

JUL 24 2002

The Honorable Howard L. Berman  
Ranking Member, Subcommittee on Courts,  
the Internet and Intellectual Property  
Committee on the Judiciary  
House of Representatives  
Washington, DC 20515

Dear Representative Berman:

Thank you for your recent letter requesting information regarding the proposed Reduction in Force (RIF) which would affect up to 135 Trademark examining attorneys at the United States Patent and Trademark Office (USPTO). The USPTO has regrettably announced that a RIF of examining attorneys is necessary due to the dramatic decline in Trademark filings over the past two years.

As you may know, the nature of registering trademarks makes the USPTO susceptible to the same economic forces that have led many businesses to reduce the size of their workforce over the past two years. Trademark application filings are based on business investment decisions, which naturally reflect economic conditions and expectations.

After eight years of double digit annual increases, trademark application filings peaked at 375,000 in 2000. However, last year new applications dropped 21 percent to 296,000 -- the largest annual decrease ever -- and filings are expected to fall to 255,000 this year. This represents a 32 percent decrease in filings over the last two years.

Our proposed RIF, which would impact up to one-third of the total examining corps, was a difficult decision that we had hoped to avoid. I can assure you that it was not a decision made lightly or hastily. As a performance-based organization, we made a difficult business decision based on the ongoing decrease in the Trademark workload. There was simply no reasonable alternative.

Even before I began my job as USPTO Director last December, I had been informed that the Trademark Operation was confronted with a workload problem related to the downturn in the economy and that absent a dramatic change in current trends, a RIF would be unavoidable. When I arrived at the USPTO, I indicated to our Trademark corps that I would delay any drastic decisions until the end of FY 2002, and that we would absorb the costs. Meanwhile, we instituted a number of actions such as special work projects and career development details over the past several months in an attempt to wait out the drop in filings.

Unfortunately, trademark applications have continued to decline this year, and we have not lost enough attorneys through attrition to achieve a satisfactory balance between workload and staffing levels. As you will see from the enclosed material, our staff of trademark examiners is well above the number needed to process the current and projected level of trademark filings. Therefore, in late May I reluctantly accepted the recommendation of the Commissioner for Trademarks to reduce the workforce to match workload levels.

I have enclosed detailed responses to the questions in your letter, along with several charts related to workload and production issues. I hope this material provides you with the information you need. Please contact me if you need additional information.

Sincerely,



JAMES E. ROGAN  
Under Secretary and Director

Enclosures