



November 10, 2015

The Honorable Michelle K. Lee
Under Secretary of Commerce for Intellectual Property &
Director of the United States Patent and Trademark Office
P.O. Box 1450
Alexandria, Virginia 22313-1450

Via Electronic Mail to fee.setting@uspto.gov

Intellectual Property Owners Association (IPO) thanks the U.S. Patent and Trademark Office (USPTO) for the opportunity to comment on the Trademark Fee Adjustment Proposal announced in the Federal Register on October 20, 2015 (the "Proposal").

IPO is a trade association representing companies and individuals in all industries and fields of technology who own, or are interested in, intellectual property rights. IPO's membership includes nearly 300 companies and more than 12,000 individuals who are involved in the association through corporate and other classes of membership.

IPO appreciates the work the USPTO has put into the current fee review process, as well as the effort to be transparent and thorough in explaining the fee proposals. We write to express concerns with just two of the proposed increases.

Request for Extension of Time to File a Statement of Use

IPO does not support the proposed fee increase for electronically filing an Extension of Time to File a Statement of Use. The current fee is \$150/class. The fee proposed would increase to \$250/class.

According to data provided, the historical cost to process an electronically filed SOU Extension is \$17. The processing cost is the same no matter how many classes requested. Therefore, the current cost to process a SOU Extension is **\$133 less than** the fee collected in a one-class application, **\$283 less than** the fee collected for a two-class application, **\$433 less than** the fee collected in a three-class application, and so on. The Proposal would increase the fees collected – and the profit received from each SOU Extension filed – to **\$233** for a one-class application, **\$383** for a two-class application, and **\$533** for a three-class application.

Aligning this filing fee to the USPTO's processing cost is not the goal of this fee adjustment. The reason given for further increasing the profit on each SOU Extension filing is to "[e]nsure integrity of the Trademark Register" and to "[d]iscourage misuse to ensure the rights of other applicants and the public are not adversely affected." No explanation of how the filing of SOU Extensions affects the integrity of the Trademark Register, may constitute "misuse," or is not a "timely filing" or how the proposed fee

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increase relates to these goals is given. Presumably, the higher fee is intended to deter the filing of statutorily-permitted SOU Extensions.

Since trademark registration is not required in the U.S., the U.S. Trademark Register is not, and does not purport to be, a comprehensive database of marks in use in the U.S. Thus, the term “integrity of the Trademark Register” refers to efforts to ensure that claims of use of a mark made in the course of obtaining or maintaining a registration are accurate. Since pending applications are not yet registered, it is unclear how their pendency affects the integrity of the Register.

Also because trademark registration is not required, the federal registration system offers incentives to encourage trademark owners to federally register their trademarks. Participation in the federal system is encouraged, among other reasons, as a way to provide notice to the public that an owner claims rights in a trademark. Among the advantages granted by a federal registration are *prima facie* presumptions as to the mark’s validity, the registrant’s ownership of the mark, and the registrant’s exclusive right to use the mark, with constructive nationwide priority dating back to the filing of the application. 15 U.S.C. § 1057(b) and (c). The filing of an intent-to-use application secures a date of constructive use of the mark, conferring a nationwide right of priority in the mark, on or in connection with the goods or services specified in the registration, contingent on the registration of the mark. *Id.* § 1057(c).

IPO believes that the incentives offered to encourage persons to register trademarks, including the intent-to-use provisions, are beneficial to the public. It is not the experience of IPO members that the electronic filing of SOU Extensions that comply with the statute – i.e., the applicant verifies its continuing bona fide intention to use the mark for the goods/services – adversely affects the rights of other applicants or the public. To the contrary, our experience is that the requirement that the applicant file a SOU Extension every six months is helpful because it alerts third parties that the mark remains of interest to the applicant.

Extensions of Time to Oppose

The Proposal would continue to permit a 30-day extension of time to be filed (both by paper or electronically) at no charge, but would impose a \$100 fee to electronically file a further request for a 60-day extension and a \$200 fee to electronically file a second request for a 60-day extension of time to oppose.

IPO does not oppose the imposition of a fee for filing extensions of time to oppose. The USPTO did not provide a historical unit cost for processing these documents. However, since the cost incurred to establish the record of the potential opposition would seem to be incurred when the initial 30-day extension of time is filed, IPO does not understand why this filing would not require a fee. Once that work has been done, the cost of processing the further extensions would seem to be minimal. Thus, IPO would be interested in further understanding the rationale for this aspect of the Proposal.

INTELLECTUAL PROPERTY OWNERS ASSOCIATION

We thank the USPTO for considering these comments and would welcome any further dialogue or opportunity to support the USPTO in implementing the proposed rule changes.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark W. Lauroesch". The signature is fluid and cursive, with a long horizontal stroke at the end.

Mark W. Lauroesch
Executive Director