

Dear U.S. Patent and Trademark Office,

The Minnesota IP Law Association, hereinafter “Association,” is writing to express its views on the proposed patent and trademark fee adjustments and specifically concerning (I) continuation applications proposed fees, (II) IDS proposed fees, (III) After-Final Consideration Pilot (AFCP) 2.0 request proposed fees, and (IV) terminal disclaimer proposed fees.

I. Firstly, concerning the proposed fee increases for filing continuation applications, our collective experience suggests that these adjustments would disproportionately affect startups and small businesses. These entities often rely on continuation applications strategically to secure their position in the market. However, due to financial constraints, they may initially file only a single application, intending to file continuations at a later stage. Imposing substantial fees on this group would place undue burdens on startups and small businesses, impeding their ability to establish themselves in the market. Supporting their growth is paramount for fostering innovation and maintaining a robust economy.

The tiered “delayed” continuation fees seem to not be about USPTO aggregate cost recovery but rather intended to at least discourage certain applicant behavior. For continuations, the USPTO tends to assign those cases to the same examiner as the original or parent case, which *reduces* USPTO costs. Further, although the USPTO’s reasoning for these fees indicates that they offset a loss of maintenance fee payments, there are no guarantees that any patent application will have maintenance fees paid on it. The proposed fee therefore implements a poor policy choice by both discouraging continuation filings for which the applicants are entitled to a patent, while also replacing examination fees with uncertain maintenance fee revenues.

II. Secondly, regarding surcharges for number of references cited in an IDS, this fee would discourage citation of additional references. This is juxtaposed with the USPTO’s current position, which is that “[i]n close cases where the materiality or consistency of the information is in question, the applicant should consider submitting this information to the USPTO. The Office believes that most applicants will wish to submit the information even though they may not be required to do so, to strengthen the patent and avoid the risks of an incorrect judgment on their part on materiality. The USPTO holds those individuals subject to this duty to the highest standards.” MPEP § 2001.05.

The USPTO’s new fees therefore create opposed incentives by simultaneously encouraging applicants to withhold references to save costs while also encouraging citation of even borderline-material references, at the potential penalty of loss of patent rights and inequitable conduct. Simultaneously, advances in searching tools and techniques should make handling of a large pool of cited material easier and faster than it has been historically. As such, the Association submits that this fee should not be implemented, as doing so could decrease patent strength and create opposing incentives, while adding costs to patent applicants. If the real problem is the submission of irrelevant references by applicants, that problem would seem to be better addressed through alternate approaches. If Congress would reform inequitable conduct rules, this by itself may largely affect applicant behavior. With current inequitable conduct case law, there is undue pressure on practitioners to cite every possible reference or risk the practitioners right to practice or the enforceability of the case. We suggest a legislative proposal to change this pressure.


III. Thirdly, regarding AFCP 2.0 requests, based on our collective experience, if AFCP 2.0 requests do not result in an interview, they do not pose a huge cost burden on the government, and if AFTP 2.0 requests do result in an interview, prosecution is furthered and reduces government costs as a result. Consequently, the proposed \$500 fee may be related to non-AFCP 2.0 government costs. At the same time, applicants may hesitate to pay for a process that does not always offer a tangible return. An alternative approach could involve charging a \$500 fee only when Examiners hold an interview, ensuring that applicants receive concrete assistance in advancing their prosecution efforts. This approach would provide applicants with tangible outcomes for their payments, encouraging active participation in the program and addressing concerns about its current value proposition.

IV. Lastly, escalating fees for terminal disclaimers seem unreasonable, particularly considering the potential impact on applicants during later stages of prosecution. This may discourage legitimate claims that the disclaimer would not apply in view of amendments made during prosecution. This is especially true for double-patenting rejections in which case both the pending claims and the cited claims may change prior to allowance of any patent. The USPTO is effectively penalizing applicants for failing to agree that two sides of an equation are equal, when both sides are still variable. Such fee increases may also create barriers to access and discourage innovation, especially for small entities or inventors with limited resources. Aligning fee increases with the actual cost of processing terminal disclaimers could promote transparency and fairness within the patent system, ensuring that legitimate patent claims are not discouraged, and applicant participation is not hindered.

In conclusion, while fee adjustments are necessary to sustain the operations of the USPTO, careful consideration must be given to their potential impacts on various stakeholders. We urge a thorough examination of alternative fee structures that promote accessibility, fairness, and innovation within the patent system.

Thank you for considering our comments.

Sincerely,



Stephanie M. Kwong  
President  
Minnesota IP Law Association

