

**International Trademark Association Comments in Response to:  
Notice of Trademark Public Advisory Committee Public Hearing  
On the Proposed Trademark Fee Schedule**

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The International Trademark Association (INTA) appreciates the opportunity to provide comments in response to the notice of the Trademark Public Advisory Committee Public hearing on the proposal of the United States Patent and Trademark Office (USPTO) to revise the trademark fee schedule. The USPTO Subcommittee of INTA's Trademark Office Practices Committee prepared the following comments.

**Comments**

INTA commends the USPTO's efforts to ensure adequate funding for its operations and reserves. Further, INTA supports the USPTO's efforts to allocate costs fairly and encourage applicants to use electronic communications in all phases of the application process. According to the USPTO's data, the fees currently charged for filing on paper do not, in most cases, cover its costs of processing paper filings. It is appropriate to discontinue, or at least reduce, the subsidies that paper filers currently enjoy.

However, for situations in which electronic filing is not possible (for example, submission of evidence or specimens in video format, or when the USPTO's electronic system is down), stakeholders should not be penalized for failing to file electronically. For this reason, INTA supports the USPTO's proposal to retain the option to file on paper and encourages the USPTO to consider adopting a mechanism to request a waiver of the fee surcharge for filing on paper under such circumstances.

Further, INTA would like to understand the correlation between the fee increases proposed for certain filings and the USPTO's costs of processing those filings. For example, the USPTO proposes to increase the cost of filing a Request for a Six-Month Extension of Time to File a Statement of Use under §2.6(a)(4), per class, from \$150 to \$350 for paper filers and to \$250 for electronic filers. According to the USPTO, its average cost of processing a paper Request in 2014 was \$668 per class. Based on this information, an increase in the filing fee for paper Requests would be consistent with the USPTO's stated goal to align fees with its processing costs. However, the USPTO's average cost of processing an electronic Request in 2014 was \$17 per class, less than 3% of the processing cost for paper Requests. INTA would like to understand better how this proposed fee increase aligns with the USPTO's processing cost of what is, in the case of an electronic Request, primarily an automated task.

In addition, INTA urges the USPTO to consider whether any of its proposals may create unintended incentives or have unfairly disproportionate effect on certain stakeholders. For example, the USPTO proposes to introduce, for the first time, fees to file a Request to Extend the Time for Filing a Notice of Opposition for Good Cause or Consent, and a Request to Extend the Time for Filing a Notice of Opposition with Consent or Under Extraordinary Circumstances. While INTA supports the goal of the TTAB to better align its costs and fees, it is concerned that imposing fees at this stage may encourage potential opposers to file a Notice of Opposition in lieu of a fee-bearing Request to Extend the Time for Filing a Notice of Opposition, resulting in an unnecessary increase in the volume of opposition proceedings that might otherwise have been resolved prior to the commencement of a formal proceeding.

Similarly, the USPTO should carefully examine whether any of its proposals may have an unfairly disproportionate effect on certain stakeholders and, if so, whether there are more equitable alternatives. While the USPTO proposal to increase the fee to file a Request for a Six-Month Extension of Time to File a Statement of Use under §2.6(a)(4) per class by \$100 might not seem significant in relation to a single Request, those fees can add up significantly when spread out over the full three-year period allowed by statute, especially in multi-class applications. Individuals and small business, in particular, may be adversely impacted, as well as businesses in industries characterized by a long time to market due to the nature of the product (such as wine) or regulatory requirements (such as pharmaceuticals). Moreover, increasing fees to file a Request for a Six-Month Extension of Time to File a Statement of Use under §2.6(a)(4) further compounds the disadvantages that U.S. applicants face vis-à-vis applicants filing under §44(e) or the Madrid Protocol, who are not required to establish use in order to obtain a registration.

In the alternative, INTA recommends that the USPTO consider increases in the fees that (1) are borne by a greater share of applicants and/or (2) correlate more closely with the USPTO's actual processing costs. Applicants filing under §44(e) or the Madrid Protocol are not required to file a Statement of Use and therefore will never have to incur the cost of filing a Request for a Six-Month Extension of Time to File a Statement of Use under §2.6(a)(4). The processing of electronically filed Requests is almost entirely automated and entails very little cost per Request. On the other hand, every applicant must file an application, and all applications, regardless of filing method, require substantive examination. According to the USPTO, the costs of processing both regular TEAS applications and TEAS Plus applications in 2014 exceeded the filing fees currently charged for both types of applications. INTA requests that the USPTO consider whether a small increase in filing fees per class for each type of electronically filed application (in addition to the increase in filing fees that the USPTO has proposed for paper applications) would be more equitable and would more closely align the USPTO's fee structure with its actual processing costs than the current proposal for a 67% increase in the fees faced by only that subset of applicants who find it necessary to submit electronically filed Requests for a Six-Month Extension of Time to File a Statement of Use under §2.6(a)(4).

Finally, while INTA fully supports measures to promote the integrity of the register, we would like to understand how the proposed fee adjustments accomplish this important objective. The integrity of the register is threatened by abuses of the system that result in the acquisition or retention of rights to which the holder is not entitled under law. But unlike the measures that the USPTO has been considering to address the results of its Section 8 Pilot, the proposed fee

adjustments would not guard against such abuses. Rather, they would only affect intent-to-use applicants and potential opposers who are properly pursuing the processes to which they are entitled by statute.

### **Conclusion**

In conclusion, INTA supports the USPTO's goal of amending trademark fees to encourage increased end-to-end electronic communications, more closely reflect the USPTO's actual processing costs and ensure the integrity of the register. However, INTA would like to understand better how certain aspects of the USPTO's specific fee adjustment proposals, in particular in relation to electronic filings, advance those goals. INTA looks forward to discussing this important proposal further with the USPTO.