to complete this item and it will receive 960,000 responses per year. **Therefore, this submission takes a burden increase of 7,680,000 hours as a program change.**

The assertion that Amendments and Responses contained in Rules 111, 115, and 116 were merely “program changes” was not corroborated anywhere in the Supporting Statement. Further, a “program change” of this magnitude would have been part of a major rulemaking, and there had not been *any* relevant rulemaking for several years.

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2. Rule 111, 115, and 116 Amendments and Responses were not a subset of “transmittal forms,” as the January 2013 Supporting Statement claimed.

On page 22 of the Supporting Statement, the USPTO claimed that Amendments and Responses previously were a subset of another IC—the Transmittal Form (*italics in the original*):

1 One requirement has been separated into two items

Two items being separately accounted for in this collection are (i) Rule 1.130, 1.131, and 1.132 Affidavits or Declarations; and (ii) Amendments and Responses. (p. 22.)

and at page 28:

Program Changes:

...

- The USPTO is separately accounting for the requirement Amendments and Responses that was **separated out from the Transmittal Form**. The USPTO estimates that it will take 8 hours to complete this item and it will receive 960,000 responses per year. Therefore, this submission takes a burden increase of 7,680,000 hours as a program change.

These statements were false.

Rule 111, 115, and 116 Amendments and Responses, estimated by the USPTO to entail 960,000 responses and 7,680,000 burden-hours per year, could not have been “separated out from the Transmittal Form.” The subset is about four times larger than its alleged superset. Similarly, each Transmittal Form was estimated by the USPTO to require on average two hours to prepare, but the USPTO estimated that each Amendment or Response took an average of eight hours to prepare. It is impossible to “separate out” an 8-hour task from a 2-hour task.

Further proof that the explanation in the Supporting Statement was false can be gleaned from comparing the burden estimates for Transmittal Forms in the January 2013 Supporting Statement and its most recent predecessor, dated April 2008. This comparison is provided in Table D. Notice that burden-hours per response were unchanged, and that the estimates differed only because USPTO’s projection of the number of Transmittal Forms expected to be submitted per year increased by 61,500 (5.9%).

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D. The Information Collection Items Described by the USPTO as “Amendments and Responses” in the January 2013 ICR Were Unapproved Collections of Information²⁰

The USPTO’s characterizations of paperwork burdens related to “Amendments and Responses” in the January 2013 Supporting Statement were incorrect and deceptive. The most recent regulatory actions taken by the USPTO that include information collection requirements contained to Rules 111, 115, or 116 occurred in 2004 and 2005. The USPTO did not seek approval of the incremental burdens associated with these rulemakings. There appears to be no evidence that the USPTO has ever sought OMB approval of information collection requirements contained in these Rules. The numbers of respondents, burden-hours, and non-burden hour costs in Table E and Table F belong in the column labeled “Change Due to Potential Violation of the PRA.” The adjective “Potential” is superfluous.²¹

²⁰ As noted previously, OMB took action on July 31, 2013 exempting Rule 111/115/116 submissions from the Paperwork Reduction Act. See Office of Management and Budget (2013). Unless this action is rescinded, the USPTO no longer needs to seek and obtain OMB approval for these collections of information.

²¹ The original Working Paper contained an additional paragraph:

Furthermore, unless and until OMB approves the pending ICR, there will be no valid OMB control number for Amendments and Responses contained in Rules 111, 115, or 116. If or when such an approval is issued, all Amendments and Responses related to Rules 111, 115, or 116 submitted by patent applicants and owners prior to the date of approval will have been unapproved collections of information.

If not reversed by OMB or a competent court, OMB’s July 31, 2013 Notice of Action retroactively legitimized all prior submissions under Rules 111, 115, and 116. Millions of submissions are affected, and they have burdens, taking at face value the USPTO’s estimates, in the tens of billions of dollars.

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Table E: IC Detail for Amendments and Responses in ICR Reference No. 201301-0651-002 (January 28, 2013)¹

	Requested	Program Change Due to New Statute	Program Change Due to Agency Discretion	Change Due to Adjustment in Agency Estimate	Change Due to Potential Violation of the PRA	Previously Approved
Annual Number of Responses for this IC	67,000	0	67,000	0	0	0
Annual IC Time Burden (Hours)	536,000	0	536,000	0	0	0
Non-Burden House Costs (Dollars)	\$ 87,100	0	\$ 87,100	0	0	0

Table D: Comparative Burden Estimates for the Transmittal Form, April 2008 vs. January 2013

