

# AIPLA

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AMERICAN INTELLECTUAL PROPERTY LAW ASSOCIATION

2001 JEFFERSON DAVIS HIGHWAY ■ SUITE 203 ■ ARLINGTON, Virginia 22202

June 26, 2003

Mr. Nicholas P. Godici  
Commissioner for Patents  
United States Patent and Trademark Office  
P.O. Box 1450  
Alexandria, Virginia 22313-1450

Re: Notice of Proposed Rulemaking  
January 2004 Revision of Patent Cooperation Treaty Application Procedure  
68 Fed. Reg. 32441 (May 30, 2003).

Dear Commissioner Godici:

The American Intellectual Property Law Association (AIPLA) appreciates the opportunity to present its views on the USPTO's Notice of Proposed Rulemaking for the January 2004 Revision of Patent Cooperation Treaty Application Procedure. We will be pleased to expand on these comments if requested to do so at a later date.

AIPLA is a national bar association of more than 14,000 members engaged in private and corporate practice, in government service, and in the academic community. AIPLA represents a wide and diverse spectrum of individuals, companies, and institutions involved directly or indirectly in the practice of patent, trademark, copyright, and unfair competition law, as well as other fields of law affecting intellectual property.

AIPLA fully supports and commends the USPTO for those rule changes which provide for automatic designation of all countries and more flexible and relaxed requirements in relation to signature and other filing requirements. We believe these changes are fully consistent with the PCT reforms that will take effect on January 1, 2004, and will assist in streamlining PCT procedures and reducing the number of overly formalistic requirements in PCT practice. We hope these comments will serve as a constructive contribution to that effort.

### **ISA Written Opinions**

Among the proposed amendments is a revision of 37 C.F.R. §1.484 on the "Conduct of international preliminary examination." Under proposed Rule 1.484(e),

“[t]he written opinion established by the International Searching Authority under PCT Rule 43*bis*.1 shall be considered to be a written opinion of the United States International Preliminary Examining Authority for the purposes of paragraph (d) of this section.” At page 32441, the Federal Register Notice explains that the International Searching Authority (ISA) written opinion will become the International Preliminary Examining Authority (IPEA) written opinion when a Demand for international preliminary examination is filed without a PCT Article 34 amendment.

AIPLA questions this revision as applied to a Demand for international preliminary examination that is filed with a PCT Article 34 amendment. Because of the mandatory “shall be considered” in the proposal, it appears that the examiner would be entitled to submit the ISA written opinion as the IPEA written opinion notwithstanding such amendments. Thus, if the applicant were to submit substantial amendments upon entering into Chapter II, the examiner could deliver to the applicant a written opinion totally inconsistent with those amended claims.

The problem is further aggravated by the proposal to increase the preliminary examination fee at Rule 1.482(a)(1). At page 32444, the Federal Register Notice explains that the proposed increase is necessary to cover the additional costs associated with conducting the preliminary examination. According to this explanation, most applicants filing a Demand will no longer be trying to delay entry into the national stage, but instead will be trying to obtain a positive international preliminary report on patentability by filing one or more Article 34 amendments.

The proposed rules, however, would not require the IPEA/US examiner to accommodate the extra amendments. To the extent that the ISA written opinion “shall be considered” the first IPEA written opinion, the IPEA/US would have less work to do, not more. No fee increase can be justified under these circumstances. The proposal would require the applicant to pay for additional work without also requiring that the examiner perform any additional work.

The proposed rules should be changed so that if the applicant timely files a Demand with Article 34 amendments to the claims, the examiner would be required to examine the amended claims and render a new written opinion.

### **Fees**

In addition, there is no justification for the substantial increases in Rule 1.445 fees proposed for international searches, examinations, and transmittals. The Federal Register Notice at page 32443 states that the proposed fee increases are consistent with the filing fees proposed under the 21<sup>st</sup> Century Strategic Plan, but this comparison is flawed. The filing fee under the Strategic Plan, which covers both a search and examination, is \$1,000. Under the proposed rules, the PCT fees, covering search (\$1,000), and examination (\$600), would total \$1,600, more than twice the current national filing fee (\$750) and 60 percent more than the proposed filing fee in H.R. 1561 (\$1000).

The Federal Register Notice inaptly compares the increased fees to the old PCT fees, arguing that an applicant could pay just the transmittal and search fees under the proposal to “obtain the benefits” previously available only by paying the preliminary examination fee as well. The payments of only the transmittal and search fees would not give the applicant the “same benefits” previously available to the extent that those benefits included an opportunity to amend the claims and get an examiner’s response to such an amendment. To obtain the “same benefits” under Chapters I and II, the proposed rules would require the applicant to pay approximately 34 percent more than the current fees require.

A truer picture of the proposed fee change is revealed by comparing, on an item-by-item basis, the amounts previously charged with the amounts currently proposed. The following table makes this comparison:

	Transmittal Fee	Search Fee	Search of Additional Invention Fee	Examination Fee	Examination of Additional Invention Fee
Old	\$240	\$ 700	\$ 210	\$490	\$140
New	\$300 (+25%)	\$1,000 (+43%)	\$1,000 (+376%)	\$600 (+18%)	\$600 (+329%)

The proposed increases are exorbitant and would make it more difficult for United States companies to protect their inventions in major foreign markets. Moreover, at a time when all countries are seeking the benefit of PCT and seek PCT reform as a potential for standardization among all countries, these increases would be counterproductive. They should be revisited and lowered.

We greatly appreciate the opportunity to provide our comments on the notice of proposed rulemaking for PCT practice, and we would be pleased to answer any questions our comments might raise.

Sincerely,



Michael Kirk  
Executive Director  
AIPLA