

PART 34—APPLICATION FOR AUTHORIZATION OF THE ISSUANCE OF SECURITIES OR THE ASSUMPTION OF LIABILITIES

■ 1. The authority citation for Part 34 continues to read as follows:

Authority: 16 U.S.C. 791a–825r, 2601–2645; 31 U.S.C. 9701; 42 U.S.C. 7101–7352.

■ 2. Section 34.7 is revised to read as follows:

§ 34.7 Filing requirements.

Each applicant shall submit to this Commission an electronic version of each application pursuant to this part 34. The electronic version shall be considered a “qualified document” in accordance with § 385.2003(c)(1) and (2) of this chapter. As a qualified document, no paper copy version of the filing is required unless there is a request for privileged or protected treatment or the document is combined with another document as provided in § 385.2003(c)(3) or (4). Submit each application in electronic format in accordance with § 385.2003.

■ 3. Section 34.8 is revised to read as follows:

§ 34.8 Verification.

An application verification shall be signed under oath by an authorized representative of the applicant, who has knowledge of the matters set forth therein and as provided in § 385.2005 of this chapter, and retained at the applicant’s business location until the relevant proceeding has been concluded.

■ 4. Section 34.9 is revised to read as follows:

§ 34.9 Filing fee.

Each application shall be accompanied by the submission of a filing fee if one is prescribed in part 381 of this chapter.

PART 131—FORMS

■ 5. The authority citation for Part 131 continues to read as follows:

Authority: 16 U.S.C. 791a–825r, 2601–2645; 31 U.S.C. 9701; 42 U.S.C. 7101–7352.

■ 6. Section 131.43 introductory text is revised to read as follows:

§ 131.43 Report of securities issued.

(See § 34.10 of this chapter)
(Submit in electronic format in accordance with § 385.2003 of this chapter.)

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■ 7. Section 131.50(a) and (b) is revised to read as follows:

§ 131.50 Report of proposals received.

(a) No later than 30 days after the sale or placement of long-term debt or equity securities or the entry into guarantees or assumptions of liabilities (collectively referred to as “placement”) pursuant to authority granted under Part 34 of this chapter, the applicant must file, in electronic format, a summary of each proposal or proposals received for the placement. The proposal or proposals accepted must be indicated. The information to be filed must include:

- (1) Par or stated value of securities;
- (2) Number of units (shares of stock, number of bonds) issued;
- (3) Total dollar value of the issue;
- (4) Life of the securities, including maximum life and average life of sinking fund issue;
- (5) Dividend or interest rate;
- (6) Call provisions;
- (7) Sinking fund provisions;
- (8) Offering price;
- (9) Discount or premium;
- (10) Commission or underwriter’s spread;
- (11) Net proceeds to company for each unit of security and for the total issue;
- (12) Net cost to the company for securities with a stated interest or dividend rate.

(b) This report must be filed with the Commission as prescribed in § 385.2003 of this chapter and as indicated in the instructions set out in this report. This report is an electronic file that is classified as a “qualified document” in accordance with § 385.2003(c)(1) and (2). As a qualified document, no paper copy version of the filing is required unless there is a request for privileged or protected treatment or the document is combined with another document as provided in § 385.2003(c)(3) or (4).

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DEPARTMENT OF COMMERCE

Patent and Trademark Office

37 CFR Part 1

[Docket No.: 2005–P–052]

RIN 0651–AB84

Revision of Search and Examination Fees for Patent Cooperation Treaty Applications Entering the National Stage in the United States

AGENCY: United States Patent and Trademark Office, Commerce.

ACTION: Final rule.

SUMMARY: Among other changes to patent and trademark fees, the

Consolidated Appropriations Act, 2005 (Consolidated Appropriations Act), splits the national fee for Patent Cooperation Treaty (PCT) applications entering the national stage into a separate national fee, search fee and examination fee, during fiscal years 2005 and 2006. The United States Patent and Trademark Office (Office) is reducing the search fee and examination fee for certain PCT applications entering the national stage.

DATES: *Effective date:* July 1, 2005.

Applicability Date: The changes in this final rule apply to any search fee paid on or after July 1, 2005, and to any examination fee paid on or after July 1, 2005, in an international application entering the national stage under 35 U.S.C. 371 for which the basic national fee specified in 35 U.S.C. 41 was paid on or after December 8, 2004.