ICR Estimates	April 2008 Supporting Statement*	January 2013 Supporting Statement**
Responses/Year	1,038,500	1,100,000
Burden-hours/Response	2	2
Burden-hours/Year	2,079,000	2,200,000
<p>* U.S. Patent and Trademark Office, <i>SF-83 Supporting Statement; Patent Processing (Updating); OMB Control Number 0651-0031; April 24, 2008, Table 3.</i></p> <p>** U.S. Patent and Trademark Office. 2013. <i>Supporting Statement; Patent Processing (Updating); OMB Control Number 0651-0031; January 28, 2013, Table 3.</i></p>		

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Table F: IC Detail for Electronic Amendments and Responses in ICR Reference No. 201301-0651-002 (January 28, 2013)¹

	Requested	Program Change Due to New Statute	Program Change Due to Agency Discretion	Change Due to Adjustment in Agency Estimate	Change Due to Potential Violation of the PRA	Previously Approved
Annual Number of Responses for this IC	893,000	0	893,000	0	0	0
Annual IC Time Burden (Hours)	7,144,000	0	7,144,000	0	0	0
Annual IC Cost Burden (Dollars)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

III. An Analysis of OMB's July 31, 2013 Determination that the Rule 111/115/116 Submissions Are Exempt from the Paperwork Reduction Act

On July 31, 2013, OMB approved Control Number 0651-0031 for three years. This approval was unusual because of the length of the review—183 days, more than three times the presumptive 60-day review time set forth in Paperwork Reduction Act § 3507(b)(2). It also was unusual because OMB's terms of clearance did not approve two of the three information collection items that were new in the January 29, 2013 ICR. And it was trebly unusual because OMB did not disapprove these two new information collection items; it deemed them exempt from the definition of *information* under OMB rules implementing the PRA.

OMB's full explanation in its Notice of Action consists of a single sentence:

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TERMS OF CLEARANCE: Updated supporting statement to account for items not subject to the Paperwork Reduction Act in Rule 1.130, 1.131, 1.132, and Amendments and Responses.²²

This lack of transparency is striking, and moreover, it appears to violate a statutory requirement in the Paperwork Reduction Act that OMB explain the reasons for its decisions:

Any decision by the Director under [44 U.S.C. § 3507] subsection (c), (d), (h), or (j) to disapprove a collection of information, or to instruct the agency to make substantive or material change to a collection of information, shall be publicly available and include an explanation of the reasons for such decision.

44 U.S.C. § 3507(e)(1), emphasis added.²³ OMB's Notice of Action is the product of having "instruct[ed] the agency to make substantive or material change to a collection of information," and OMB's action was made under 44 U.S.C. § 3507(d).

The revised Supporting Statement that the USPTO prepared at the direction of OMB offers no illumination.²⁴ Instead of explaining why Rule 111/115/116 submissions were no longer included in the ICR, all references to them were simply deleted.²⁵

In its January 2013 Supporting Statement, the USPTO described the purposes of Rule 111/115/116 submissions as:

- Used by the applicant to change the file record of the application.
- Used by the applicant to request reconsideration or further examination, with or without amendment.
- Used by the USPTO to change the file record of the application.
- Used by the USPTO to determine whether to maintain a rejection or objection of a claim of an application.²⁶

²² Office of Management and Budget (2013).

²³ OMB's decision to exempt Rule 111/115/116 submissions does not fall under any of these subsections. However, OMB's action directing the USPTO to "make substantive or material change to a collection of information" is covered.

²⁴ U.S. Patent and Trademark Office (2013b).

²⁵ The revised Supporting Statement also no longer mentions affidavits and declarations under Rules 130, 131, and 132, which in the Notice of Action OMB also deemed exempt from the definition of *information* under the PRA. See subsection H below.

²⁶ U.S. Patent and Trademark Office (2013b).

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As previously noted in Table E on page 18, the USPTO projected 67,000 responses per year entailing 536,000 burden-hours valued at \$2.9 billion. The burdens implied are obviously quite substantial.

OMB's Notice of Action provides no hint whatsoever concerning the basis for its decision that Rule 111/115/116 submissions were "not subject to the Paperwork Reduction Act." A review of the relevant statutory and regulatory texts indicates that no such basis exists.

