



UNITED STATES PATENT AND TRADEMARK OFFICE

MAR 24 2004

GENERAL COUNSEL

BY FACSIMILE and FIRST CLASS MAIL

Robert J. Yarbrough, Esq.
Pennsylvania Intellectual Property Forum
201 North Jackson Street
Media, PA 19063

Re: Regulatory Flexibility Act Compliance

Dear Mr. Yarbrough:

Thank you for assembling several members of the Pennsylvania Intellectual Property Forum for the telephone conference call yesterday. Jon Dudas, Acting Under Secretary of Commerce for Intellectual Property and Acting Director of the United States Patent and Trademark Office, referred your March 17, 2004 letter to me and asked me to respond for the Agency. Your letter raises concerns with the Regulatory Flexibility Act certifications in four notices of proposed rulemakings: Changes to Support Implementation of the USPTO 21st Century Strategic Plan, Rules of Practice Before the Board of Patent Appeals and Interferences, Revision of Patent Term Extension and Patent Term Adjustment Provisions Related to Decisions by the Board of Patent Appeals Interferences and Changes to Representation of Others Before the United States Patent and Trademark Office.

I suggested to you in a telephone call on March 19, 2004 that we meet, at your convenience, to discuss your concerns with the certifications in each of these notices of proposed rulemaking. You agreed and we held the telephonic meeting on Tuesday, March 23, 2004 with you and several other members.

During our conference call, I asked for the Forum's specific concerns with the certification in each of these four proposed rulemakings. The Forum could not outline any specific deficiencies with any of the notices. Instead, we disagreed as to the general requirements of the Regulatory Flexibility Act with respect to certifications. I also offered to consider any additional comments that the Forum may desire to submit, in writing, and offered to delay the publication of the final rules for seven days to allow you to submit specific concerns with each of the certifications. The Forum declined our offer, refusing to submit any specific comments, evidence or data to refute the agency's good faith statements that these rules do not require Regulatory Flexibility Act analyses to be performed. Without any additional input either during the telephone conference call or by later submission, it is difficult – if not impossible – for the Agency to specifically address your concerns. Consequently, we will proceed with publication of the final rules and will address those comments that have been received.

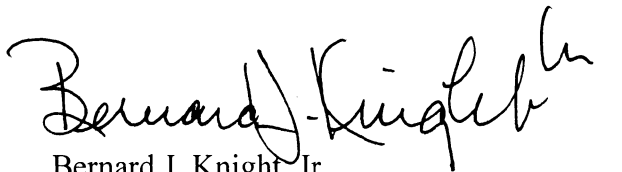
As you noted in your letter, the Regulatory Flexibility Act requires federal agencies to perform a regulatory flexibility analysis unless the agency certifies that the rule will not have a significant economic impact on a substantial number of small entities. See 5 U.S.C. §605(b). The Regulatory Flexibility Act also requires the agency to provide a statement of the “factual basis” for the certification at the time of publication and to the Chief Counsel for Advocacy of the Small Business Administration. See id.

However, the Regulatory Flexibility Act only applies to proposed and final rules that require publication under the notice and comment process set forth at 5 U.S.C. §553. See 5 U.S.C. §603(a), 5 U.S.C. §604(a). Thus, rules that are exempt from notice and comment, such as interpretive rules, general statements of policy and rules of agency organization, procedure and practice, are also exempt from the requirements of the Regulatory Flexibility Act.¹ See id.

I would like to assure you that the USPTO complies with all federal requirements in promulgating rules and regulations. In fact, the USPTO exceeds the mandates of federal law by seeking comment from the public on proposed rulemakings where the solicitation of comments is not required by 5 U.S.C. § 553. The Regulatory Flexibility Act is one such area where the USPTO believes that user input is beneficial to the decision-making process. Accordingly, in many instances, the USPTO has voluntarily complied with the Regulatory Flexibility Act even though, by law, the agency may not be required to do so.

Again, we thank you for arranging the telephone conference call. We received your March 23, 2004, Freedom of Information Act request regarding the USPTO’s certifications to the Small Business Administration. That request will be promptly processed, in accordance with routine FOIA procedures. You will receive separate correspondence in response to your FOIA request.

Sincerely,



Bernard J. Knight, Jr.
Deputy General Counsel for General Law

¹ Most USPTO rules are procedural or interpretive in nature, and therefore, are not subject to the Regulatory Flexibility Act. See Merck & Co. v. Kessler, 80 F.3d 1543, 1550 (Fed.Cir. 1996); see also Eli Lilly & Co. v. Board of Regents of the University of Washington, 334 F.3d 1264, 1269 n.1 (Fed.Cir. 2003); Fressola v. Manbeck, 36 U.S.P.Q.2d 1211, slip op. at 12 (D.D.C. 1995).