



FÉDÉRATION INTERNATIONALE DES CONSEILS
EN PROPRIÉTÉ INTELLECTUELLE

INTERNATIONAL FEDERATION OF
INTELLECTUAL PROPERTY ATTORNEYS

INTERNATIONALE FÖDERATION
VON PATENTANWÄLTEN

FICPI U.S. Section

President:

Andrew D. Meikle
Birch, Stewart, Kolasch & Birch, LLP
8110 Gatehouse Road, Suite 100E
Falls Church, Virginia 22042
adm@bskb.com

November 25, 2015

Past President:

Barry W. Graham
Finnegan Henderson Farabow
Garrett & Dunner
901 New York Avenue, NW
Washington, D.C. 20001-4413
barry.graham@finnegan.com

Via Electronic Mail only to: fee.setting@uspto.gov

President-elect:

Douglas T. Johnson
Miller & Martin PLLC
832 Georgia Avenue
Chattanooga, Tennessee 37402
djohnson@millermartin.com

U.S. Patent and Trademark Office
Alexandria, VA 22313-1450

Secretary:

C. Gregory Gramenopoulos
Finnegan Henderson Farabow
Garrett & Dunner
901 New York Avenue, NW
Washington, D.C. 20001-4413
c.gregory.gramenopoulos@finnegan.com

Re: Comments on "USPTO Proposed Design Fees"

Treasurer:

Robert S. Katz
Banner & Witcoff, Ltd.
1100 13th Street, NW, Suite 1200
Washington, DC 20005
rkatz@bannerwitcoff.com

Founded over 100 years ago, FICPI, the Fédération Internationale Des Conseils En Propriété Intellectuelle (International Federation of Intellectual Property Attorneys), represents IP professionals in private practice internationally with almost 5,500 members in 86 countries and regions, including all major countries. FICPI has strong U.S., Canadian, Japanese and European memberships and has recent and growing sections in India and China.

Council Members:

Joanna M. Esty
Majesty Law Group PLC
1723 Valley Park Avenue
Hermosa Beach, California 90254-2958
jmesty@majestylaw.com

FICPI aims to enhance international cooperation amongst IP professionals; study reforms and improvements to IP treaties and conventions with a view to facilitating the exercise by inventors of their rights, increasing their security and simplifying procedures and formalities; and promote training and continuing education of its member and others interested in IP.

Steven Hash

Vinson & Elkins, LLP
2801 Via Fortuna, Suite 100
Austin, Texas 78746
shash@velaw.com

The US Section of FICPI submits the following comments regarding the USPTO Proposed Fee Changes for Designs.

William Y. Klett III

Nexsen Pruet, LLC
1230 Main Street
Suite 700
Columbia, SC 29201
wklett@nexsenpruet.com

The USPTO Fee Increases Are Significant and Will Negatively Impact the Number of Design Filings

Lawrence A. Maxham

The Maxham Firm
9330 Scranton Road, Suite 350
San Diego, California 92121
lmaxham@maxhamfirm.com

The total USPTO minimum government fees for a design patent application are proposed to increase 48.4% (from \$1,320 to \$1,960 for a large entity). This increase is not "modest." Under the U.S. design patent laws and rules, only one claim is allowed in a design patent application and multiple design patent applications are commonly needed to adequately protect the designs contained in a single product. Therefore, a design applicant will incur these

P. Branko Pejic

Greenblum & Bernstein, P.L.C.
1950 Roland Clarke Place
Reston, VA 20191
bpejic@gbpatent.com

Stephen S. Wentsler

Wentsler LLC
7443 Center Street
Mentor, Ohio 44060
swentsler@wentsler.com



FÉDÉRATION INTERNATIONALE DES CONSEILS
EN PROPRIÉTÉ INTELLECTUELLE

INTERNATIONAL FEDERATION OF
INTELLECTUAL PROPERTY ATTORNEYS

INTERNATIONALE FÖDERATION
VON PATENTANWÄLTEN

FICPI U.S. Section

President:

Andrew D. Meikle
Birch, Stewart, Kolasch & Birch, LLP
8110 Gatehouse Road, Suite 100E
Falls Church, Virginia 22042
adm@bskb.com

Past President:

Barry W. Graham
Finnegan Henderson Farabow
Garrett & Dunner
901 New York Avenue, NW
Washington, D.C. 20001-4413
barry.graham@finnegan.com

President-elect:

Douglas T. Johnson
Miller & Martin PLLC
832 Georgia Avenue
Chattanooga, Tennessee 37402
djohnson@millermartin.com

Secretary:

C. Gregory Gramenopoulos
Finnegan Henderson Farabow
Garrett & Dunner
901 New York Avenue, NW
Washington, D.C. 20001-4413
c.gregory.gramenopoulos@finnegan.com

Treasurer:

