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## **The Chartered Institute of Patent Attorneys**

# **Response to IPO Consultation on Proposed Changes to Statutory Patent Fees**

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 **CIPA**  
The Chartered Institute of Patent Attorneys  
Founded 1882  
Royal Charter 1891

## **Introduction**

The Chartered Institute of Patent Attorneys (“CIPA”) is the representative body for Chartered Patent Attorneys in the UK. Most CIPA fellows (around 2240 people) are Registered Patent Attorneys regulated by IPReg (a national Regulatory Authority supervised by the Legal Services Board under the Legal Services Act 2007) and are also qualified European Patent Attorneys (although the three groups do not completely overlap).

We welcome the consultation documents and agree with the concerns and the objectives stated. The UK patent system is well-developed, has a great reputation and is highly effective. We believe that quality is essential and “balancing the books” vital. Reliance on renewal fees makes sense and we would be happy to see a small increase. The pre-grant fees are exceptionally low and we believe that an increase would not dissuade legitimate users of the system in any way, whilst potentially helping with frivolous users. We believe the use of e-systems should be encouraged strongly.

## **Our Response to the Specific Proposals**

We agree with the proposals 1-4 and the alternative proposal with the minor provisos set out below. Answers to the specific related questions are also provided below.

### Proposal 1

We agree with the first two bullet points in the summary. However, rather than introducing a 25% surcharge on the application fee in certain circumstances, we believe that the application fee should be due within one month of filing rather than at the one year stage. The UK appears to be exceptional in the length of the delay it permits and behaviour internationally is tuned to more “upfront” payments. The one month period maps exactly, for example, to the EPO approach. We think this would not discourage legitimate users but could have an impact on frivolous patent applications.

Q1: We believe that the proposals would have a positive effect on legitimate users. With our proposed change to proposal 1, we also believe that requiring payment of the application fee much earlier would deter frivolous users.

Q2: We believe that the reduced cost for e-filing should encourage behaviour to file electronically, and we are very keen that this behaviour should be stimulated wherever possible.

### Proposal 2

Q3: The proposed fee increases for search and examination are modest compared to international levels and we believe that they would still be highly attractive to users. Therefore, users would not be significantly affected.

### Proposal 3

We agree with the amount of the fee but believe that the threshold number of claims is too low. We appreciate that this number maps onto what the EPO offers, but our experience is that in some areas of technology it unfairly penalises users (particularly in the field of life sciences, and the field of telecoms in which often there are multiple independent claim types all requiring different dependent claims, which can be difficult to fit within 15 claims). Hence, we would propose that the fee be introduced for the 26th and each subsequent claim.

We believe that the proposal that the fees be paid at search and any top-ups at grant is appropriate and in line with international practice. However, we believe that there should be an option on Form 9A to specify which claims are to be searched and then excess claims fee payment (if more than 25 claims selected) is only made for those claims. This would allow many claims to be filed initially, without having to pay excess claims fees for all claims and without the Examiner having to search all claims. This is useful for priority purposes.

Further, in the case that excess claims fees are paid at the search stage, we propose that, instead of the application being deemed withdrawn if any excess claims fees are not paid, instead the claims for which no fees have been paid are deemed abandoned. This is in line with current EPO procedures. However, in the case that excess claims fees are due at the grant stage and payment is not made, we agree that the application being deemed withdrawn is the appropriate action. This is again in line with EPO procedures.

Q4: In view of our suggested alternative proposal above (increasing the threshold number of claims that are “free”), we believe that the introduction of claims fee would lead to succinct but fair drafting practices.

Q5: Again we believe that the excess claims fees should be paid at search with any top-ups at grant, similar to the EPO.

### Proposal 4

We agree with the proposal of introducing excess pages fees. We suggest however that such a fee be due when requesting a search, instead of being part of the application fee, as we believe that the proposed application fee timing above would deal with frivolous filings.

Q6: We do not think the excess pages fee would have any particular effect on the drafting of the description, positive or negative, but reflect the additional time spent by the Examiners in reading lengthy documents.

Q7: As mentioned above, we believe the excess pages fees should be paid on requesting search.

### Alternative Proposal

We agree with the proposed increase and would not be adverse to a greater increase if there were a mood for this.

Q8: As indicated above, we are comfortable with an increase to both pre-grant and post-grant fees given the current very low levels, and the attractive policy of subsidising the system with successful granted patents.

Q9: Too great an increase in renewal fees could exacerbate the current observed decrease in the lifetime of patents as companies become more sophisticated in budgeting. However, the proposed modest increases would not, we believe, have a significant impact.

Q10: It is essential that pre-grant fees do not become so great that companies cannot invest in filing new patent applications. We believe however that a fair balance has been struck with all of the proposals discussed above.

Q11: If our excess claims fee proposal is adopted, we believe that the only applicant who may be disproportionately affected would be frivolous applicants, which we believe is a good policy. If our proposal is not adopted however, certain fields such as life sciences and telecoms may be disproportionately affected since these fields usually require more claims.

Where a patent reflects potentially commercially valuable innovation, we believe the fees should not, at the proposed level, dissuade patent filing. Legitimate businesses can and must appreciate the necessity to invest in IP and the need to pay for good quality examination and processing.

Q12: We believe it is appropriate for the IPO to invest in future systems and continue its role as world leading in IP systems innovation. Whilst one-off patentees may object that increased fees are paying for systems which they feel will not benefit them in the future, in fact if their patents last the full twenty years then they are very likely to see the benefits within the lifetime of their own cases.

### **Conclusion**

We fully support the fee increase proposals with the provisos and comments above. We believe that the sums involved maintain the UK at the forefront of cost-effective, quality patenting.

If we can provide further assistance, then please let us know.

For CIPA  
6 June 2017