

From: William Slate
To: [Fee Setting](#)
Subject: Comments of W. B. Slate and G. A. Coury on Docket No. PTO-P-2018-0046
Date: Thursday, September 13, 2018 8:47:40 PM

The Honorable Andre Iancu
Under Secretary of Commerce for Intellectual Property and
Director of U.S. Patent and Trademark Office
U.S. Patent and Trademark Office
600 Dulany Street
Alexandria, VA 22314

Via email: fee.setting@uspto.gov

Re: Comments on Docket No. PTO-P-2018-0046 "Patent Public Advisory Committee Public Hearing on the Proposed Patent Fee Schedule"

Dear Under Secretary Iancu:

We thank the USPTO for the opportunity to submit comments in response to Docket No. PTO-P-2018-0046 entitled "Patent Public Advisory Committee Public Hearing on the Proposed Patent Fee Schedule". Written comments were requested in a Federal Register Notice dated August 1, 2018, 83 Fed. Reg. 37487. You also sent a letter to the PPAC on August 8, 2018.

In this Notice, the USPTO proposes to adjust various patent-related fees and impose several new fees.

Additional references are made below to the:

September 6, 2018 PPAC Fee Setting Hearing
<https://livestream.com/accounts/4828334/events/8347855/videos/179904665> ("the PPAC hearing")

August 8, 2018 letter to the PPAC
https://www.uspto.gov/sites/default/files/documents/Letter_from_the_Director_to_PPAC.pdf
("the letter")

PowerPoint presentation "Patent Fee Proposal Detailed Appendix" August 2018
https://www.uspto.gov/sites/default/files/documents/PPAC_Detailed_Appendix.pptx ("the detailed appendix")

This comment expresses the views of the undersigned but these views should not be imputed to the employer or individual clients of the undersigned.

By way of further background, the undersigned have practiced long enough to recall the fiasco of ePAVE:

<https://www.uspto.gov/about-us/news-updates/department-commerce-introduces-new-e-commerce-initiative>

<https://www.uspto.gov/web/offices/com/sol/og/2006/week43/patreti.htm>

The undersigned have practiced long enough to recall the fiasco of the USPTO's greatest administrative attempt to change the way patent law was practiced in the infamous "Claims and Continuations" rule packages:

<https://www.uspto.gov/about-us/news-updates/uspto-proposes-new-measure-improve-patent-quality-and-reduce-pendency>

These experiences help frame our comments below on specific fees. Comments below on select fees do not mean we agree with other proposed new or adjusted fees. We believe comments from other groups are likely to capture our particular disagreements regarding other fees.

37 CFR 1.16(a) basic filing fee and the new surcharge for non-DOCX filing

The 1.16(a) basic filing fee and the new surcharge for non-DOCX filing must be considered together and reflect an absurdity.

The undiscounted effective filing fee (not including search and examination fees) for non-DOCX filing is raised from \$300 to \$720. That is clearly a punitive measure not related to costs. The USPTO's justification at page 1 of the letter for DOCX filings is cost savings:

“One proposed new fee is a surcharge for filing in a non-DOCX format. This will encourage applicants to use DOCX format, and will in turn improve Office efficiency and future search capabilities.”

However the effective fee is 6.7% higher than the existing non-DOCX fee.

As further evidence, the 1.492(a) fee (which does not reflect DOCX efficiencies for the USPTO) also only changes from \$300 to \$320.

More fundamentally regarding the DOCX format, slide 61 of the detailed appendix says “Applications filed using DOCX will be more accessible in future searches of publication materials.” What does this mean? Is this merely the improvement relative to OCR?

@ 40:09 of the PPAC hearing, Brendan Hourigan, Director, Office of Planning and Budget, stated: “It will also apply to filings that are submitted non-electronically in addition to the existing paper filing surcharge [under 1.16(t)].” We oppose this substantial increase in penalty. By definition, these paper filed applications are filed by applicants who have reasons to do so. What unreleased data does the USPTO have regarding paper filings?

@ 21:19 of the PPAC hearing, Tony Scardino, Acting Deputy Under Secretary of Commerce for Intellectual Property and Acting Deputy Director of the United States Patent and Trademark Office, stated: “Fees for search and examination are set below cost...” How does this apply to the effective .pdf penalty and paper filing penalty?