Robert S. Katz
Banner & Witcoff, Ltd.
1100 13th Street, NW, Suite 1200
Washington, DC 20005
rkatz@bannerwitcoff.com

Council Members:

Joanna M. Esty
Majesty Law Group PLC
1723 Valley Park Avenue
Hermosa Beach, California 90254-2958
jmesty@majestylaw.com

Steven Hash

Vinson & Elkins, LLP
2801 Via Fortuna, Suite 100
Austin, Texas 78746
shash@velaw.com

William Y. Klett III

Nexsen Pruet, LLC
1230 Main Street
Suite 700
Columbia, SC 29201
wklett@nexsenpruet.com

Lawrence A. Maxham

The Maxham Firm
9330 Scranton Road, Suite 350
San Diego, California 92121
lmaxham@maxhamfirm.com

P. Branko Pejic

Greenblum & Bernstein, P.L.C.
1950 Roland Clarke Place
Reston, VA 20191
bpejic@gbpatent.com

Stephen S. Wentsler

Wentsler LLC
7443 Center Street
Mentor, Ohio 44060
swentsler@wentsler.com

cost increases multiple times over to protect the appearance of a single product.

Further, the USPTO fees are a major component of the cost of a design patent application. According to the AIPLA 2015 Report of Economic Survey, the median attorney fees associated with preparing and filing a design patent application is \$1500. Addressing the combining the median attorney fees with the proposed USPTO design fees, the USPTO proposed increase would result in a 22.7% increase in the cost of procuring a design patent. In today's economic climate, economics dictate that increase will lead to less designs being protected for all applicants. In turn, this will likely result in more knockoffs and simulations being introduced into the marketplace.

The Proposed Increase Will Make Design Patent Applicants Subsidize the Utility Patent Operations Even More

USPTO efforts spent on utility patent applications far outweigh those spent on design patent applications. Examiners are given at least three times the amount of time to examine utility patent applications as compared to design patent counterparts. Printing a design application is most commonly a single publication consisting of a few pages of figures. Utility patent applications go through a double printed process – first as published application and second as a granted patent. Further, the utility patent applications have a large written description to format and print which do not exist with design patents. Against this background, the proposed USPTO charges applicants the same issue fee for design applicants as utility patent applicants and more than half of the fees associated with the pre-grant process. Without complete data relating to USPTO costs, this appears to lead to the inescapable conclusion that under the proposed USPTO fee structure that design patent applicants will be subsidizing the utility patent operations.

Further, in comparison to the design patent fee increases, the USPTO minimum government fees for a utility patent application are proposed to only increase 6.3% (from \$2,560 to \$2,720). According to the AIPLA 2015 Report of Economic Survey, the median attorney fees associated with



FÉDÉRATION INTERNATIONALE DES CONSEILS
EN PROPRIÉTÉ INTELLECTUELLE

INTERNATIONAL FEDERATION OF
INTELLECTUAL PROPERTY ATTORNEYS

INTERNATIONALE FÖDERATION
VON PATENTANWÄLTEN

FICPI U.S. Section

President:

Andrew D. Meikle
Birch, Stewart, Kolasch & Birch, LLP
8110 Gatehouse Road, Suite 100E
Falls Church, Virginia 22042
adm@bskb.com

Past President:

Barry W. Graham
Finnegan Henderson Farabow
Garrett & Dunner
901 New York Avenue, NW
Washington, D.C. 20001-4413
barry.graham@finnegan.com

President-elect:

Douglas T. Johnson
Miller & Martin PLLC
832 Georgia Avenue
Chattanooga, Tennessee 37402
djohnson@millermartin.com

Secretary:

C. Gregory Gramenopoulos
Finnegan Henderson Farabow
Garrett & Dunner
901 New York Avenue, NW
Washington, D.C. 20001-4413
c.gregory.gramenopoulos@finnegan.com

Treasurer:

Robert S. Katz
Banner & Witcoff, Ltd.
1100 13th Street, NW, Suite 1200
Washington, DC 20005
rkatz@bannerwitcoff.com

Council Members:

Joanna M. Esty
Majesty Law Group PLC
1723 Valley Park Avenue
Hermosa Beach, California 90254-2958
jmesty@majestylaw.com

Steven Hash

Vinson & Elkins, LLP
2801 Via Fortuna, Suite 100
Austin, Texas 78746
shash@velaw.com

William Y. Klett III

Nexsen Pruet, LLC
1230 Main Street
Suite 700
Columbia, SC 29201
wklett@nexsenpruet.com

Lawrence A. Maxham

The Maxham Firm
9330 Scranton Road, Suite 350
San Diego, California 92121
lmaxham@maxhamfirm.com

P. Branko Pejic

Greenblum & Bernstein, P.L.C.
1950 Roland Clarke Place
Reston, VA 20191
bpejic@gbpatent.com

Stephen S. Wentsler

Wentsler LLC
7443 Center Street
Mentor, Ohio 44060
swentsler@wentsler.com

preparing and filing a minimal complexity utility patent application is \$7000. Combining the median attorney fees with the proposed USPTO utility fees, the USPTO proposed increase would result in a 1.7% increase in the cost of procuring a utility patent - even less when one considers the frequency of Office Actions associated with utility patent applications as compared to design patent applications. The USPTO should propose a fee structure which covers its costs but is better balanced to its actual costs so that design patent applicants are not made to subsidize non-design-related USPTO activities.

