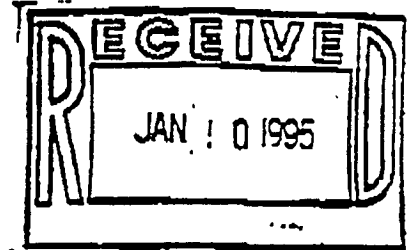


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January 4, 1995



Ms. Sally Katzen
Office of Information and Regulatory Affairs
Office of Management and Budget, Room 350
Washington, D.C. 20503

Dear Ms. Katzen:

Carl Malamud
President

*2 years of
text data*

I am writing to request review under OMB A 130 of recent actions by the Office of Information Product Development of the Patent and Trademark Office. As you may be aware, the office recently drastically increased the costs of their information products. For example, our cost for a Full Text/APS Format File feed for 1995 has cost us \$6,195 as opposed to \$2,000 for 1994. Other information products have gone up by similar percentages and this was all done with less than 45 days notice.

My recent conversations with the Solicitor of Patents, the Assistant Commissioner for Finance, and other PTO officials indicate that they regard the Office of Information Product Development as a profit center, proudly pointing to the over \$6 million profit the operation has contributed to PTO revenues.

We believe that the costs for this data are drastically overstated. In an era of exponentially decreasing data processing costs, it is amazing that their costs should triple. The PTO could avail itself of the provisions of the National Archives and Record Act and use the NRA to distribute the data at low marginal cost.

Alternately, PTO could distribute the data itself, but use technology appropriate for the task. The PTO is currently using IBM 3480 comparable tape cartridges, a device that holds only 210 Megabytes of data and costs \$6. Even worse, the PTO insists of putting at most one week of data on a tape. For purchases of past year's data, this yields outrageous costs.

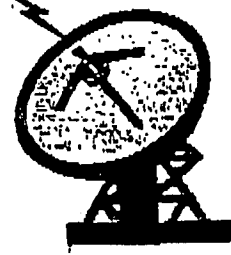
Modern technology typically uses 4mm (DAT) or 8mm (Erabyte) tapes, tapes capable of holding 2-10 Gigabytes of data. The tape drives are commodity items, costing \$1,000 to \$5,000 each. The PTO could put a year's worth of data on a single tape, thereby saving the costs of buying 50 tapes for a year, storing the tapes in inventory, staging each of the tapes in the drive, and packaging and shipping the resulting pile of 50+ cartridges. Once a master tape is put together for a year, commercial duplicating houses are able to make copies for under \$25/tape. The marginal cost for prior year's data could easily be under \$100.

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We also believe a third alternative is available, distribution of the data on the information superhighway. Vice President Al Gore, Secretary Ron Brown, Speaker Newt Gingrich, and many other senior public officials have all indicated that increased use of the information highway to distribute government data is the policy of the United States Government.

For the past year, the Internet Multicasting Service, a 501(c)(3) non-profit, has been distributing 1994 Patents on the Internet. We have been sending out over 3,000 documents per day to American citizens. This distribution method is clearly feasible, is cost effective, and is public policy. Use of the Internet should be actively investigated by the PTO instead of their current policy of ignoring the Internet for fear that it will hurt the financial prospects of a few government contractors.

Sincerely,

Carl Malamud