A. There Are No Statutory Exclusions From the Definition of Information in the Paperwork Reduction Act.

The PRA covers all information requested or mandated by a federal agency, whether coming from the agency or another entity sponsored by the agency, and whether it must be submitted, disclosed, or retained. Anything within the definition of a *collection of information* is covered:

[T]he term "collection of information"—

(A) means the obtaining, causing to be obtained, soliciting, or requiring the disclosure to third parties or the public, of facts or opinions by or for an agency, regardless of form or format, calling for either—

(i) answers to identical questions posed to, or identical reporting or recordkeeping requirements imposed on, ten or more persons, other than agencies, instrumentalities, or employees of the United States; or

(ii) answers to questions posed to agencies, instrumentalities, or employees of the United States which are to be used for general statistical purposes; and

(B) shall not include a collection of information described under section 3518 (c)(1)...

Collection of information is defined with similar breadth in OMB's implementation rule, 5 C.F.R. § 1320.3(c), which also contains a regulatory definition of *information* that is similarly broad:

Information means any statement or estimate of fact or opinion, regardless of form or format, whether in numerical, graphic, or narrative form, and whether oral or maintained on paper, electronic or other media.

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5 C.F.R. § 1320.3(h). There are no statutory exemptions to the definition of *information*, nor did Congress explicitly delegate to OMB any authority to modify the definition.

B. There Are 10 Regulatory Exemptions From the Definition of Information.²⁷

By regulation, OMB has exempted ten categories of “items” from the definition of *information*, and it is within one of them that Rules 111/115/116 submissions, which according to the USPTO cost \$2.9 billion of legal resources just to prepare, is exempt. As noted above, neither USPTO nor OMB gives the public any hint which of these categories apply.

The ten regulatory exemptions to the definition of *information* in 5 C.F.R. § 1320.3(h) are listed verbatim below:

1. Affidavits, oaths, affirmations, certifications, receipts, changes of address, consents, or acknowledgments; provided that they entail no burden other than that necessary to identify the respondent, the date, the respondent's address, and the nature of the instrument (by contrast, a certification would likely involve the collection of “information” if an agency conducted or sponsored it as a substitute for a collection of information to collect evidence of, or to monitor, compliance with regulatory standards, because such a certification would generally entail burden in addition to that necessary to identify the respondent, the date, the respondent's address, and the nature of the instrument);
2. Samples of products or of any other physical objects;
3. Facts or opinions obtained through direct observation by an employee or agent of the sponsoring agency or through nonstandardized oral communication in connection with such direct observations;
4. Facts or opinions submitted in response to general solicitations of comments from the public, published in the Federal Register or other publications, regardless of the form or format thereof, provided that no person is required to supply specific information pertaining to the

²⁷ In this paper, it is assumed that all nine “items” listed as exemptions are reasonable interpretations of the Paperwork Reduction Act despite the absence of any explicit statutory authority given to OMB to promulgate them. The statutory text that is closest to authorizing OMB to issue exemptions is found in 44 U.S.C. § 3516 (“The Director shall promulgate rules, regulations, or procedures necessary to exercise the authority provided by this subchapter”), but it is not clear why exemptions from the statute would ever qualify as “necessary” to implement it.

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commenter, other than that necessary for self-identification, as a condition of the agency's full consideration of the comment;

5. Facts or opinions obtained initially or in follow-on requests, from individuals (including individuals in control groups) under treatment or clinical examination in connection with research on or prophylaxis to prevent a clinical disorder, direct treatment of that disorder, or the interpretation of biological analyses of body fluids, tissues, or other specimens, or the identification or classification of such specimens;
6. A request for facts or opinions addressed to a single person;
7. Examinations designed to test the aptitude, abilities, or knowledge of the persons tested and the collection of information for identification or classification in connection with such examinations;
8. Facts or opinions obtained or solicited at or in connection with public hearings or meetings;
9. Facts or opinions obtained or solicited through nonstandardized follow-up questions designed to clarify responses to approved collections of information; and
10. Like items so designated by OMB.

Of these 10 “items,” items (1), (6), (9), and (10) are remotely plausible candidates. Subsections (C)-(0) below explain why each is inapplicable.

C. Rule 111/115/116 Submissions Are Not Exempted by § 1320.3(h)(1).

This category is directed to signature blocks, change of address filings, and similar submissions. This category of items includes a broad array of submissions (“affidavits, oaths, affirmations, certifications, receipts, changes of address, consents, or acknowledgments”), but they have two things in common: they have no substantive content and they have trivial burdens. This is clear in the limitation placed on the exemption: they must “entail no burden other than that necessary to identify the respondent, the date, the respondent's address, and the nature of the instrument.” A substantive submission cannot be exempt, and a nonsubstantive submission that requires more than trivial effort also cannot be exempt.

