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Patently Enabled February 2025 – USPTO Duty of Candor: A Bad Scheme Made Worse by New Fees

Key Takeaways

- Unlike most countries, the USPTO requires patent applicants to act in good faith and with candor in all transactions.
- This duty requires submission of all known material prior art through an Information Disclosure Statement (IDS).
- New IDS fees effective January 2025 impose escalating costs based on the number of references submitted.
- The new fee structure exacerbates an already impractical and onerous system without materially improving patent quality.

Unlike most countries, the United States Patent and Trademark Office (USPTO) requires patent applicants to act in good faith and with candor in all transactions. One aspect of this mandatory fair dealing is that patent applicants and those assisting them must submit all known material prior art references to the USPTO. Failure to comply with this duty can result in invalidation of the patent.

These prior art submissions are made through an Information Disclosure Statement (IDS). In the past, such submissions could typically be filed without charge. Out of fear of invalidating claims or rendering them unenforceable, practitioners often find themselves with a large number of prior art references to submit, even for applications in medium-sized patent portfolios.

Until the 2025 USPTO fee changes, there was no limit to the number of prior art references a patent applicant could list on an IDS at no charge. As of January 2025, the USPTO implemented new volume-based IDS fees: $200 for over 50 references and less than or equal to 100; $500 (less any amount previously paid) for over 100 references and less than or equal to 200; and $800 (less any amount previously paid) for over 200 references.

By timely and properly submitting prior art references for review, these references are noted as considered on any issued patent. By having the most relevant prior art printed on the patent, the patent becomes more robust against prior art attacks. The benefit of seeking a robust patent, however, should be leveraged to simplify what has become an impractical and onerous IDS system made worse by the new fees.

In every country, the patent application filing fee is designed to cover the cost of searching and analyzing the patentability of the invention. This expert patent office review is often thorough and well-performed. Most countries recognize this efficiency and impose no further obligation on the applicant to supplement the information reviewed by the examiner.

In view of the USPTO's searching expertise, little, if any, value is added by having the applicant file an IDS. But the IDS does generate additional fees for applicants and extra work for USPTO examiners.

Instead of requiring an IDS submission, the USPTO could make providing prior art references voluntary. The motivation to make the patent stronger is incentive enough, and applicants know what references should be submitted. Such a loosened duty would alleviate the compulsion to be over-inclusive and bury the examiner in every possibly related reference, for fear of missing one and opening the door to a subsequent validity or enforceability attack.

In conclusion, the new volume-based fee structure will add tension by incentivizing the review of large volumes of references that the applicant should not review at all. Applicants want their patents to be as strong as possible, so the USPTO would be

wise to simply drop the punitive duty of good faith and candor requirement and/or make IDS submission optional at the applicant's discretion.

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