



Report In Brief

FEBRUARY 1, 2012

Background

The U.S. Patent and Trademark Office (USPTO) offers a variety of telework options for its employees—from 1 to 5 days a week. The largest of these is the Patent Hoteling Program (PHP), where employees work from home at least 4 days a week and reserve office space for when they need to be present at USPTO. At the end of fiscal year 2011, more than 2,600 patent examiners were participating in PHP. Goals of PHP include reducing space and cost requirements while improving employee retention and job satisfaction.

Why We Did This Review

PHP is considered one of the leading government telework programs, yet no comprehensive and independent review of the program's costs and benefits has ever been completed. Because, by law, participation in telework programs should not result in diminished federal employee performance, we specifically looked at the productivity of PHP participants. Also, because USPTO's management challenges include addressing the backlog of about 700,000 patent applications, we sought to determine if PHP can help reduce this backlog in a cost-effective way.

U.S. PATENT AND TRADEMARK OFFICE

The Patent Hoteling Program Is Succeeding as a Business Strategy

OIG-12-018-A

WHAT WE FOUND

PHP participants review more patent applications than do examiners working at headquarters. Although both groups review patent applications at the same rate, PHP participants spend more time examining applications because they use less sick and administrative leave and charge less time to administrative tasks. As a result, the average PHP participant spends 66.3 more hours a year examining patents than does the average in-house examiner; this translates to reviewing about 3.5 more patent applications a year.

USPTO avoids real estate costs through PHP but has not calculated a comprehensive cost analysis of the program. Whereas USPTO reported that it avoids \$15.88 million annually in real estate costs by having PHP, we estimated that this amount is approximately \$16.84 million as a result of the program.

Although PHP incurs additional costs, mainly for IT infrastructure and hoteling support services, these costs are significantly offset by avoided real estate costs as well as revenue generated from the additional patent applications reviewed.

USPTO has adequate controls over the patent hoteling program in key areas; however, close to 2 percent of a random sample of participants lacked documentation to support eligibility in the program.

WHAT WE RECOMMEND

We recommend that the Under Secretary of Commerce for Intellectual Property and Director, USPTO:

1. Conduct a more comprehensive calculation for costs and cost avoidance related to PHP in order to obtain more accurate estimates of the cost and benefits affiliated with this program.
2. Work with the Department of Commerce to compare best practices from the Patent Hoteling Program, which could aid telework programs within the rest of the Department.
3. Ensure that internal controls are in place so that only eligible patent examiners participate in PHP and appropriate documentation is maintained.