FOR FURTHER INFORMATION CONTACT: Robert W. Bahr, Senior Patent Attorney, Office of the Deputy Commissioner for Patent Examination Policy, by telephone at (571) 272–8800, by mail addressed to: Mail Stop Comments—Patents, Commissioner for Patents, P.O. Box 1450, Alexandria, VA, 22313–1450, or by facsimile to (571) 273–7735, marked to the attention of Robert W. Bahr.

SUPPLEMENTARY INFORMATION: The Consolidated Appropriations Act (section 801 of Division B) provides that 35 U.S.C. 41(a), (b), and (d) shall be administered in a manner that revises patent application fees (35 U.S.C. 41(a)) and patent maintenance fees (35 U.S.C. 41(b)), and provides for a separate filing or national fee (35 U.S.C. 41(a)), search fee (35 U.S.C. 41(d)(1)), and examination fee (35 U.S.C. 41(a)(3)) during fiscal years 2005 and 2006. *See* Pub. L. 108–447, 118 Stat. 2809 (2004). The Consolidated Appropriations Act provides a fee of \$500.00 for the search of the national stage of each international application (Section 803(c)(1) of Division B) and a fee of \$200.00 for the examination of the national stage of each international application (35 U.S.C. 41(a)(3)(D)) during fiscal years 2005 and 2006.

35 U.S.C. 376 provides that: “[t]he Director may also refund any part of the search fee, the national fee, the preliminary examination fee and any additional fees, where he determines such refund to be warranted.” *See* 35 U.S.C. 376(b). Under the authority provided in 35 U.S.C. 376: (1) The Office will refund the entire search fee if an international preliminary examination report on the international application prepared by the United States International Preliminary Examining Authority or a written

opinion on the international application prepared by the United States International Searching Authority states that the criteria of novelty, inventive step (non-obviousness), and industrial applicability, as defined in PCT Article 33(1) to (4) (PCT Article 33(1) to (4) criteria) have been satisfied for all of the claims presented in the application entering the national stage; (2) the Office will refund the entire search fee less \$100.00 (\$50.00 for small entities) if the search fee as set forth in § 1.445(a)(2) has been paid on the international application to the United States Patent and Trademark Office as an International Searching Authority; and (3) the Office will refund \$100.00 (\$50.00 for small entities) if an international search report on the international application has been prepared by an International Searching Authority other than the United States International Searching Authority and is provided to the Office no later than the time at which the search fee is paid. In addition, under the authority provided in 35 U.S.C. 376, the Office will refund the entire examination fee if an international preliminary examination report on the international application prepared by the United States International Preliminary Examining Authority or a written opinion on the international application prepared by the United States International Searching Authority states that the PCT Article 33(1) to (4) criteria have been satisfied for all of the claims presented in the application entering the national stage.

Discussion of Specific Rules

Title 37 of the Code of Federal Regulations, Part 1, is amended as follows:

Section 1.492: Section 1.492(b) sets forth the search fees for an international application entering the national stage under 35 U.S.C. 371. Section 1.492(b)(1) provides that the search fee for an international application entering the national stage under 35 U.S.C. 371 is \$0.00 (small or non-small entity), if an international preliminary examination report on the international application prepared by the United States International Preliminary Examining Authority or a written opinion on the international application prepared by the United States International Searching Authority states that the PCT Article 33(1) to (4) criteria have been satisfied for all of the claims presented in the application entering the national stage. Section 1.492(b)(2) provides that the search fee for an international application entering the national stage under 35 U.S.C. 371 is \$100.00 (\$50.00

for a small entity) if the search fee as set forth in § 1.445(a)(2) has been paid on the international application to the United States Patent and Trademark Office as an International Searching Authority. Section 1.492(b)(3) provides that the search fee for an international application entering the national stage under 35 U.S.C. 371 is \$400.00 (\$200.00 for a small entity) if an international search report on the international application has been prepared by an International Searching Authority other than the United States International Searching Authority and is provided to the Office. If the search fee is paid in the amount specified in § 1.492(b)(3) on the date of the commencement of the national stage (§ 1.491(a)), but an international search report on the international application prepared by an International Searching Authority other than the United States International Searching Authority is provided to the Office after the date of the commencement of the national stage, the surcharge under § 1.492(h) for filing any of the search fee, the examination fee, or the oath or declaration after the date of the commencement of the national stage (if applicable) will be due because the application was not entitled to the search fee specified in § 1.492(b)(3) on the date of the commencement of the national stage. Section 1.492(b)(4) provides that the search fee for an international application entering the national stage under 35 U.S.C. 371 is \$500.00 (\$250.00 for a small entity) in all other situations.