The text of the rule includes an unusual parenthetical example of the kinds of “affidavits, oaths, affirmations, certifications, receipts, changes of address, consents, or acknowledgments” that are not exempt. Speaking of “certifications,” the text

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excludes from the exemption any instance in which an “agency conducted or sponsored it as a substitute for a collection of information to collect evidence of, or to monitor, compliance with regulatory standards.” Any filing that includes, for example, statements required by regulation that are made under penalty of perjury, or subject to penalty if made in error, are inherently substantive and cannot be covered by this exemption.

As previously noted, the USPTO reported in January 2013 that it expected 67,000 submissions per year entailing 536,000 burden-hours valued at \$2.9 billion. These burdens are hardly trivial, and the USPTO’s description of what they entail (change the file record of the application, request reconsideration or further examination) are inherently substantive.

Therefore, OMB could not have reasonably interpreted amendments and responses under Rules 111, 115, or 116 to be covered by the 5 C.F.R. § 1320.3(h)(1) exemption.

D. Rule 111/115/116 Submissions Are Not Exempted by § 1320.3(h)(6).

This category of items is limited to “request[s] for facts or opinions addressed to a single person.” Functionally identical requests made to more than one person cannot qualify. Information collection requests contained in rules of general applicability also cannot qualify; if they did, the exemption would swallow virtually all of 5 C.F.R. §§ 1320.11 and 1320.12.

Most (if not all) Rule 111/115/116 submissions are the product of rules of general applicability. By the USPTO’s accounting, hundreds of thousands of persons file Rule 111/115/116 submissions each year, and none is submitted in response to a unique “request for facts or opinions.” Many are responses to what are called “form paragraphs”—standardized responses sent by USPTO examiners identifying in broad terms where they believe an application may be deficient.²⁸ Rather, these submissions are replies to first Office actions (Rule 111(a)(1)), supplemental replies (Rule 111(a)(2)), requests for reconsideration (Rule 111(b)), preliminary amendments submitted prior to a first Office action, or amendments and affidavits submitted after final Office action but before appeal. Though patent applicants’ responses will vary, the statutory issues to which they are responding generally do not. Moreover, amendments to initial patent applications are no more unique than

²⁸ U.S. Patent and Trademark Office (2012). There are hundreds of form paragraphs from which examiners may choose.

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initial patent applications, so it makes no logical sense to exempt the former but cover the latter.²⁹

Therefore, OMB could not have reasonably interpreted amendments and responses under Rules 111, 115, or 116 to be covered by the 5 C.F.R. § 1320.3(h)(6) exemption.

E. Rule 111/115/116 Submissions Are Not Exempted by § 1320.3(h)(9).

This category of items is limited to “[f]acts or opinions obtained or solicited through nonstandardized follow-up questions designed to clarify responses to approved collections of information.” That is, Rule 111/115/116 submissions may be covered by this exemption if they are (1) responses to questions posed by the USPTO, (2) the question posed by the USPTO must be nonstandardized, (3) the purpose of the response to a nonstandardized question must be to “clarify” a prior response to a collection of information, *and* (4) the prior collection of information must have been approved by OMB. All four conditions must simultaneously apply.

1. To be exempt, a response must be to a question posed by the USPTO.

Some Rule 111/115/116 submissions may qualify as responses, but they would be exceptions to the rule. Most submissions are initiated by patent applicants themselves as a result of new knowledge arising after initial filing of an application. The single most common case is an amendment initiated by the applicant in response to prior art located by the patent examiner. Another typical case is an amendment filed by the applicant in response to new information or analysis arising from a source other than the examiner. Any submission that is initiated by an applicant cannot qualify under § 1320.3(h)(9) simply because it is not made in response to an agency-initiated request *for the information*; rather, at most the USPTO sends a notice of rejection, and leaves it to the applicant to formulate the best form for response.

²⁹ If Rule 111/115/116 amendments and responses are legitimately exempt because they are unique to each respondent, then initial patent applications also would be exempt because each is unique. Moreover, this interpretation of the law would exempt thousands of collections of information, including for example EPA air pollution permits and FDA New Drug Applications (but, ironically, not Abbreviated New Drug Applications, which are not unique).

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2. *To be exempt, a response must be to a nonstandardized question posed by the USPTO.*

Of the subset of Rule 111/115/116 submissions that are responses to USPTO requests, some will have been motivated by nonstandardized questions but many others will not. Submissions that are responses to *standardized* questions cannot be covered by § 1320.3(h)(9) because only *nonstandardized* questions are potentially eligible. The fact that USPTO management provides “form paragraphs” to use in framing Office Actions is proof that when the Office does request information, its requests are fairly standardized.³⁰

3. *To be exempt, a response to a nonstandardized question must be for the purpose of clarifying a response to a prior collection of information.*

Of the subset of Rule 111/115/116 submissions that are responses to USPTO requests, only those that “clarify” responses to previously submitted information could be eligible for the § 1320.3(h)(9) exemption. If the submission has any other purpose besides “clarifying” a prior response, such as to require the submission or disclosure of additional information, it cannot be eligible.