The Proposed Design Fee Increases Will Make Design Patents Cost Materially More in the U.S. as Compared to Other Jurisdictions

The proposed \$1960 USPTO fees are out of balance with the cost of procuring design rights in other countries. With respect to other countries that have design patent systems with substantive prior art examination, Canada's government fees for procuring a design patent are approximately \$562 which includes the renewal fee to extend the term to the maximum 10 years. Russia's government fees for procuring a design patent are approximately \$641 which includes the renewal fees to extend the term to the maximum 15 years. If an applicant elects a substantive examination in Australia, the government fees for procuring a design patent is approximately \$711 which includes the renewal fee to extend the term to the maximum 10 years.

Korea, Mexico, and Japan have substantive examination fees and have a post-grant annuity system. The total fees for Korea, Mexico, and are \$1465 and \$1644, respectively, if the design applicant pays the annuities each year for a 15 year term. Thus, even under these systems, if the applicant decided that a design was important and wanted to pay for a 15 year term, it would still cost 16% and 25% less than the proposed USPTO design fees. Japan's total design fees including the payment of annuities for the full 15 years would be \$2081 which is comparable to the proposed USPTO design fees. However, under these annuities systems, applicants would likely choose not to pay the annuities for the full term for designs of less importance and those would thus have a lower financial impact to the design applicant. Further, the high



FÉDÉRATION INTERNATIONALE DES CONSEILS
EN PROPRIÉTÉ INTELLECTUELLE

INTERNATIONAL FEDERATION OF
INTELLECTUAL PROPERTY ATTORNEYS

INTERNATIONALE FÖDERATION
VON PATENTANWÄLTEN

FICPI U.S. Section

President:

Andrew D. Meikle
Birch, Stewart, Kolasch & Birch, LLP
8110 Gatehouse Road, Suite 100E
Falls Church, Virginia 22042
adm@bskb.com

Past President:

Barry W. Graham
Finnegan Henderson Farabow
Garrett & Dunner
901 New York Avenue, NW
Washington, D.C. 20001-4413
barry.graham@finnegan.com

President-elect:

Douglas T. Johnson
Miller & Martin PLLC
832 Georgia Avenue
Chattanooga, Tennessee 37402
djohnson@millermartin.com

Secretary:

C. Gregory Gramenopoulos
Finnegan Henderson Farabow
Garrett & Dunner
901 New York Avenue, NW
Washington, D.C. 20001-4413
c.gregory.gramenopoulos@finnegan.com

Treasurer:

Robert S. Katz
Banner & Witcoff, Ltd.
1100 13th Street, NW, Suite 1200
Washington, DC 20005
rkatz@bannerwitcoff.com

Council Members:

Joanna M. Esty
Majesty Law Group PLC
1723 Valley Park Avenue
Hermosa Beach, California 90254-2958
jmesty@majestylaw.com

Steven Hash
Vinson & Elkins, LLP
2801 Via Fortuna, Suite 100
Austin, Texas 78746
shash@velaw.com

William Y. Klett III
Nexsen Pruet, LLC
1230 Main Street
Suite 700
Columbia, SC 29201
wklett@nexsenpruet.com

Lawrence A. Maxham
The Maxham Firm
9330 Scranton Road, Suite 350
San Diego, California 92121
lmaxham@maxhamfirm.com

P. Branko Pejic
Greenblum & Bernstein, P.L.C.
1950 Roland Clarke Place
Reston, VA 20191
bpejic@gbpatent.com

Stephen S. Wentsler
Wentsler LLC
7443 Center Street
Mentor, Ohio 44060
swentsler@wentsler.com

proposed USPTO fees would all be incurred at the filing and grant stages and not spread out over a 15 year period. In sum, the USPTO proposed design fees would impose a significantly higher cost upon design applicants than the fees in the other government offices that have an examination system for designs.

Conclusion

The USPTO should be encouraging creators to protect their designs and should not raise the costs above what is required to run its design patent operations. The proposed USPTO design fee increase will result in less design patent application filings, more knockoffs being introduced in the marketplace, design patent applicants subsidizing utility patent operations, and in a fee structure that extracts more money from design patent applicants when compared to other design offices around the world.

Sincerely,

By _____ / Andrew D. Meikle / _____

Andrew D. Meikle
FICPI U.S. Section President
Birch Stewart Kolasch & Birch LLP
Falls Church, VA