



AMERICAN INTELLECTUAL PROPERTY LAW ASSOCIATION

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

August 22, 2005

Mail Stop Comments - Patents  
Commissioner for Patents  
P.O. Box 1450  
Alexandria, VA 22313-1450

Attention: Robert W. Bahr  
Comments on Notice of Proposed Rulemaking:  
Changes to Implement the Patent Search Fee Refund Provisions  
of the Consolidated Appropriations Act, 2005  
70 Fed. Reg. 35571 (June 21, 2005)

Dear Mr. Bahr:

The American Intellectual Property Law Association (AIPLA) appreciates the opportunity to offer comments regarding the proposed rule directed to implementation of the patent search refund provisions of the Consolidated Appropriations Act published at 70 Fed. Reg. 35571 (June 21, 2005).

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 patent owners and users of intellectual property.

The Patent and Trademark Office (PTO) is authorized under the Consolidated Appropriations Act to refund (1) any part of the excess claim fee specified in 35 U.S.C. § 41(a)(2) for any claim that is canceled before an examination on the merits has been made of the application under 35 U.S.C. § 131; and, (2) any part of the search fee for any applicant who files a written declaration of express abandonment as prescribed by the PTO before an examination has been made of the application under 35 U.S.C. § 131. The PTO has proposed a limited implementation of this authority, namely, to refund search fees in certain cases to provide an incentive for applicants to abandon or withdraw an application which is no longer desired by the applicant before any work is performed by the PTO. While we applaud and support this effort, we would encourage the PTO to take a more aggressive approach in providing refund incentives for applicants to assist the PTO in removing applications from the growing inventory of pending applications.

As proposed, Rule 1.138(d) would provide for a refund of any search fee paid in an application that was filed under 35 U.S.C. § 111(a) and 37 C.F.R. § 1.53(b) on or after

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December 8, 2004, if a declaration of express abandonment was filed by way of a petition in sufficient time to permit the appropriate officials to recognize the abandonment before the application has been taken up for examination. According to the supplementary information in the Notice, the PTO will consider an application to be "taken up for examination" for purposes of this provision to be the date when the application is placed on the examiner's docket for action. It is respectfully submitted that the PTO needs to expand and improve the opportunities for a refund if this refund initiative is to maximize any success that can be achieved in helping to reduce the growing inventory of pending applications.

Specifically, AIPLA believes the PTO should be more aggressive under its existing statutory authority and provide the opportunity for a refund of not only any part of the search fee paid, but also of any excess claim fee paid prior to filing the letter of express abandonment together with a petition for a refund under proposed Rule 1.138(d). It is also too limiting to extend the refund opportunity only to those applications not yet placed on an examiner's docket for action because docketing takes place so early in the patenting process. The PTO should expand the opportunity at least to the point when the examiner begins a search of the prior art in an application.

While it remains to be seen whether the implementation of even an aggressive refund policy will substantially reduce the number of pending applications, it would contribute to the overall efforts of the PTO in reducing the increasing inventory of pending applications. Accordingly, it is important for the PTO to be as generous and aggressive as possible in implementing its refund authority to provide applicants with an incentive to review pending portfolios of applications and to make decisions on their current and potential value. In light of the increasing inventory of pending applications in many areas, the PTO also should seek to expand its statutory authority to refund all fees paid by applicants except those necessary to reimburse the PTO for the processing of the patent application that is abandoned prior to examination. That authority should extend to all pending applications, whether or not they were filed on or after December 8, 2004.

We appreciate the opportunity to provide comments on the proposed rule and would be pleased to answer any questions our comments may raise.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael K. Kirk". The signature is fluid and cursive, with the first name "Michael" being the most prominent part.

Michael K. Kirk  
Executive Director  
AIPLA