Section 1.492(c) sets forth the examination fee for an international application entering the national stage under 35 U.S.C. 371. Section 1.492(c)(1) provides that the examination fee for an international application entering the national stage under 35 U.S.C. 371 is \$0.00 (small or non-small entity), if an international preliminary examination report on the international application prepared by the United States International Preliminary Examining Authority or a written opinion on the international application prepared by the United States International Searching Authority states that the PCT Article 33(1) to (4) criteria have been satisfied for all of the claims presented in the application entering the national stage. Section 1.492(c)(2) provides that the examination fee for an international application entering the national stage under 35 U.S.C. 371 is \$200.00 (\$100.00 for a small entity) in all other situations.

Section 1.496: Section 1.496(b) is amended to revise its references to § 1.492 to reflect the changes in § 1.492 by which national stage applications having paid therein the search fee as set

forth in § 1.492(b)(1) and the examination fee as set forth in § 1.492(c)(1) may be amended subsequent to the date of entry into the national stage only to the extent necessary to eliminate objections as to form or to cancel rejected claims. Section 1.496(b) is also amended to provide that such national stage applications will be advanced out of turn for examination (rather than taken up out of order).

Response to comments: The Office published an interim rule revising search and examination fees for international applications entering the national stage in the United States and inviting comments on the revised search and examination fees. See *Revision of Search and Examination Fees for Patent Cooperation Treaty Applications Entering the National Stage in the United States*, 70 FR 5053 (Feb. 1, 2005), 1292 *Off. Gaz. Pat. Office* 21 (Mar. 1, 2005) (interim rule). The Office received three written comments (from an intellectual property organization, and patent practitioners) in response to this notice. The comments and the Office's responses to the comments follow:

Comment 1: One comment suggested that there should be greater search fee and examination fee reductions for applications entering the national stage in the United States with an international search report and international preliminary examination report provided by the United States Patent and Trademark Office acting as an International Searching Authority and International Preliminary Examining Authority, especially where an international preliminary examination report is positive, and for applications entering the national stage in the United States with an international search report and international preliminary examination report provided by other offices acting as an International Searching Authority. The comment argued that such greater fee reductions would be consistent with the greater fee reductions for such applications provided by 35 U.S.C. 41(a) prior to enactment of the Consolidated Appropriations Act, would encourage applicants to use the PCT system, and would further the implementation of the United States Patent and Trademark Office 21st Century Strategic Plan.

Response: The Office will reduce the search fee to \$0.00 and the examination fee to \$0.00 where an international preliminary examination report on the international application prepared by the United States International Preliminary Examining Authority or a written opinion on the international

application prepared by the United States International Searching Authority states that the PCT Article 33(1) to (4) criteria have been satisfied for all of the claims presented in the application entering the national stage (§ 1.496(b)). The Office considers a search fee reduction to \$100.00 (\$50.00 for a small entity) for other applications entering the national stage in the United States with an international search report provided by the United States Patent and Trademark Office acting as an International Searching Authority to be appropriate. This search fee reduction (to \$100.00, or \$50.00 for a small entity) is significant, and the Office will be required to conduct additional searching during the course of examining an international application in which the PCT Article 33(1) to (4) criteria have not been satisfied for all of the claims presented in the application entering the national stage.

The Office reduced the search fee to \$400.00 (\$200.00 for a small entity) for applications entering the national stage in the United States with an international search report provided by an International Searching Authority other than the United States Patent and Trademark Office. The United States Patent and Trademark Office 21st Century Strategic Plan contemplates significant national stage search fee reductions for international applications in which the international search report was done by an intellectual property authority with which the United States Patent and Trademark Office has a multilateral or bilateral search exchange agreement. The multilateral or bilateral search exchange agreements contemplated by the United States Patent and Trademark Office 21st Century Strategic Plan, however, are not currently in place. Therefore, a greater reduction in the search fee for applications entering the national stage in the United States with an international search report provided by an International Searching Authority other than the United States Patent and Trademark Office is not warranted at this time.

Comment 2: One comment noted that the search fees and examination fees in § 1.492 appear to apply only to international applications entering the national stage in the United States under 35 U.S.C. 371. The comment questioned whether the reduced search fees would also apply to a continuation application filed under 35 U.S.C. 111(a) of an international application (*i.e.*, a bypass continuation application), or a continuation application filed under 35 U.S.C. 111(a) of an international application that entered the national

stage in the United States under 35 U.S.C. 371.

