

USPTO Suspends TEAS and Fee Payment Rules: What should you do if the TEAS system is down?

In a Notice released by the United States Patent and Trademark Office (USPTO) on October 21, 2003, the effective date of certain Trademark Rules relating to the Madrid Protocol (electronic transmission of and fee payments for International Applications, responses to irregularity notices, and subsequent designations) is being temporarily postponed until January 2, 2004.

Although the USPTO states that it is "fully confident in its electronic systems...[n]evertheless, ...if newly developed USPTO systems undergo significant "downtime" after they are first deployed, the USPTO will permit international applications, responses to irregularity notices and subsequent designations to be submitted on paper ... during this initial transition period."

During any "downtime" you will be unable to access TEAS. *What should you do? Understanding what not to do is also important.*

The relevant rules to which the Notice pertains (as published in the Federal Register on September 26, 2003, parts 2 and 7) are set up as follows:

- 1) You must use TEAS when filing International Applications (Section 7.11(a), Responses to Notices of Irregularities (Section 7.14 (e) and Subsequent Designations (Section 7.21(b)).
- 2) You must pay the certification fee (to the USPTO) concurrent with the TEAS International Application filing (Section 7.11(a)(9)).
- 3) You must pay the International Bureau fees concurrent with the TEAS International Application filing (Section 7.11(a)(9) referring to Section 7.7 which sets forth the IB fees).
- 4) You *may* use different manners of payment to pay the fees in 2) and 3) above by choosing to pay *either* directly to the IB or USPTO (Section 7.7(a) & (b)). If a different payment manner is used, various rules apply to permit identification by the USPTO in the International Application that such fees have been concurrently paid.

But you likely want to pay everything in U.S. Dollars for the convenience. If you choose to pay to the IB directly, you will likely be using an account set up at the IB and must pay in Swiss francs; otherwise, consult the Common Regulations and the WIPO Guide to determine the acceptable payment methods available. See, Mode of Payment, *A.I. Section 19* of the Common Regulations and Section 08.05 of the Guide, which states the following.

Fees may be paid to the International Bureau as follows:

- by debit to a current account with the International Bureau;
- by payment into the Swiss postal check account or to any of the specified bank accounts of the International Bureau;
- by a banker's check; or
- by payment in cash at the International Bureau.

Information regarding the opening of a current account with the International Bureau is given in Part D.

5) Don't forget that another rule, namely, that all trademark-related documents submitted on paper must be mailed to 2900 Crystal Drive, Arlington Virginia 22202-3514, also appears at 37 C.F.R. § 2.190(a).

In view of the above, something had to be done so that, during the downtime, the USPTO could offer its "paper backup system." So the following limitations and exceptions apply, which can have some unintended practical consequences.

1) Only "Madrid submissions" (e.g., International Applications, Responses to Irregularities and Subsequent Designations) should be mailed to the following address:

Commissioner for Trademarks
P.O. Box 16471
Arlington, Virginia 22215-1471
Attn: MPU

NOTE: Use the Express Mail certification provisions which are expressly stated in the Notice to apply.

(This is a waiver of 37 CFR Section 2.190(a), and the Notice postpones the effective date of 37 C.F.R. §§ 7.11(a), 7.21(b), and 7.14(e), to the extent that they require transmission through TEAS.)

2) The Office recommends you "should" use forms provided by the IB downloaded from the IB web site, <http://www.wipo.int/madrid/en/>.

CAVEAT: Although apparently not a requirement of the USPTO, the IB under Rule 9(2)(a) and Section 07.01 of the Guide requires that an international application must be presented to the IB on the official form. The same type of requirement holds true for the subsequent designation (use Form MM4) (see Rule 24(2)(b) A.I Section 3 and Section 43.01 of the Guide).

3) Basically, you can't pay the fees intended to be submitted through the USPTO as a collection agent to the IB; hence, provisions of the Trademark Rules that *require* that *all* fees for international trademark applications and subsequent

designations be paid at the time of filing are suspended. However, on the flipside, the waiver provisions establishing the paper backup system also take away the permissive rules which provide any convenience that is offered by TEAS payments. In consolation, the Notice allows payment to the IB before or after the submission.

The Notice states:

If there is a USPTO fee associated with a Madrid document that an applicant submits on paper, the applicant must include that fee together with the submission. However, if there is an international fee associated with that submission, the applicant may not pay that fee through the USPTO. Instead, the applicant should send that fee directly to the IB. ... A party submitting an international application on paper must pay the USPTO certification fee at the time of submission, but must pay the international fees directly to the IB. A party submitting a subsequent designation on paper must pay the USPTO transmittal fee at the time of submission, but must pay the international fees directly to the IB. That party may pay the international fees to the IB either before or after submission of the international application or subsequent designation. (suspending 37 C.F.R. §§ 7.7(a) and (b); 37 C.F.R. § 7.21(b)(7), to the extent that it requires that all international fees for a subsequent designation be paid at the time of submission, and suspending 37 C.F.R. § 7.11(a)(9)).

THE BOTTOM LINE: when TEAS is down, you may:

-- pay the IB fees by debit to a current account with the International Bureau;

You may wish to set one up before November 2nd. Even European counsels find that the deposit account is the least problematic to pay IB fees across European national borders.

-- pay into the Swiss postal check account or to any of the specified bank accounts of the International Bureau;

You should contact the IB for account and wire information. Is payment in this manner an unnecessary or added expense your client will pay? Will the time and inconvenience of coordinating you bank's actions for foreign payment counteract the time and risk of waiting to file when TEAS comes back online? Would you just wait for an irregularity notice -- who absorbs the cost?

-- pay by a banker's check;

Are you in a convenient urban or geographic location which provides easy access to facility which will issue a banker's check in Swiss francs? Do you need to plan ahead to get the check?

or,

-- by payment in cash at the International Bureau.

*Can you contact a foreign associate in Geneva, or, do you have your
airline tickets and ski equipment ready?*

Hanno Rittner

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