

AIPLA

AMERICAN INTELLECTUAL PROPERTY LAW ASSOCIATION

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

April 1, 2005

The Honorable Jon Dudas
Under Secretary of Commerce for Intellectual Property
and Director of the United States Patent and Trademark Office
Box Comments - Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Comments On Interim Rule Entitled "Revision of
Search and Examination Fees for Patent Cooperation
Treaty Applications entering the National Stage in the
United States,"
70 Federal Register 5053 (February 1, 2005)

Dear Mr. Under Secretary,

The American Intellectual Property Law Association (AIPLA) appreciates the opportunity to offer comments regarding the Interim Rule directed to the revision of search and examination fees for international applications under the Patent Cooperation Treaty (PCT) that are entering the National Stage in the United States, as published at 70 Fed. Reg. 5053 (February 1, 2005). We believe that the revision is positive, but believe that additional changes could assist both applicants and the United States Patent and Trademark Office (USPTO).

AIPLA is a national bar association whose more than 16,000 members are primarily lawyers 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. Our members represent both owners and users of intellectual property.

Prior to the Consolidated Appropriations Act

Prior to the passage of the Consolidated Appropriations Act on December 8, 2004, the fees for an international application entering the national stage in the United

States included a filing fee under 37 CFR §1.492 that was reduced in amount depending on whether or not there had been a payment of an international search fee and/or an international preliminary examination fee to the USPTO or the preparation of an international search report (ISR) by the European Patent Office (EPO) or the Japanese Patent Office (JPO) acting as an international search authority (ISA). Specifically, the basic national fee was **\$1,110.00** where no international preliminary examination fee and no international search fee had been paid to the USPTO. Where an international preliminary examination fee had been paid to the USPTO, the basic national fee was **\$750.00**. Where the international preliminary examination report (AIPLA understands the reference in the amended rules to “international preliminary examination report” to cover both what was previously called an IPER and is now called an IPRP (international preliminary report on patentability)) conducted by the USPTO as an International Preliminary Examination Authority (IPEA) was positive for all claims in the application entering the national stage, the fee was reduced to only **\$100.00**. Where no international preliminary examination fee was paid to the USPTO, but an international search fee had been paid to the USPTO as an ISA, the basic national fee was **\$790.00**. Finally, where an ISR had been prepared by the EPO or JPO, the basic national fee was **\$950.00**. All of these fees were reduced by 50% for small entities. Thus, there were significant savings to applicants who used the USPTO, JPO or EPO as part of its filing strategy.

The Consolidated Appropriations Act

Those provisions were changed by the Consolidated Appropriations Act which provides for a filing fee of **\$300**, a search fee of **\$500** and an examination fee of **\$200** during fiscal years 2005 and 2006. Those fees were uniform and gave no recognition or credit for an ISR or an international preliminary examination report, even one conducted by the USPTO acting as an ISA or IPEA.

The Proposed Interim Rule

The proposed Interim Rule represents a significant improvement by recognizing that not all entries into the US national stage of an international application via the PCT should have the same cost, because the status of international applications can be quite different, depending on where any search was conducted and its results, and where any preliminary examination was conducted and its results. In the Interim Rule notice, the USPTO relies on 35 U.S.C 376 which permits the Director, where warranted, to “refund any part of the search fee, the national fee, the preliminary examination fee and any additional fees.”

For the search fees, which are set forth in Section 1.492(b), the proposed rules would provide for an international application entering the national stage under 35 U.S.C. 371 a search fee of:

- (1) **\$100.00** if the search fee as set forth in §§1.445(a)(2) and (a) (3) has been paid on the international application

to the USPTO as an ISA for all of the claims presented in the application entering the national stage,

- (2) **\$400.00** if an ISR on the international application has been prepared and is provided to the USPTO no later than the time at which the search fee is paid; and
- (3) **\$500.00** in all other situations.

For the examination fees, the proposed rules would provide for an international application entering the national stage an examination fee of:

- (1) **\$100.00** if an international preliminary examination report on the international application prepared by the USPTO acting as an IPEA states that the criteria of novelty, inventive step (non-obviousness), and industrial applicability, as defined in PCT Article 33(1) to 4) have been satisfied for all of the claims presented in the application entering the national stage, and
- (2) **\$200.00** in all other situations.

Again, all of these fees are reduced by 50% for small entities.

Recommended Modification of the Proposed Interim Rule

As can be seen from the forgoing, prior to the passage of the Consolidated Appropriations Act, Section 1.492 provided significant reductions in the basic national fee for international applications with ISRs and international preliminary examination reports. Especially in the case of an international application having received a positive international preliminary examination report from the USPTO acting as an IPEA, a very significant reduction was made in the basic national fee.

The proposed modifications to Section 1.492 provide much smaller reductions in the search and examination fees for an international application entering the national stage with an ISR and international preliminary examination report provided by the USPTO acting in its capacity as an ISA and IPEA. Similarly, a commensurately smaller reduction is provided for international applications accompanied by an ISR and international preliminary examination report from other offices acting as an ISA and IPEA.

We believe the size of the reduction in the national stage search and examination fees for international applications accompanied by an ISR and international preliminary examination report should be reconsidered. It is difficult to understand why an international application that has received a positive international preliminary examination report from the USPTO should not receive a more significant reduction in both national stage search and examination fees. The USPTO examiner has already determined that the claims of the international application satisfy the patentability criteria. Certainly most of the examiner's work on that application in the national stage

has been completed. Further, a more appropriate reduction in the national stage search and examination fees will provide an incentive to applicants to strive for a positive international preliminary examination report.

In addition, one of the basic premises underlying the 21st Century Strategic Plan is to reduce the workload of USPTO examiners by increasing the utilization of the searches from other qualified patent examining offices. By encouraging greater reliance on ISRs and international preliminary examination reports, USPTO examiners can focus more on enhancing the quality of the examination and save time in searching the application. Offering greater reductions in the national stage search and examination fees will accomplish this goal by encouraging greater use of the PCT for filing in the USPTO.

In sum, we see no reason for not providing a more significant reduction in the national stage search and examination fees, especially where a positive international preliminary examination report on all claims is obtained from the USPTO. The USPTO fees for international applications should be designed to encourage use of PCT as a means to induce applicants to do all that is possible to achieve a positive report before entry into the U.S. national stage. Further, to encourage applicants to use PCT to further the implementation of the 21st Century Strategic Plan, AIPLA believes the USPTO should publicize the various possibilities for applicants to reduce their fees through the use of the PCT.

We appreciate the opportunity to provide comments on the Interim Rules and are available to assist the Office in its implementation of the proposed rules.

Sincerely,

A handwritten signature in black ink that reads "Michael K. Kirk". The signature is written in a cursive style with a large, stylized initial "M".

Michael K. Kirk
Executive Director