4. *To be exempt, a response to a nonstandardized question intended to clarify a response, the prior collection of information must have been approved by OMB.*

Finally, among the subset of Rule 111/115/116 submissions that are responses to nonstandardized questions from the USPTO seeking clarification of a previous submission in an collection of information, such submissions could only be exempt if the prior collection of information was an approved collection. If the prior collection of information was not approved, then responses to follow-up inquires, even if narrowly tailored to seek clarification, cannot be eligible for this exemption. A housekeeping exemption intended to reduce clutter cannot be used to vitiate a fundamental statutory requirement.

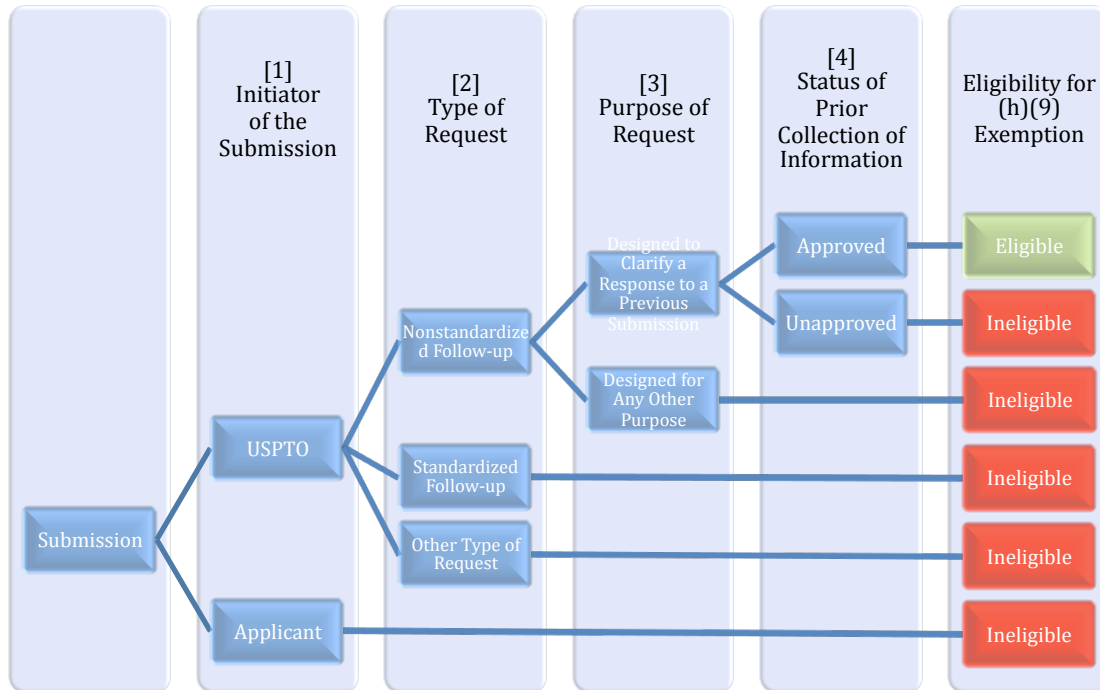
5. *Graphically illustrating § 1320.3(h)(9) shows that it is a very limited exemption that does not apply to Rule 111/115/116 submissions.*

Error! Reference source not found. illustrates the six scenarios described above. Under only one of them (in green) is it possible for § 1320.3(h)(9) to apply. For the other five scenarios (in red), § 1320.3(h)(9) cannot apply.

³⁰ U.S. Patent and Trademark Office (2012).

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Figure A: Conditions Under Which a Submission to USPTO May be Eligible for the § 1320.3(h)(9) Exemption



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This is not to say that the § 1320.3(h)(9) exemption is a null set. The USPTO could legitimately invoke it in a few instances, such as when a patent application includes an inventor name but not the address. In this case, a follow-up inquiry meets all four conditions for § 1320.3(h)(9). However, Rule 111/115/116 submissions rarely if ever are so trivial, a fact attested by the USPTO's eight hour average burden estimate.

