

EXHIBIT 1

Key Model Assumptions

Without Bush Administration Plan (Red Diamond)

- Bush Administration Plan - Proposed with:
 - Increased Filings - 6% instead of 5.5%
 - Hiring at attrition level only - FY 05/10 296
 - Attrition Rate FY 05/10 8%
 - Decrease in Overtime Usage - 90 hrs/FTE instead of 100 hrs/FTE
 - Adjusted for Complexity Creep
 - No PCT or US Search Outsourcing
- 1,000 Hires & Low Attrits (Blue Circle)**
 - Increased Hiring Level - 1,000 Examiners
 - Decreased Attrition Rate - FY 06 10%; FY 07 9%; FY 08 8%; FY 07/11 7%
 - PCT Outsourcing Savings FY 06/11
 - Outsourcing of the US Search - Goal Adjustment Shifted to
 - Begin in FY 09 instead of FY 08 at 1/2 the level and 1/2 the gain
 - Increased Filings - 6% instead of 5.5%
 - Decrease in Overtime Usage - 90 hrs/FTE instead of 100 hrs/FTE
 - Adjusted for Complexity Creep

Plus Claims and Continuation Limits (Blue Circle)

- Claims Reduction - 2.5% in FY 06 - Additional 2.5% in FY 07 (5% Total)
- 5% Reduction in Filings from Limits on Continuations
- Increased Hiring Level - 1,000 Examiners
- Decreased Attrition Rate - FY 06 10%; FY 07 9%; FY 08 8%; FY 07/11 7%
- PCT Outsourcing Savings FY 06/11
- Outsourcing of the US Search - Goal Adjustment Shifted to
 - Begin in FY 09 instead of FY 08 at 1/2 the level and 1/2 the gain
- Increased Filings - 6% instead of 5.5%
- Decrease in Overtime Usage - 90 hrs/FTE instead of 100 hrs/FTE
- Adjusted for Complexity Creep

Plus Patentability Report (Purple X)

- Patentability Reports - 15% Gain Beginning in FY 07
 - 10% Drop in Inventory; 10% Reduction in Filings
- No Outsourcing of the US Search
- Claims Reduction - 2.5% in FY 06 - Additional 2.5% in FY 07 (5% Total)
- 5% Reduction in Filings from Limits on Continuations
- Increased Hiring Level - 1,000 Examiners
- Decreased Attrition Rate - FY 06 10%; FY 07 9%; FY 08 8%; FY 07/11 7%
- PCT Outsourcing Savings FY 06/11
- Increased Filings - 6% instead of 5.5%
- Decrease in Overtime Usage - 90 hrs/FTE instead of 100 hrs/FTE
- Adjusted for Complexity Creep



Pendency Savings

Proposal	2008 Pendency	2008 Savings	2011 Pendency	2011 Savings
Without Bush Administration Plan	37.3 mos	0 mos	47 mos	0 mos
1,000 Hires & Low Attrits	33.4 mos	3.9 mos	32.9 mos	14.1 mos
Plus Claims & Continuations Limits	32.9 mos	4.4 mos	29.3 mos	17.7 mos
Plus Patentability Reports	25.6 mos	11.7 mos	14.0 mos	33.0 mos