

# **INFORMAL WRITTEN CONSULTATION ON PROPOSALS TO REVIEW PATENT OFFICE FEES**

## **Background:**

1 The Patent Office is reviewing the fee structure and levels for patents, trade marks, registered designs and unregistered design right. Before deciding how to proceed with detailed proposals and to a formal consultation, we are seeking your views on the main changes proposed and the principles behind those changes. In particular, we would like to know if the proposals would encourage you to make more use of our services or discourage you from using them.

2 The last Quinquennial Review (Q Review) made a number of recommendations about Patent Office fees. The reports of both stages of the review are available at [http://www.dti.gov.uk/patent\\_office/](http://www.dti.gov.uk/patent_office/). Several of the recommendations made in the reports are included in the proposals set out below and cross referenced to show this.

## **Principles**

3 A number of principles have guided the review process thus far. The main ones being:

3.1 To provide the Office with a fee structure in place which allows it to meet its financial targets. We expect that this will allow for an overall reduction in fees.

3.2 To reduce the Office's dependence on patents' renewal fees (Q review, stage 1, p7). This entails reducing renewal fee levels while increasing most pre-grant fees to compensate.

3.3 To match the fee charged and the cost of the activity more closely than at present. Our most costly activities are usually searching and examining and litigation work and the fees for these are increased.

3.4 To increase consistency between the fees charged for the various intellectual property rights. Where we are providing essentially the same service, we should charge the same fee regardless of the right.

3.5 To retain or introduce fees which provide certainty for the customer and which can be operated efficiently within the Office.

3.6 To have a fee structure which is sustainable as far as possible given expected changes in levels of activity, particularly the expected increase in renewals. As e-commerce develops we hope to be able to offer differential fees for paper and electronic business.

## Your Comments

4 Please send your comments by 12 January 2006 via e-mail to [feesinformal@patent.gov.uk](mailto:feesinformal@patent.gov.uk) or by post to:

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### Summary of proposed changes:

## Patents

**5.1 Search and examination** fees are far below the costs incurred by the Office. To reduce this disparity and address the Q Review recommendation that we should be less dependent on patent renewal fees, we propose to increase the search fee and examination fees while reducing renewal fees. We also propose to offer a reduced fee for combined search and examination as this can be done with less work than if they are done separately, this also addresses the Q Review recommendation that fees should take account of efficiency for the Office. We are considering increasing search and examination fees from the current £130 and £70 respectively to around £250 each (with a new fee of £400 for combined search and examination). This would be accompanied by a reduction of some 15% overall in renewal fees, with the reductions targeted particularly at the early renewal years and the maximum renewal fee remaining at £400. Overall 20 year fees, excluding any excess claims fees, would fall by about £250.

**5.2 Excess Claims** involve extra work but at present there is no fee for applications with many claims. We therefore propose to introduce a fee of about £20 for the 11<sup>th</sup> and subsequent claims when the search is requested. This is part of our goal of reducing dependence on renewal fees, addresses the Q Review recommendation that the Office should consider using the fee structure to deter unnecessary claims, and matches the fee charged more closely to the work done. We anticipate that excess claims might reduce by some 20% following the introduction of this fee. Broadly similar regimes are in place at the European Patent Office and the United States Patent and Trademark Office.

**5.3 Late filed renewals** attract no extra fee during the first month they are late. We propose to retain this feature but to provide greater customer certainty about the fee due, and to be consistent with Trade Marks, we propose a flat fee of £50 for any renewal fee filed 2-6 months late.

**5.4 Litigation** fees (£50 for forms 2/77 and 15/77) are disproportionately low compared to other fees which involve us in less work, eg those for search and examination and for opinions. We propose to increase litigation fees to

around £300 which will go some way to restoring the balance. For the same reasons, we propose also to increase the fee for application of a declaration of lapse or invalidity on a supplementary protection certificate to £300.

**5.5 Restorations** are expected to be processed more easily as the Regulatory Reform Order 2004 changed the criterion from requiring the proprietor to have taken “reasonable care” to renew, to the failure being “unintentional”. We therefore propose to abolish the £135 fee (form 52/77) for successful applications while increasing the application for restoration fee (form 16/77) from £135 to around £150.

**5.6 Extending time limits:** as noted at 5.5 above, we intend to abolish form 52/77 and the £135 fee for extending a prescribed time limit. We also propose abolishing form 53/77 and its £135 fee for a discretionary extension of a time or period.

**5.7 What’s not proposed?** The current proposals make no provision for premium services, such as reduced turnaround times, for an additional fee.

## **Trade Marks**

**6.1 Litigation** fees fall well below the real costs incurred by the Office. It is proposed that we increase the fee for filing actions on grounds of invalidity and revocation from £200 to £300 and rectification fees will be introduced at a level of £100. This will enable us to recover some of the costs incurred whilst retaining a relatively low cost litigation process. We also propose to increase the fee for filing oppositions from £200 to £300. In this connection, the Patent Office will be consulting users separately about the future of relative grounds examination. One of the options likely to be put forward is to cease official examination on relative grounds and replace it with a system of search and notification under which more disputes would be likely to be resolved through opposition proceedings. Accordingly, we would not only like to know what your reaction is to the proposal on the basis of the current system of registration, but also whether it would be any different if the Office ceased examination on relative grounds.

**6.2 Examination** fees are currently set at £200 per application with one Class element, and a further £50 Class fee for each additional Class element. We propose to retain these fee levels for successful applications, and to reduce those for unsuccessful ones by 50%. We propose that the filing fee be split into two: An application fee of £100 and a registration fee of £100. In real terms this change to the fees structure will mean a decrease in revenue to the Office, as administration of two fees processes will cost more and currently 15% of applications fail to achieve Registration.

**6.3** We are considering the introduction of a premium rate ‘Fast-Track’ application process under which for an additional fee the Office undertakes to examine applications within a set number of days (for example, 10 working days) of receiving a correctly completed application. We would like to know whether there is likely to be a demand for such a service and, if so, whether that would still be the case if the premium was of the order of £200-300.

**6.4 Applications consisting of a series** of marks will face new fees. It is proposed that series applications will face the usual application fee of £200 plus £50 per additional Class element. However, it is suggested that a further fee of £50 be charged for each mark within the series, other than the first mark which would be covered by the application fee.

**6.5 Renewals** fees are set at £200 plus £50 per additional Class element. We propose no change to this fee structure.

## **Registered Designs**

**7.1.1 Search and examination** costs are set at £60 for each Design application. We propose to introduce a new 'Multiple Design' application in October 2006. Under the new application structure, the initial application fee will remain £60, however, for each additional Design filed under one application, the fee will drop to £40 (per Design).

**7.1.2 Renewal fees** are expected to be reduced to allow for a consistent approach to OHIM and the Community Design. The current renewal fees are £130, £210, £310 and £450. We propose fees of £60, £80, £100 and £120 as a replacement, an overall reduction from £1100 to £360.

**7.1.3 Deferral of publication** is a proposal to be offered to applicants who wish to keep the design a secret for up to 12 months before going public. We propose an initial reduction of the application fees on the grounds of deferral, followed by a deferral fee and a publication fee, when and if the applicant proceeds with the Design(s).

## **Unregistered Design Right**

**8.1 Application to be made party to proceedings:** so far as we can tell, the Office has never received such an application. We therefore propose to continue to allow such applications, but to abolish the form (DR2) and associated fee of £40.

**8.2 Litigation** fees (£50 for forms DR1, DR3 and DR4) are disproportionately low compared to other fees which involve us in less work. We propose to increase litigation fees to around £300 which will go some way to restoring the balance.