Response: The search fees and examination fees in § 1.492 apply only to international applications entering the national stage in the United States under 35 U.S.C. 371. The search fees and examination fees in § 1.492 do not apply to any application filed under 35 U.S.C. 111(a), including continuation applications of an international application (*i.e.*, a bypass continuation application), or continuation applications of an international application that entered the national stage in the United States under 35 U.S.C. 371.

Comment 3: One comment noted that § 1.492(c)(1) provides a reduced examination fee where the international preliminary examination report satisfies PCT Article 33(1) to (4) criteria for an application entering the national stage, but contends that the Office frequently delays issuance of the international preliminary examination report until after thirty months from the priority date, which effectively nullifies the examination reduction. The comment suggested revising § 1.492(c)(1) by also providing this reduced examination fee for applications entering the U.S. national stage where the international preliminary examination report is overdue.

Response: If the Office delays issuance of the international preliminary examination report until after thirty months from the priority date, and the international preliminary examination report states that the PCT Article 33(1) to (4) criteria have been satisfied for all of the claims presented in the application entering the national stage, the applicant may request a refund of the search fee and the examination fee. The Office will grant such a request for refund, however, only where the delay in issuance of the international preliminary examination report was the Office's fault (*e.g.*, the Office will not grant a refund where the delay was due to applicant delays, or delays by another International Searching Authority).

Comment 4: One comment noted that § 1.496(b) appears to prohibit formal changes which may be necessary, and does not specify any specific time frame within which the application must be taken up for examination. The comment suggested revising § 1.496 to permit changes to the application except for the claims, and provide that such applications will be taken up within three months of completion of the requirements of § 1.495(b) and (c).

Response: The Office did not propose substantive changes to § 1.496(b). The

Office will revise § 1.496(b) to indicate that such national stage applications "will be advanced out of turn for examination." The Office will also consider the suggestion to amend § 1.496(b) to permit additional changes to the application in a future rule making.

Rule Making Considerations

Administrative Procedure Act: Nothing in this or any other law requires delayed implementation of the fee reductions in this final rule. Pursuant to its authority under 35 U.S.C. 376(b), the Office has reduced the patent fees set forth in § 1.492 to less than the amount specified in 35 U.S.C. 41. Existing rights and obligations are not otherwise changed. It is in the public interest to implement the reduced search and examination fees without delay because delay in the adoption of these fee reductions would cause harm to those applicants who currently meet the conditions for entitlement to a fee reduction. Otherwise, applicants who are currently filing search and examination fees in order to avoid abandonment of their applications will be unnecessarily paying higher search and examination fees. The Office believes the public wants these new reduced fees to become effective as soon as possible as the public should benefit from the efficiencies and savings resulting therefrom. In addition, the Office does not believe the public needs time to conform its conduct so as to avoid violation of these regulations. In order to give the public the benefit of the Office's decision to reduce specified search and examination fees without delay, the Office finds, pursuant to the authority provided at 5 U.S.C. 553(d), good cause to adopt this change without thirty-day advance publication as such a delay would be contrary to the public interest.

35 U.S.C. 41(g) provides that: "[n]o fee established by the Director under [35 U.S.C. 41]; shall take effect until at least 30 days after notice of the fee has been published in the **Federal Register** and in the Official Gazette of the Patent and Trademark Office." Since the reduced search fees and examination fees specified in § 1.492(b) and (c) are established by the Office on the basis of the Office's authority under 35 U.S.C. 376(b) (rather than the authority in 35 U.S.C. 41), the thirty-day advance publication requirement of 35 U.S.C. 41(g) does not apply to the reduced search fees and examination fees specified in § 1.492(b) and (c).

Accordingly, the changes in this final rule may be adopted without thirty-day

advance publication under 5 U.S.C. 553(d) or 35 U.S.C. 41(g).

Regulatory Flexibility Act: The Deputy General Counsel for General Law of the United States Patent and Trademark Office certifies to the Chief Counsel for Advocacy of the Small Business Administration that this final rule, Revision of Search and Examination Fees for Patent Cooperation Treaty Applications Entering the National Stage in the United States (RIN 0651-AB84), will not have a significant economic impact on a substantial number of small entities. See 5 U.S.C. 605(b). Pursuant to its authority under 35 U.S.C. 376(b), the Office is reducing the patent fees set forth in § 1.492 to less than the amount specified in 35 U.S.C. 41. The changes in this final rule will not impose any additional fees or requirements on any patent applicant. Rather, the changes in this final rule would eliminate search and examination fees for patent applicants (for both small and non-small entities) in specific situations where the Office performed the search and/or examination at the international stage of the PCT application.