@ 41:18 of the PPAC hearing, Hourigan stated: “EFS-Web registered e-filers have been able to file specification, abstract, and claims in DOCX for utility nonprovisional filings since August, 2017.” Conspicuously absent is reference to any data the USPTO has on use of DOCX. Almost no patent attorneys we queried report having tried DOCX filing. The two who did reported going back to .pdf.

@ 42:15 of the PPAC hearing, Hourigan stated: “Users will also see increased efficiencies since they will no longer have to convert their structured text into .pdf for filing and won't have to worry about conversion errors.” We find this highly doubtful. Presently, a single .pdf file may be generated using a .pdf print driver. What does the USPTO expect of applicants using DOCX? Consider issues of metadata removal (whether by applicants or by the USPTO). Also consider effects of breaking up sections of a single source document (as is presently required of applicants who DOCX file but which we understand the USPTO will do in the future when it allows a single specification/claims/abstract file to be uploaded).

37 CFR 1.120(h) surcharge within 6 months

@ 43:35 of the PPAC meeting, Hourigan stated: “...over ninety-five percent of patent renewals are paid before the due date.”

@ 43:45 Hourigan then stated: “The goal of increasing this surcharge is to encourage those patent

holders who are making late payments to instead renew prior to the due date. Encouraging more on-time renewals will benefit the public by increasing the understanding of which patents are still in-force and which patent rights have been allowed to lapse.”

These are incongruous. The asserted rationale might apply if there was a 50 percent grace period usage, not a 5 percent. What findings has the USPTO made about use of that grace period? What are the consequences? Consider the impact on the attorney-client relationship. Greater conflict possibilities are created by the higher fees.

@ 44:18 he then stated: “...brings the USPTO more inline with late payment penalties charged by other IP offices.” This is a red flag. We can recall similar justifications made during the Continuations and Claims fiasco when the USPTO conveniently ignored the no-fee availability of multiple dependent claims abroad. What are the other IP offices? What are their existing maintenance/annuity schedules?

Many foreign countries often have yearly annuities which present a very different situation than do our maintenance fees. For example, in an EP validation, annuity payment is due the last date of the month that the patent otherwise would expire in (which is based on EP filing date not grant). If my EP filing anniversary date is January 2, I can pay the annuity for January 2, 2019 to January 1, 2020 on January 31, 2019. There is then a surcharge period.

Let’s consult the United Kingdom:

“You must renew your patent on the fourth anniversary of when you filed for it. You then need to renew every year near the ‘due date’ - the last day of the month in which you first filed.
Renew up to 3 months before, or within 1 month after, the due date to avoid late payment fees.
You can renew up to 6 months after the due date but you’ll have to pay £24 [(\$31 at September 10, 2018 exchange rates)] on top of the renewal fee for each extra month.”

<https://www.gov.uk/renew-patent>

To bring practice inline, the USPTO would push back the maintenance fee deadline by six months plus the remainder of any partial month and thereafter charge only a small per month surcharge.

Annual Active Patent Practitioner Fee

We oppose this fee.

The analogy to state bars is misdirected.

First, the USPTO is imposing a fee in addition to state bar fees already paid by patent attorneys.

Additionally, the USPTO does not and need not engage in many of the kinds of activities state bars engage in either because there is no analogue or because it is redundant (e.g., state bar substance abuse and other programs).

Additionally, this also begs the question of whether the PTO should implement similar fees for attorneys handling trademark matters. Much recent OED unauthorized practice of law (UPL) activity is related to trademark matters:

<https://www.uspto.gov/trademark/trademark-updates-and-announcements/orders-issued-commissioner-trademarks>

Additionally, only partially in jest, this begs the question of whether the USPTO should impose

surcharges for *pro se* applicants. What data does the USPTO have on the relative costs of examining *pro se* applications?

/William B. Slate, #37238/

/George A. Coury, #34309/

Bachman & LaPointe, P.C.
900 Chapel Street, Suite 1201
New Haven, Connecticut 06510-2802