F. Invoking §1320.3(h)(10) Would Be an Abuse of Power.

This exemption is a catch-all that can legitimately be used only for “like items,” circumstances that could not have been foreseen when OMB promulgated the list of nine exemptions in 1995 but which are indistinguishable in character. Rule 111/115/116 submissions were easily foreseeable in 1995, however. Rule 111, for example, had been in place since 1981. The kinds of submissions made under these rules are obviously not extraordinary—the Patent Office estimates 67,000 submissions are made per year—nor was the USPTO incapable of recognizing that these rules contained information collection requirements different in kind than others for which it had sought OMB approval.

More to the point of OMB's presumptive regulatory authority, Rule 111/115/116 submissions are not “like” other items in §§ 1320.3(h)(1)-(9). It would be an abuse of power for OMB to use this catch-all category for submissions that are unlike other exempted items, particularly when the extraordinary burden they impose it taken into account.

G. Conclusion: Except in Rare Circumstances of Little or No Interest to the Public, Rule 111/115/116 Submissions Are Not Eligible for Any of the Exemptions Set Forth in 5 C.F.R. § 1320.3(h).

Only four of the 10 exemptions listed in 5 C.F.R. § 1320.3(h) have been examined closely, but the other six clearly do not apply. Of the four potentially applicable exemptions, (h)(9) is the only one that could ever apply. But the conditions under which it could apply are narrow and pose hardly any controversy. The public is likely to have little or no concern about submissions of this type and raise no objection to their exclusion.

The matter could have been resolved if OMB had asked the USPTO to objectively allocate the 67,000 annual responses it expects to receive into each of the six scenarios shown in **Error! Reference source not found.** It could have been acknowledged that submissions in the scenario illustrated in green are properly exempted, but that would not address submissions belonging to the other five categories. For all other Rule 111/115/116 submissions, they meet the statutory

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and regulatory definition of *collection of information* and they cannot reasonably be exempted from the regulatory definition of *information*.

H. OMB's Exclusion of Affidavits and Declarations Under Rules 130, 131, and 132 From the Definition of *Information* Has No Merit.

My July 21 Working Paper addressed only Rule 111/115/116 submissions and did not analyze whether the USPTO had a valid OMB control number for Rule 130/131/132 affidavits and declarations. Because OMB's Notice of Action unexpectedly exempted them also from the definition of information, it is reasonable to perform a preliminary analysis to ascertain whether that decision has merit.

In its January 2013 Supporting Statement, the USPTO described the purposes of these submissions as:

- Used by the applicant to change the file record of the application.
- Used by the applicant to request reconsideration or further examination, with or without amendment.
- Used by the USPTO to change the file record of the application.
- Used by the USPTO to determine whether to maintain a rejection or objection of a claim of an application.³¹

The only exemption that plausibly fits Rule 130/131/132 submissions is § 1320.3(h)(1), and the reason why should be obvious. The USPTO uses the same nouns for these submissions ("affidavits and declarations") as OMB uses in the text of the exemption in 5 C.F.R. § 1320.3(h)(1). Thus, a superficial look might suggest that Rule 130/131/132 submissions are eligible for this exemption.

However, only an extraordinarily superficial look would have supported this notion. The § 1320.3(h)(1) exemption is severely constrained by its plain text. It would cover Rule 130/131/132 affidavits and declarations if and only if they had no substantive content and "entail[ed] no burden other than that necessary to identify the respondent, the date, the respondent's address, and the nature of the instrument."

Neither of these conditions applies. The USPTO reported that it expected Rule 130/131/132 submissions to require an average of 10 burden-hours to prepare. The USPTO estimated the annual cost of 50,000 responses per year at \$185 million. Like Rule 111/115/116 submissions, Rule 130/131/132 submissions are substantial in number, burden-hours, and how much these burden-hours cost.

³¹ U.S. Patent and Trademark Office (2013b).

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That obviously exceeds any plausible interpretation of the requirement in (h)(1) that limits the exemption to affidavits and declarations that impose “no burden” that is more than trivial. However, Rule 130/131/132 submissions are anything but trivial. They tend to be highly substantive and are submitted under penalty of perjury. In short, Rule 1310/131/132 affidavits and declarations are completely different from the kinds of affidavits and declaration that (h)(1) is intended to exempt.

Therefore, OMB could not have reasonably interpreted affidavits and declarations submitted under Rules 130, 131, and 132 be covered by 5 C.F.R. § 1320.3(h)(1). The same reasons presented in Section III.D through III.E (explaining why other § 1320.3(h) exemptions do not apply to Rule 111/115/116 submissions) would apply here as well.

