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Mr. Lehman

Mr. Hatcher



LEXIS-NEXIS

Paul Brown
Vice President
Legal Information Services

September 12, 1995

Bruce Lehman
Assistant Secretary of Commerce and Commissioner, Patents & Trademarks
FAX: 703-305-8664

Dear Mr. Lehman:

We have sent the attached letter to Ms. Sally Katzen and Mr. Bruce McConnell of the Office of Management and Budget. As you can see, we continue to oppose the free patent service proposed by Mr. Carl Malamud. We hope that you understand our position and that we sincerely hope to continue the effective public-private sector partnership LEXIS-NEXIS and the Patent and Trademark Office have enjoyed for many years.

Yours sincerely,

Paul Brown

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TRADE MARK OFFICE

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LEXIS-NEXIS

Paul Brown
Vice President
Legal Information Services

September 12, 1995

Ms. Sally Katzen
Administrator, Office of Information and Regulatory Affairs
Office of Management and Budget
FAX: 202-395-3047

Dear Ms. Katzen:

In 1981, we were the first company to agree to purchase the full text patent tapes developed by the Patent and Trademark Office. We used those tapes to produce the world's first, commercial, online service for search and retrieval of U.S. patents. The cost of the text backfile has been approximately \$100,000, with yearly updates costing \$5,295, and we have invested significantly more in enhancing that information for our customers. Some examples include:

- Development of fabrication processes which allow us to have the full text of issued patents online within 5 hours of receipt of the tapes from the PTO.
- Development of a computerized process to integrate all changes made by the PTO to the patent classification and assignment records within 1 business day of receipt of those tapes from the PTO.
- Establishment of an editorial process which adds all patent notices from the Official Gazette into the text of the affected patents (Withdrawn Notices, Fee Reinstatements, Interference Decisions, Term Extensions, Reexamination Requests, and Corrections) within 2 days of receipt of the OG.
- Establishment of an editorial process to integrate Notices of Litigation provided by the PTO into the text of affected patents within 2 days of receipt from the PTO.

We have also purchased the image backfile (from 1975 to current) in collaboration with one of our sister companies, Reed Technology Information Services. The cost of that backfile approached the cost of purchasing the text files and the yearly cost of updates is \$19,630. We used the image tapes to develop the first commercial database of online patent drawings and are pleased to announce its availability on September 15, 1995. The cost to develop the technology to deliver this online, image based service was extremely high.

LEXIS-NEXIS has invested several million dollars over the past 15 years to develop this online product of the full text of U.S. patents, along with all changes to those patents issued by the PTO and all drawing sheets linked to their respective patents. That investment includes development of search tools and technologies to aid in patent research like statistical analysis of search terms. We have also invested significantly in programs to support this unique product with our customers, including:

- A 24 hour Customer Service organization which receives extensive training in patent information products to support customer inquiries.

 A member of the Reed Elsevier plc group

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- An international sales organization which also receives extensive training in patent research and information products to support customer training.
- Extensive literature and training materials to facilitate our customer's need for patent research tools which provide accurate and complete answers.
- Global marketing efforts to create awareness of the services we provide.

We welcome any competitor who wishes to purchase patent tapes to enter this information business. They face relatively low market entry costs and opportunities to benefit from the same private-public sector partnership we appreciate with the PTO. In fact, we have seen many new entrants into this business, especially over the past 5 years, and all patent researchers have benefited from the healthy and honest results of this competition.

We are aware of numerous press articles about Carl Malamud and his attempts to assure free access to the patent data. We are also aware that the OMB has decided to support the Malamud proposals to overturn many years of OMB information policy and defy the principles of the Paperwork Reduction Act by promoting this free online patent searching through the Internet.

We strongly urge you to drop support for these proposals. We have no objection to any organization offering a service at any price, including free, as long as they have paid for the information on an equal footing as LEXIS-NEXIS and numerous other private sector companies. However, to support and promote free use of a service directly from the government is a violation of the good relationship between the private and public sector, marketplace principles, and the very policies that OMB is obligated to support under the Paperwork Reduction Act.

We urge you to withdraw any support of Mr. Malamud's proposals for patent information.

Yours sincerely,



Paul Brown