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March 19, 2007

The Honorable Jon Dudas
Under Secretary of Commerce for Intellectual Property
And Director of the U.S. Patent and Trademark Office
600 Dulany Street
Madison West Bldg, Suite No. 10D44
Alexandria, VA 22314

ATTN: Mr. Richard Cole

Dear Mr. Secretary:

The views expressed herein are submitted on behalf of the American Bar Association Section of Intellectual Property Law ("the Section") in response to the Notice of proposed rule making and request for comment published in 72 Fed. Reg. No. 32, p. 7583 (February 16, 2007), subject: "April 2007 Revision of Patent Cooperation Treaty Procedures." These comments have not been submitted to or approved by the ABA House of Delegates or Board of Governors, and should not be considered to be views of the Association.

The Section opposes the adoption of the increases in International Search Fees that the PTO proposes. We hereby express our concern and opposition to the substantial increases proposed in the fees of the Office for its services as an International Search Authority for Patent Cooperation Treaty (PCT) applications when such increases would be inconsistent with the PTO setting of its fees for similar services for national applications and such increases would be burdensome on both small entities and corporate filers of PCT applications.

The proposed rules increase the fee for conducting a search using the United States as the International Searching Authority by almost doubling the amount, and proposing a charge of \$1,800 for the search. Additionally, if the user previously filed a non-provisional PTO application, wherein the user paid the PTO the full filing fee for that application, the Office proposes to no longer provide a reduction upon filing the PCT application. The PTO likewise proposes to charge \$1,800 for providing a search in the international PCT application. This is an increase of six (6) times the current cost for the applicant filing a U.S. non-provisional priority application.

The use of the PCT is to be encouraged to avoid duplication of work associated with patent applications. Many large corporations are filing more PCT applications, and

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these corporations frequently use the U.S. Search Authority. The proposed rule nearly doubles the corporations' cost for filing a PCT application, making the cost nearly prohibitive.

Small entities will feel the burden of this fee to an even greater extent. The substantial fee increase proposed by the PTO is at the time that the small entity does not yet have the funds and is not in a position to pay the doubled costs for the PCT application. The discussion appended to the proposed rules states that a small entity may simply not use the PCT at all, and may alternatively file a Paris Convention application. Unfortunately, the Paris Convention filing burdens the applicant with the large, immediate expense associated with a Paris Convention filing at the end of one year. The PCT application provides the small entity with a means to avoid the large, immediate expense associated with a Paris Convention filing at the end of one year. The substantial fee increase will place a significant burden on the small entity PCT applicant.

We therefore believe that the proposal has a dampening affect on the filing of PCT applications, will burden small entity applicants as well as corporate filers, and that the proposed fees are inconsistent with the fees the PTO charges for national applications. Accordingly, the American Bar Association Section of Intellectual Property Law opposes adoption of the increases in International Search Fees proposed by the PTO in 72 Fed. Reg. No. 32, p. 7583 (February 16, 2007).

Sincerely,

A handwritten signature in black ink, appearing to read 'SBM', written in a cursive style.

Susan Barbieri Montgomery
Chair