IV. OMB’s July 31, 2013 Action Is Vulnerable to Legal Challenge

This Section shows that OMB’s July 31, 2013 action deeming the information collection requirements in Rules 111, 115, and 116 exempt from the definition of *information* is vulnerable to legal challenge. The Paperwork Reduction Act exempts certain OMB decisions under the Act from judicial review. This exemption is very narrowly tailored, however, and it does not apply to the parts of OMB’s July 31, 2013 decision that are relevant here.

Agency decisions, including informal adjudications of this type, must have a reasoned basis. The absence of any reasoned basis stated in the Notice of Action is consistent with the analysis in Section III, which showed that no reasoned basis exists. Further, these potentially conflicting statutory requirements can be easily reconciled. OMB should have no exemption from judicial review with respect to the statutory requirement to explain its decisions to approve or not to act, and to have a rational basis that is expressed in that explanation. At the same time, OMB must be exempt from judicial review for the substance of its decisions to approve or not to act. That means a person should be able to sue to compel OMB to disclose its reasons and to require that these reasons be intelligible.³²

A. Certain OMB Decisions Are Statutorily Exempt From Judicial Review.

Agency actions are generally subject to judicial review to ensure that they adhere to relevant statutory authorities and the Administrative Procedure Act. The

³² If no intelligibility standard applied, OMB could publish as its “reasons” random text from a *lorem ipsum* generator.

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Paperwork Reduction contains a limited exemption to this general practice, making certain decisions OMB exempt from judicial review:

The decision by [OMB] to approve or not act upon a collection of information contained in an agency rule shall not be subject to judicial review.³³

This exemption covers a limited set of decisions (“to approve or not to act on” ICRs submitted by an agency). It does not cover all decisions OMB might make, however. For example, the text plainly does not cover OMB decisions “to approve or not to act on” collections of information that are *not* contained in agency rules.

OMB’s July 31, 2013 decision to approve OMB Control Number 0651-0031 for three years is unambiguously exempt from judicial review. Similarly, OMB’s decision not to act on the ICR between January 29, 2013 (the date it was submitted) and July 31, 2013, also is exempt from judicial review. Nonetheless, it is well established that even when an agency’s *decisions* are exempt from judicial review, the *procedure by which it makes decision* is not.³⁴

B. OMB’s Decision to Approve Control Number 0651-0031 Violates a Separate Statutory Transparency Requirement.

The Paperwork Reduction Act separately establishes a transparency requirement that OMB must meet in its judicially-exempt decision-making:

Any decision by the Director under [44 U.S.C. § 3507] subsection (c), (d), (h), or (j) to disapprove a collection of information, or to instruct the agency to make substantive or material change to a collection of information, shall be publicly available and include an explanation of the reasons for such decision.³⁵

There is no doubt that OMB “instruct[ed] the agency to make substantive or material change to a collection of information”—that is, to remove Rule 111/115/116 submissions and Rule 130/131/132 affidavits and declarations from the ICR and revise the Supporting Statement accordingly. But OMB did not provide the statutorily required “explanation of the reasons for [its] decision.” OMB

³³ 44 U.S.C. § 3507(d)(6).

³⁴ *Lindahl v. Office of Personnel Management*, 470 U.S. 768, 779–80 (1985) (where a statute bars review of an agency decision, “review is available to determine whether there has been a substantial departure from important procedural rights, a misconstruction of the governing legislation, or some like error going to the heart of the administrative determination”).

³⁵ 44 U.S.C. § 3507(e)(1).

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disclosed only the barest of evidence that it had instructed the USPTO to make a substantive change.

C. Exemption Determinations Are Not Exempt From Judicial Review.

The judicial review exemption in 44 U.S.C. § 3507(d)(6) does not extend to OMB determinations whether a collection of information is exempt. A decision to exempt is not a decision to approve an information collection request, nor is it a decision not to act on one.

The statutory text of the judicial review exemption is not ambiguous. It clearly states that certain OMB decisions are exempt and is silent with respect to all others. Moreover, the limited judicial review exemption resides in 44 U.S.C. § 3507, which concerns agency submissions to OMB for review. If Congress had intended to exempt *all* OMB decisions from judicial review, it would have placed the relevant statutory text in 44 U.S.C. § 3504 (setting forth the authority and functions of the OMB Director), 44 U.S.C. § 3505 (delegating the Director's authority to the Administrator of the Office of Information and Regulatory Affairs), or in a freestanding section. Congress did none of these things.

For these reasons, persons should have standing to challenge an OMB instruction to an agency to revise an ICR, or to decide that a collection is exempt. OMB's exemption determination is an example of a nonexempt, reviewable decision.

