

From: [Vera Ranieri](#)
To: [Fee.Setting](#)
Cc: [Daniel Nazer](#); [Charles Duan](#)
Subject: PTO-P-2015-0056 - Comments of the Electronic Frontier Foundation and Public Knowledge
Date: Friday, December 02, 2016 7:29:07 PM
Attachments: [Comments of EFF and PK on Fee Adjustments.pdf](#)

Dear Mr. Hourigan,

Attached please find the comments of the Electronic Frontier Foundation and Public Knowledge in response to the above-mentioned proceeding.

Best,

Vera Ranieri

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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re: Notice of Proposed Rulemaking
Setting and Adjusting Patent Fees
During Fiscal Year 2017

Docket No. PTO-P-2015-0056
81 Fed. Reg. 68150

**COMMENTS OF THE ELECTRONIC FRONTIER FOUNDATION
AND PUBLIC KNOWLEDGE**

Attn: Brendan Hourigan, Director of the Office of the Planning and Budget
Mail Stop—Office of the Chief Financial Officer
Director of the United States Patent and Trademark Office
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The Electronic Frontier Foundation (EFF) and Public Knowledge respectfully submit the following comments in response to the above-identified Request for Comments dated October 3, 2016.

I. Preliminary Statement

The cost of post-grant challenges is already substantial, and set to become even more substantial. Currently, fees for an instituted *inter partes* review are at least \$23,000, and are set to rise to at least \$30,500. This is far too high for the numerous small businesses and innovators that have been targeted by patent holders asserting patents of dubious validity.¹

Notably, the fee for *inter partes* review is significantly higher than patent application costs. In effect, this can shift the costs of examination to the public through

¹ See, e.g., A.G. Schneiderman Announces Groundbreaking Settlement With Abusive “Patent Troll”, available at <http://ag.ny.gov/press-release/ag-schneiderman-announces-groundbreaking-settlement-abusive-%E2%80%9Cpatent-troll%E2%80%9D> (discussing PAE that sent over 10,000 letters to small businesses); Joe Mullin, *Wi-Fi “patent troll” will only get 3.2 cents per router from Cisco*, Arstechnica (Feb. 6, 2014) (PAE sent “13,000 letters asking for individual chain hotels and coffee-shops to pay between \$2,300 and \$5,000 in licensing fees”), available at <http://arstechnica.com/tech-policy/2014/02/cisco-strikes-deal-to-pay-wi-fi-patent-troll-3-2-cents-per-router/>.

the imposition of fees on third parties who bring challenges to patents that have been, on many occasions, improperly awarded.

II. The PTO should advocate for authority to provide reduced application fees for small businesses and micro entities.

EFF previously submitted detailed comments urging the PTO to make post-grant challenges affordable to smaller companies faced with patent threats.² The Patent Public Advisory Committee (PPAC) has similarly recommended reduced fees based on annual revenues for post-grant challenges. See 81 Fed. Reg. 68150, 68156 (“the PPAC suggested that the Office consider adopting a scaled petition fee schedule based on the petitioner’s annual revenue”). In this current rulemaking, the PTO stated that it does not believe it has statutory authority to adjust post-grant fees so as to allow for “discounts” to certain petitioners. *Id.* We urge the PTO to seek authority from Congress to allow for discounts, given that such discounts are made available to those seeking patents.

III. The PTO should expand its pro bono program to assist small entities in receiving low- to no-cost representation in post-grant proceedings.

The PTO has already established a “patent pro bono” program in order to provide “free legal assistance to under-resourced inventors interested in securing patent protection for their inventions.”³

The PTO pro bono program should be expanded to provide assistance to all innovators, including those who have been accused of infringing patents of questionable validity. Specifically, the PTO should assist those who would otherwise be unable to

² Comments of the Electronic Frontier Foundation and the Computer & Communications Industry Association in Response to the Patent and Trademark Office Providing Comment on its Proposals to Set or Adjust Patent Fees, Docket No: PTO-C-2011-0008 (Nov. 5, 2012), available at https://www.uspto.gov/sites/default/files/aia_implementation/comment-eff-ccia.pdf and Comments of the Electronic Frontier Foundation in Response to the Patent and Trademark Office Providing Comment on Trial Proceedings Under the America Invents Act, Docket No: PTO-P-2014-0031 (Oct. 16, 2014), available at https://www.uspto.gov/sites/default/files/ip/boards/bpai/eff_20141016.pdf.

³ <https://www.uspto.gov/patents-getting-started/using-legal-services/pro-bono/patent-pro-bono-program>.

afford representation at the PTAB with securing low- to no-cost representation in post-grant proceedings. The PTO should also encourage the patent bar to participate in such a program so as to assist those who may not be otherwise able to afford representation.

IV. Conclusion

EFF and Public Knowledge thank the PTO for the opportunity to comment regarding the costs of patent proceedings. If any questions remain or if additional information would be useful, the undersigned attorneys are happy to discuss these matters further.

Respectfully submitted,

Electronic Frontier Foundation

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