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To: fee.setting
Subject: Comments of Carl Oppedahl
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At 77 FR 4509 (January 30, 2012) the USPTO invites comments relating to its proposed patent fee schedule. This comment is directed to USPTO's proposed fees for a "late oath or declaration".

The commenter is Carl Oppedahl, a registered practitioner before the USPTO. In these comments I draw upon some twenty-five years serving large and small corporate clients.

USPTO says it is trying to "generally set fees to achieve cost recovery for service" with some fees proposed at above-cost levels to discourage behavior defined by USPTO as "bad".

The three-thousand-dollar fee. USPTO has proposed a new fee of three thousand dollars for "filing an oath/declaration up to the notice of allowance". This is apparently proposed to be charged in addition to, and not instead of, the existing $140 fee (fee code 1051) for late filing of an oath or declaration. The proposed three-thousand-dollar fee is ill-advised and is inconsistent with the language and intention of the Act.

USPTO's stated reason for this $3000 fee is to discourage applicants from withholding the identities of the inventors during prosecution.

In the America Invents Act, Congress directed that it be possible for an applicant to file the oath/declaration up until just before the mailing of the Notice of Allowance. This is not, of course, the same thing as the applicant withholding the identities of the inventors up until just before the mailing of the Notice of Allowance.

USPTO states, correctly, that it needs to know who the inventors are during prosecution so that it can evaluate such things as obviousness-type double patenting. To this end, there is no need for a punitive fee tied to the timing of the filing of the oath/declaration.

Legacy practice (prior to AIA) is that the applicant communicates the list of inventors to the USPTO by means of the oath/declaration. In contrast, AIA specifies that the oath/declaration does not need to contain the inventor list, and expressly contemplates that there will in many cases be as many oaths/declarations as there are inventors, one oath/declaration for each inventor. Under AIA there is no requirement that the oath/declaration for any one inventor list the other inventors. AIA contemplates that some mechanism **other than** the oath/declaration be employed to communicate the inventor list to the USPTO, and the mechanism best suited to this task is the Application Data Sheet.

USPTO says that it needs to charge a punitive fee to incentivise applicants to file the oath/declaration prior to the start of substantive examination, so that USPTO may know who the inventors are for purposes of substantive examination. In saying this, the USPTO seems to labor under the misconception that the only way for USPTO to learn the inventor list is by means of a review of the oath/declaration. Given that the inventor list can and should be learned by a review of the Application Data Sheet, then if any punitive fee should be charged in this connection, it should be for failure to file the Application Data Sheet prior to the start of substantive examination.

Fee code 1051 ($140 fee for late filing of oath/declaration). It appears that USPTO also proposes to

preserve the legacy $140 fee for filing of an oath/declaration after the filing date. If USPTO indeed wishes most fees (including this fee) to be cost-based, then the correct trigger for imposition of this fee should **not** be the failure to file the oath/declaration on a day that is after the filing date. Such failure does not impose any cost at all upon USPTO. The correct trigger for imposition of this fee should be the need to mail a Notice of Missing Parts, or the need for manual processing of a paper-filed oath/declaration separately from processing of a patent application.

At 77 FR 982 (Changes to implement inventor's oath or declaration) the USPTO says:

> The Office also considered discontinuing the practice of charging a surcharge for an application in which the oath or declaration is not present on filing. Applications that are not complete on filing (e.g., are filed without an oath or declaration, or without the filing fee) require special processing on the part of the Office.

This statement by USPTO is not factually accurate. The "special processing" is only required in the special case where the missing item (such as the oath or declaration or a fee) satisfies two conditions – (1) the item was still missing at the time the Office took up the application for processing, and (2) the missing item was filed with the USPTO by means other than electronic filing. If, on the other hand, the missing item was e-filed, and was e-filed prior to the time the Office first took up the application for processing, then the missing item does not, in fact, require any processing, special or otherwise, in addition to the processing that the Office would have carried out if the item had been present on filing.

It is thus suggested that fee code 1051/1052 be imposed ***only if*** the late filing of the oath or declaration or filing fee happens ***after*** the Office has commenced its formal review of the application. Stated differently, if the applicant files the oath/declaration or filing fee ***prior to*** the Office's commencement of the formal review of the application, and if the applicant e-files the oath/declaration or fee, the fee code 1051/2052 should not be imposed.

The reason for this suggestion is as follows. It is nearly impossible for an applicant to finalize the text and drawings of a patent application on any day earlier than the actual filing date thereof, due to the time pressures associated with the drafting and filing process. These time pressures have only been increased and exacerbated with the change under the AIA from a "first-to-invent" system to a "first-inventor-to-file" system. Yet Rule 63 requires that the inventor's oath or declaration "identify" the application to which it pertains. The two permitted ways of "identifying" are (1) to refer to "the application attached hereto" or (2) to refer to the application number assigned by the USPTO to the application. For a patent application filed under Section 111(a), it is impossible to learn the application number prior to the date that the patent application is finalized and filed. Likewise "the application attached hereto" is meaningless until such date as the application itself has been finalized and will not be further edited or revised; this date is the date that the application is finalized and filed.

For all of these reasons, it is nearly impossible for an applicant to file the oath or declaration on the date that the application is filed. Permitting the applicant to e-file the oath or declaration after filing day, but prior to the day that the Office takes up the application for formal review, would facilitate the application process for the applicant, and would not impose any extra cost upon the Office as compared with an oath or declaration file on filing day. The same may be said for the late filing of filing-related fees.

The $140 fee is supposedly cost-based, that is, supposedly it costs the Office $140 to mail out the notice of missing parts (for example for a missing oath) and to process the response to the notice of missing parts. On the approach proposed by USPTO, where the $140 fee would be charged even if no notice of missing parts was mailed, the Office would collect a windfall of undeserved revenue. The fee should be

charged only if the notice of missing parts actually needed to get mailed.

The same approach should be taken regarding late payment of filing-related fees. If a fee is paid by means of e-filing and is paid prior to the day that the Office takes up the application for formal review, then no fee should be charged for "late" payment of the fee. This avoids USPTO collecting a $140 windfall for a situation that does not require USPTO to do any work and does not require USPTO to incur any expense.

The same approach should apply regarding the filing of an oath/declaration for a 371 application as it relates to the mailing of a Notice of Missing Requirements. So long as the oath/declaration is e-filed prior to the day that the Office takes up the application for formal review, there should be no fee relating to the "lateness" of the oath/declaration.

Again it should be noted that this approach for charging for a "late" oath/declaration is appropriate given the change from a first-to-invent system to a first-inventor-to-file system, since the change imposes greater pressures than ever before for an applicant to to get a patent application filed as early as possible.