D. OMB's Exemption Determination Violates the Administrative Procedure Act Because It Lacks a Reasoned Basis.

Administrative law has its own standards separate and distinct from those in substantive statutes. OMB's exemption determination belongs to the class of administrative actions called *informal adjudications*, covered under § 555 of the Administrative Procedure Act (APA). Informal adjudications generally are subject to judicial review based on the administrative record.³⁶ While it is possible that OMB's administrative record includes a reasoned basis for OMB's determination, its public disclosure suggests that it does not.

The APA requires agencies to disclose a "statement of grounds" that communicates "reasoned decisionmaking." The Supreme Court, in its 1983 *State Farm*³⁷ decision, recognized that preventing arbitrary and capricious decision-making requires accountability, which is supposed to be ensured by requiring

³⁶ Breyer, Stewart, Sunstein and Spitzer (1999).

³⁷ *Motor Vehicle Manufacturers' Ass'n of the U.S. v. State Farm Mutual Automobile Insurance Co.*, 463 U.S. 29, 43, 52 (1983).

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written findings that can be judicially reviewed. For this reason, an agency must identify the specific legal standard it relies on, recite the facts or inferences that are relevant to its decision, disclose the evidence that supports these facts and inferences, and provide an explanatory statement that fairly informs affected entities of the agency's basis for decision. The agency's explanation must be sufficiently detailed to ensure that affected parties can identify any errors and facilitate judicial review.

E. Conclusion.

The factual analysis presented in Section III persuasively shows that amendments and responses submitted to the USPTO under Rules 111, 115, and 116 are rarely, if ever, eligible for any of the exemptions set forth in § 1320.3(h), OMB's determination notwithstanding. While there may be examples of Rule 111/115/116 submissions that qualify under § 1320.3(h)(9), they would be rare events not representative of submissions as a whole, and certainly none of them would be responses requiring an average of eight hours of patent counsel time to prepare. This raises the question whether OMB's exemption determination may be legally challenged.

Substantively, OMB's determination that Rule 111/115/116 submissions are exempt from the PRA is unsupported by any evidence disclosed in its Notice of Action. Indeed, the Notice of Action provides no evidence at all, nor does it include the explanation required by 44 U.S.C. § 3507(e)(1). The absence of any reasoned basis for this determination, and the probable absence of supporting evidence in the administrative record, renders it highly vulnerable to legal challenge. The same analysis applies to Rule 130/131/132 affidavits and declarations.

The key enforcement tool in the PRA is the Public Protection Provisions set forth in 44 U.S.C. § 3512. Any person who could otherwise assert this defense suffers injury if OMB unlawfully exempts from the definition of *information* submissions that are not legitimately covered by any regulatory exemption that can be defended as within OMB's statutory authority to issue. Specifically, OMB's decision to exempt Rule 111/115/116 submissions (and Rule 130/131/132 affidavits and declarations) from the definition of information unambiguously harms any member of the public who has ever filed a Rule 111/115/116 submission (or Rule 130/131/132 affidavit or declaration), or may do so in the future. The harm consists of the denial of a statutory right not to comply with an unapproved information collection—the key provision in the entire law.

Any person who has been so harmed should have standing to challenge OMB's exemption determination. Any other result conflicts with congressional purposes and denies the public any recourse against unlawful OMB conduct.

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Appendix
Section III from July 21, 2013 Working Paper

Specific Requests for Formal OMB Opinions that Affected Applicants Might Make

Based on the analysis provided here, and pursuant to 44 U.S.C. § 3517(b), affected persons can request that OMB make the following three determinations:

11. Persons who otherwise would have been covered by Rule 111 are not required to have maintained, provided, or disclosed the collections of information contained therein at any time since January 1, 1994 [or other date] because there was no valid OMB control number.
12. Persons who otherwise would have been covered by Rule 115 are not required to have maintained, provided, or disclosed the collections of information contained therein at any time since January 1, 1994 [or other date] because there was no valid OMB control number.
13. Persons who otherwise would have been covered by Rule 116 are not required to have maintained, provided, or disclosed the collections of information contained therein at any time since January 1, 1994 [or other date] because there was no valid OMB control number.

In accordance with 44 U.S.C. § 3517(b), affected persons making such a request should ask OMB to respond within 60 days. If OMB believes that the answers to any of these questions is negative, they should ask that OMB include in its response the specific ICR Reference Number(s) through which OMB approval was granted, along with copies of (or URLs linking to) the relevant 60- and 30-day Notices, ICR submissions, Notices of OMB Action, and Supporting Statements showing where Rules 111, 115, or 116 collections of information are explicitly identified as having been approved.

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