

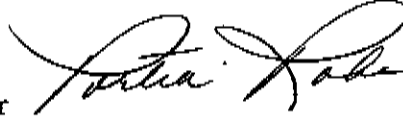
**UNITED STATES PATENT AND TRADEMARK OFFICE**

Chief Financial Officer/Chief Administrative Officer

**MEMORANDUM**

Date: April 10, 2006

To: Robert Budens  
President  
Patent Office Professional Association (POPA)

From: Portia Robinson   
Chief Negotiator  
OHR-Labor Relations

SUBJECT: Formal Notification  
RE: Flat Goal Pilot Program Initiative

Effective October 1, 2006, the Office will implement a one (1) year Flat Goal pilot program for Patent Examiners. The goal of the pilot is to explore an alternative method of measuring productivity in the Patent Examination process.

The Flat Goal pilot program will take place within the Patents Organization and be extended to all non-probationary examiners eligible to participate in IFP at the start of the program. Participants must be enrolled in the IFP. The Office reserves the right to determine and make modifications to the number and types of participants in this pilot.

The Office will implement the pilot program as follows:

The pilot program will run from October 2006 –September 2007.

Examiners wishing to participate in the pilot program must be at the Fully Successful level of performance.

Participation in the program will be voluntary. However, upon selection, examiners must participate for the full length of the pilot program.

Examiners will be given a flat goal for a two-quarter period.

Prior to implementation, interested participants may attend a briefing of the pilot.

Pilot participants will be able to work either at the USPTO or other locations, keeping in mind the sensitivity of the information contained in the applications the need to access information and systems only available at the USPTO workspace, and the requirement to work (or be on approved leave) for 80 hours each bi-week.

Examiners currently participating or approved to participate in the hoteling program will be allowed participation in this pilot subject to the terms of hoteling agreements.

The Office has determined that participants, except examiners also participating in the hoteling program, will not be given access to all automated information systems from their home or other appropriate alternate work sites for the purposes of this pilot.

The number of Production Units (PUs) required will be based on the length of the combined quarters and goals based upon grade levels, complexity of the art. The number of PUs expected will be rounded to the nearest whole number. Productivity for ratings will be based on the percentage achievement of the goal.

Pilot participants will be issued a new Performance Appraisal Plan (PAP) including performance standards consistent with these provisions. Please note that the percentage goal achievement needed for a fully successful rating will be 100%. Please see attached.

Participating examiners shall be provided with mid-point progress reviews. Examiners who fall below the marginal level of performance after six (6) months will be removed from the pilot and may be given an oral warning of unacceptable performance for the current performance appraisal plan.

The Office has determined to grant awards for each PU over the established goal to a maximum of \$10K.

Participants may be asked for feedback on the program before, during and after the pilot. Any decisions concerning the alteration of the program will be negotiated with the union, to the extent required by law.

Prior to the end of the pilot, the Office shall notify POPA whether this pilot program shall be extended without bargaining. If extended, the extension shall be for one (1) year and shall be subject to continuation each year thereafter under the same notice procedure set forth directly above. If the Office determines not to extend this pilot program, the Office will provide POPA with the evaluation of the Pilot program and the reasons for its termination within thirty (30) days of the notice to terminate the Pilot Program. Alternatively, if the Agency determines to extend the pilot program after the initial one (1) year term thereof, the Office will provide POPA with the evaluation of the pilot program during that initial one (1) year term.

I have scheduled a clarification meeting for you on April 24, 2006 at 10:00 a.m. We will meet in the Elizabeth Townhouse Conference Center. If this time is inconvenient for you, please contact me on the number below to discuss an alternate time. Please allow sufficient time so that the meeting can be arranged during the period provided in the ground rules. If you have any questions or concerns, please feel free to contact me on (571) 272-6206.