

**From:** [Jeff Perkins](#)  
**To:** [Fee Setting](#)  
**Cc:** [ezega@perkinsip.com](mailto:ezega@perkinsip.com)  
**Subject:** Comments on the Fee-Setting NPRM of July 31, 2019  
**Date:** Wednesday, September 25, 2019 5:58:42 PM

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For the Attention of Brendan Hourigan  
Director, of Office of Planning and Budget

Dear Mr. Hourigan:

I have been in intellectual property private practice for 36 years. Below are my views on the Notice of Proposed Rulemaking (NPRM) set forth at 84 FR 37398.

I. Fee Schedule Design

To receive a patent, an applicant has to file a patent application. Some applicants are successful and are granted patents. Others aren't. The applications that get issued as patents describe and claim, in the opinion of the USPTO, novel and nonobvious inventions. The other applications get rejected, usually as either anticipated or obvious in view of the prior art, and eventually are abandoned. Based on whether they are successful in getting issued patents, applicants may be divided into "meritorious inventors" and their assignees, and "nonmeritorious inventors" and their assignees. I admit that this division is a great simplification of what really goes on, but I think it is a valid one for the point I am making here.

All applicants, whether meritorious or nonmeritorious, use USPTO filing, search and examination resources. All applicants have to pay all USPTO fees up through the Notice of Allowance. But only "meritorious applicants" pay the issue fee and the maintenance fees. Because only "meritorious applicants" pay these later fees, they are subsidizing "nonmeritorious applicants", and are being discriminated against by the fee structure. The USPTO discriminates against them for creating patentable inventions. This is contrary to what the USPTO should be doing: promoting novel and nonobvious inventions by granting patents on them, rather than monetarily penalizing such applicants to subsidize the prosecution activities of the undeserving.

To correct this, I would skew the USPTO fees toward pre-allowance fees and away from post-allowance fees, as much as the authority of the SUCCESS Act permits the USPTO to do so.

II. DOCX

I think filing in .docx is a wonderful THEORETICAL idea. But I have to tell you: you don't have the bugs worked out of this process yet. I have experienced instances in which the document that I filed in .DOCX doesn't end up to be the document posted in PAIR. Per the suggestion of the Patent Rules, my specifications have numbered paragraphs, in **[0001], [0002]**, etc. format. I have suffered

instances in which my paragraph numbering got removed by EFS from a filed .docx specification as “text ornaments.” Later on, the USPTO added paragraph numbers back in, and prior to the publication of the patent application – but the numbering added back by the USPTO didn’t match my own! That process leads to confusion when it comes time to prosecute the application; the Applicant and the USPTO no longer identify a particular paragraph in the Specification with the same number. That has to be remedied.

EFS should stop removing “text ornaments.” Until it stops doing this, and until a DOCX filing will reliably result in an identical .pdf document, you should not penalize applicants from filing .pdf specifications or other application elements. Any penalty for filing a non-DOCX application element should be deferred.

### III. Annual Practitioner Fee

Practitioner fees won’t be borne by patent attorneys; they will be passed on as overhead to the applicants. It’s illusory to suggest that applicants won’t eventually bear the cost of these fees.

If you decide to set one, the annual practitioner fee should be only high enough to clear the “deadwood” out of the OED roster. I suggest about \$100 per year.

The Annual Practitioner Fee should NOT be used to administer CLE (for reasons expressed below), pro bono activities, or boondoggles by USPTO personnel (e.g. “speaking engagements”). Congress has already warped the fee schedule to include two levels of discounts, “small entity” and “micro entity.” This is enough compulsory financial assistance to the allegedly impecunious.

There should be no such thing as “voluntarily inactive” or “emeritus” status. You are either in this game, or you’re not. If one is practicing patent law, one has a professional duty to keep up on the rules, case law and filing procedures. If one gives up active patent practice, one will incrementally drift away from up-to-date knowledge of these things, and the practitioner’s knowledge and skills will become increasingly deficient as the years pass. The USPTO should not encourage the temporary inactivity of practitioners by setting up separate practitioner fee schedules. You’re in, or you’re out, no middle ground.

There should be NO DISCOUNT of the annual practitioner fee just because one has met CLE requirements. Either CLE is professionally necessary, or it isn’t. The USPTO shouldn’t imply that it’s OK not to take CLE, as long as one pays the USPTO more money.

### IV. CLE

Practitioners have a professional duty to keep up on the patent law, the patent rules and practices before the Office. But I question whether what is now called “continuing legal education” (CLE) accomplishes this.

Over the course of my career, it has become increasingly fashionable to impose CLE on members of the various state bars. The usual way to earn CLE is to attend a live presentation of the subject

matter, in which the speaker talks about the law, typically with the accompaniment of a powerpoint set of slides. Alternatively, one can sit in front of a computer screen and get the same thing. The efficiency of these programs is poor. I find that it is far easier and more efficient to simply read the case law, the rule revisions, and published articles on same. For example, I didn't learn about the America Invents Act or the *TC Heartland* case by attending a CLE class.

CLE, as now required by the various state bars, either gives no credit at all to a practitioner for simply reading up on these things, or restricts the number of hours which can be claimed thereby. Practically, the practitioner is compelled to listen to a talking head, which is much less efficient, wastes otherwise billable time, and imposes overhead costs which must be eventually borne by the applicants.

"CLE serves to enhance practitioners' legal skills." 84 FR at 37415. Do you have any evidence for this assertion? Earlier in my career, I was licensed to practice in Illinois, which at the time imposed NO CLE requirement. Then I moved to Texas, which did. I noticed NO discernable difference in the competence of the patent bars of these two states. What I did notice was the creation of the Continuing Legal Education Industry, and a further charge on the time and economic resources of the practicing attorneys. The USPTO should not adopt this CLE fashion. Just because the state bars like to subsidize local CLE industries, doesn't make it a practice worth adopting by the USPTO.

Most practitioners are attorneys. Those attorneys are usually subject to CLE requirements. For years, I have been preferring to attend IP-related presentations rather than, say, seminars on how to draft wills. The USPTO CLE requirement is largely redundant to what state bars already impose, and the USPTO should not impose a further administrative load on practitioners to separately report patent-related CLE.

If the USPTO decides to impose CLE requirements, those requirements should be entirely decoupled from the annual practitioner fee. Either CLE is necessary, or it isn't.

Best regards,

Jefferson Perkins  
Reg. No. 31,407

*Jefferson Perkins*  
Perkins IP Law Group LLC  
4200 Commerce Court, Suite 310  
Lisle, IL 60532  
P 630 505 1310  
F 630 505 1312  
Email [jperkins@perkinsip.com](mailto:jperkins@perkinsip.com)

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