

July 11, 2016

The Honorable Michelle K. Lee
Under Secretary of Commerce for Intellectual Property and
Director of U.S. Patent and Trademark Office
U.S. Patent and Trademark Office
P.O. Box 1451
Alexandria, VA 22313-1451
Attention: Jennifer Chicoski
Office of the Deputy Commissioner for Trademark Examination Policy
Via email: TMFRNotices@uspto.gov

**Re: U.S. Patent and Trademark Office Trademark Fee Adjustment. 81 Fed.
Reg. 33619 (May 27, 2016)**

Dear Under Secretary Lee:

The American Intellectual Property Law Association is pleased to present its view in response to the request for public comment on the proposed U.S. Patent and Trademark Office Trademark Fee Adjustment. 81 Fed. Reg. 33619 (May 27, 2016).

The American Intellectual Property Law Association (AIPLA) is a national bar association of approximately 14,000 members who are primarily lawyers engaged in private or corporate practice, in government service, and in the academic community. AIPLA members represent a wide and diverse spectrum of individuals, companies, and institutions involved directly or indirectly in the practice of patent, trademark, copyright, trade secret, and unfair competition, as well as other fields of law affecting intellectual property. Our members represent both owners and users of intellectual property. Our mission includes helping to establish and maintain fair and effective laws and policies that stimulate and reward invention while balancing the public's interest in healthy competition, reasonable costs, and basic fairness.

On November 3, 2015, the Trademark Public Advisory Committee (TPAC) held a public hearing and requested comment on a proposed increase to trademark fees. 80 Fed. Reg. 63542 (October 20, 2015). On November 10, 2015, AIPLA submitted written comments on the proposed trademark fee increase. While AIPLA expressed general support for a fee increase, particularly, for paper filings, AIPLA expressed concerns about certain fee increases. AIPLA's concerns regarding proposed fee increases included the following: (1) electronically-filed *ex parte* Notices of Appeal, (2) electronically-filed requests for extensions of time to file a Statement of Use, and (3) electronically-filed extensions of time to oppose (including the abrogation of the single initial 90-day option for an extension of time to oppose).

AIPLA expresses its appreciation to the USPTO for making changes to the proposed fees in view of the TPAC hearing and the written comments. For example, AIPLA appreciates that the current announced fee adjustment no longer includes fee increases for electronically-filed

requests for extensions to file a Statement of Use. AIPLA continues to support fee increases that promote electronic filing and we understand the need for certain increases to better align fees with costs. However, there are fees or proposed fee increases that continue to merit comment. These include the following:

1. *Fee for electronically-filing an extension of time to file a Statement of Use.* The proposed fee for electronically-filed extensions of time to file a Statement of Use seems excessive given that one of the stated goals of the fee increase is to "better align fees with cost." 81 Fed. Reg. 33621 (May 27, 2016). Although the USPTO has decided not to increase the fee for electronically-filed extensions of time to file a Statement of Use, AIPLA notes that it costs the agency only \$25 (FY 2015) and \$17 (FY 2013, FY 2014) to process an extension of time to file a statement of use via TEAS, no matter the number of classes. The proposal to maintain the fee at \$150/class (electronically-filed through TEAS) seems disproportionate to the \$25 (previously \$17) cost and is out-of-synch with the remainder of the fee increase proposal, which otherwise sets new fees relative to each fee's associated agency cost. In view of the now known costs, AIPLA recommends a reduction of this fee to \$100/class (electronically-filed requests only).

2. *Abrogation of the single initial 90-day option for extensions of time to Oppose.* The announced fee adjustment maintains the current no-fee 30-day extension that is available without a requirement to show good cause. However, the announced fee adjustment abrogates the option for an initial 90-day extension for good cause, and institutes a new \$100 electronically-filed fee for a 60-day extension for good cause and a new \$200 electronically-filed fee for a final 60-day extension with consent or under extraordinary circumstances. AIPLA renews its concern over both the increase in the number of filings and costs associated with extending the time to oppose.

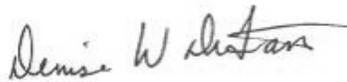
The availability of an initial 90-day extension for good cause (*e.g.*, retaining or consulting with counsel, investigating the necessity of opposing, or negotiating settlement) has proven to be important in resolving many potential oppositions prior to the filing of a formal Notice of Opposition and instituting a full proceeding. Also, mandating that this 90-day extension now be obtained via two separate filings not only increases attorney/labor costs for potential opposers, but also imposes a new filing fee. And, imposing a \$200 fee for electronically filing the final 60-day extension may be counterproductive to promoting settlements. This extension is most often filed with the consent of both parties which oftentimes indicates that settlement discussions are underway. There could be needless disputes as to which party pays for an extension fee or whether the parties should split the fee. Requiring a total of \$300 fee in electronically-filed fees and additional filings to merely extend the deadline to oppose and fully explore settlement options may cause opposers to curtail settlement discussions and instead proceed directly with an opposition, or may adversely impact small businesses who have limited funds to enforce their marks.

If the purpose of the announced fee adjustment is to reduce the number of Opposition proceedings before the Trademark Trial and Appeal Board (TTAB), it seems counterproductive to increase the number of required filings and the costs, which burden the ability to negotiate a settlement. The TTAB's response to a request for an extension of time to oppose is an automated resetting of a date on a database record, which is of minimal cost to the USPTO and does not justify the proposed fee increases.

3. *Fee for filing an ex parte appeal.* The proposed fee increase for electronically-filed *ex parte* Notice of Appeal is \$200/class, which is an increase from \$100/class. In our November 3, 2015, letter, we proposed not increasing the electronically-filed *ex parte* Notice of Appeal. In lieu of this fee increase, AIPLA recommended that the USPTO consider instituting an additional fee during *ex parte* appeals at the time the applicant's opening brief is submitted. Many applicants file a Notice of Appeal in conjunction with a Request for Reconsideration to preserve the right to appeal in the event the Examining Attorney denies reconsideration. Frequently, however, the appeal does not go forward. Accordingly, imposing a higher fee for every *ex parte* Notice of Appeal seems unwarranted and may have an adverse impact on customers, especially considering that these fees would be imposed on a per class basis. The current fee increase proposal doubles the *ex parte* Notice of Appeal with no separate fee for filing applicant's opening brief when it is submitted. AIPLA continues to encourage the USPTO to consider a two-tiered fee approach for *ex parte* appeals, while keeping the electronically-filed *ex parte* Notice of Appeal filing fee low (*i.e.*, \$100/class).

AIPLA once again acknowledges the effort by the USPTO to take our previous comments into account, and we thank the USPTO for allowing AIPLA the opportunity to provide comments on the current proposed fee adjustments. Thank you for your consideration and please feel free to contact us in the event that you have any questions regarding these comments.

Sincerely,

A handwritten signature in cursive script that reads "Denise W. DeFranco".

Denise W. DeFranco
President
American Intellectual Property Law Association