December 22, 2016

The Honorable Michelle K. Lee
Under Secretary of Commerce for Intellectual Property &
Director of the United States Patent and Trademark Office
Mail Stop CFO
P.O. Box 1450
Alexandria, Virginia 22313-1450
via email: Dianne.Buie@uspto.gov

Re: Setting and Adjusting Patent Fees During Fiscal Year 2017

Dear Director Lee:


The American Bar Association is the largest voluntary professional association in the world and the ABA-IPL Section is the largest intellectual property law association with approximately 20,000 members. The views expressed by the ABA-IPL Section have not been approved by the ABA House of Delegates or Board of Governors and should not be considered as the views of the American Bar Association.

The Section supports the United States Patent and Trademark Office (“Office”) goal of balancing the need to collect sufficient revenue with its goal to promote high quality examination and reasonably prompt disposition of patent applications at a reasonable cost to the public. The Section appreciates the opportunity to offer comments and offers the following observations regarding the proposed fees.

In general, the Section favors setting patent-related fees at a level appropriate to cover reasonable costs and that such fees remain with the United States Patent and Trademark Office. The Section notes that the End of Year balance would be placed in the reserve fund; however, the expected reserve fund of fiscal year 2021 is nearly double that of fiscal year 2019. This is $388 million above the projected optimal level suggested by the Office, and potentially subject to diversion. Fee diversion is again a significant threat to the patent system. H.R. 5499, the “Agency Accountability Act,” would require almost any agency that collects fees to deposit them in the general fund of the Treasury, requires that funds may not be used unless appropriated, and that any unused funds must be used
for deficit reduction. While the bill exempts the PTO, it nevertheless suggests that further PTO fee diversions is a real threat to PTO funds. The Section encourages the Office to consider smaller fee increases at this time to more closely satisfy the necessary recovery of aggregate estimated costs and reduce the risk that PTO user fees will be applied to pay for the activities of other government entities or otherwise fund the government generally.

The Section notes also that there are several proposed fee increases that raise fees by 50% (e.g., Inter Partes Review and Post Grant or Covered Business Method Review fees, Certificate of Correction fee), some that raise fees by 33% (e.g., IDS and Design and Plant Patent Search fees), and others that raise fees by closer to 25% (e.g., Notice of Appeal, Forwarding an Appeal). While we are not offering comments on every proposed fee change, justification for these fee increases need to be substantiated. The Section’s silence on any particular fee increase, therefore, should not be interpreted as expressing support for these increases.

One example of a fee that raises concern is the 20% increase in fees for excess claims. The Section shares PPAC’s view that excess claims are frequently not examined and are canceled from an application. The Section favors in principle, the adoption of a reasonable time limit for requesting a refund of excess claim fees for claims that are canceled in response to restriction requirement and any claims unilaterally cancelled by applicant before any examination.

The Section has concern for the proposed fees for public access to United States Patent Office information that is currently available to the public at no charge. The Section supports the appropriate utilization of information technology capabilities to further drive efficiency and productivity within the Office; however, the Section favors using appropriate funds from the Office Examining Operation. The Section favors continued public access without charge to provide open access and encourage public knowledge for these public records.

The ABA-IPL Section commends the Office for its consideration of these issues and appreciates the opportunity to offer these comments and would welcome the opportunity to discuss our comments further if that would be helpful.

Very truly yours,

Donna P. Suchy
Section Chair
American Bar Association
Section of Intellectual Property Law