Executive Order 13132: This rule making does not contain policies with federalism implications sufficient to warrant preparation of a Federalism Assessment under Executive Order 13132 (Aug. 4, 1999).

Executive Order 12866: This rule making has been determined to be not significant for purposes of Executive Order 12866 (Sept. 30, 1993).

Paperwork Reduction Act: This final rule involves information collection requirements that are subject to review by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 et seq.). The collection of information involved in this final rule has been reviewed and previously approved by OMB under the following control number: 0651-0021. The Office is not resubmitting an information collection package to OMB for its review and approval because the changes in this final rule do not affect the information collection requirements associated with the information collection under this OMB control number.

Interested persons are requested to send comments regarding this information collection, including suggestions for reducing this burden, to Robert J. Spar, Director, Office of Patent Legal Administration, United States Patent and Trademark Office, P.O. Box 1450, Alexandria, VA, 22313-1450, or to the Office of Information and Regulatory Affairs of OMB, New Executive Office Building, 725 17th

Street, NW., Room 10235, Washington, DC 20503, Attention: Desk Officer for the United States Patent and Trademark Office.

Notwithstanding any other provision of law, no person is required to respond to nor shall a person be subject to a penalty for failure to comply with a collection of information subject to the requirements of the Paperwork Reduction Act unless that collection of information displays a currently valid OMB control number.

List of Subjects

37 CFR Part 1

Administrative practice and procedure, Courts, Freedom of Information, Inventions and patents, Reporting and record keeping requirements, Small Businesses.

■ For the reasons set forth in the preamble, the interim rule amending 37 CFR Part 1 which was published at 70 FR 5053-5056 on February 1, 2005, is adopted as final with the following changes:

PART 1—RULES OF PRACTICE IN PATENT CASES

■ 1. The authority citation for 37 CFR Part 1 continues to read as follows:

Authority: 35 U.S.C. 2(b)(2).

■ 2. Section 1.492 is amended by revising paragraphs (b) and (c) to read as follows:

§ 1.492 National stage fees.

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(b) Search fee for an international application entering the national stage under 35 U.S.C. 371 if the basic national fee was not paid before December 8, 2004:

(1) If an international preliminary examination report on the international application prepared by the United States International Preliminary Examining Authority or a written opinion on the international application prepared by the United States International Searching Authority states that the criteria of novelty, inventive step (non-obviousness), and industrial applicability, as defined in PCT Article 33(1) to (4) have been satisfied for all of the claims presented in the application entering the national stage:

By a small entity (§ 1.27(a))	\$0.00
By other than a small entity	\$0.00

(2) If the search fee as set forth in § 1.445(a)(2) has been paid on the international application to the United States Patent and Trademark Office as an International Searching Authority:

By a small entity (§ 1.27(a))	\$50.00
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By other than a small entity	\$100.00
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(3) If an international search report on the international application has been prepared by an International Searching Authority other than the United States International Searching Authority and is provided, or has been previously communicated by the International Bureau, to the Office:

By a small entity (§ 1.27(a))	\$200.00
By other than a small entity	\$400.00

(4) In all situations not provided for in paragraphs (b)(1), (b)(2), or (b)(3) of this section:

By a small entity (§ 1.27(a))	\$250.00
By other than a small entity	\$500.00

(c) The examination fee for an international application entering the national stage under 35 U.S.C. 371 if the basic national fee was not paid before December 8, 2004:

(1) If an international preliminary examination report on the international application prepared by the United States International Preliminary Examining Authority or a written opinion on the international application prepared by the United States International Searching Authority states that the criteria of novelty, inventive step (non-obviousness), and industrial applicability, as defined in PCT Article 33(1) to (4) have been satisfied for all of the claims presented in the application entering the national stage:

By a small entity (§ 1.27(a))	\$0.00
By other than a small entity	\$0.00

(2) In all situations not provided for in paragraph (c)(1) of this section:

By a small entity (§ 1.27(a))	\$100.00
By other than a small entity	\$200.00

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■ 3. Section 1.496 is amended by revising paragraph (b) to read as follows:

§ 1.496 Examination of international applications in the national stage.

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(b) National stage applications having paid therein the search fee as set forth in § 1.492(b)(1) and the examination fee as set forth in § 1.492(c)(1) may be amended subsequent to the date of entry into the national stage only to the extent necessary to eliminate objections as to form or to cancel rejected claims. Such national stage applications will be advanced out of turn for examination.

Date: June 10, 2005.

Jon W. Dudas,

Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office.

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